M.P. Birla GROUP

Annual Report & Accounts 2008-09

VINDHYA TELELINKS LTD.

Syt. Madhav Prasadji Birla
(1918-1990)

Smt. Priyamvadaji Birla
(1928-2004)

Syt. Rajendra Singhji Lodha
(1942-2008)

Our source of Inspiration

VINDHYA TELELINKS LIMITED

ANNUAL REPORT 2008-09

BOARD OF DIRECTORS
SHRI HARSH V. LODHA
SHRI J. VEERARAGHAVAN
SHRI S.K. MISRA
SHRI R.C.TAPURIAH
SHRI D.R. BANSAL
SHRI PRACHETA MAJUMDAR
SHRI Y.S. LODHA — *Wholetime Director*

AUDIT COMMITTEE
SHRI R.C. TAPURIAH — *Chairman*
SHRI J. VEERARAGHAVAN
SHRI S.K. MISRA
SHRI PRACHETA MAJUMDAR

PRESIDENT (COMMERCIAL) & SECRETARY
SHRI R. RADHAKRISHNAN

AUDITORS
S.R. BATLIBOI & CO.
Chartered Accountants

SOLICITORS
INTERNATIONAL TRADE LAW CONSULTANTS

BANKERS
STATE BANK OF INDIA
STATE BANK OF PATIALA

REGISTERED OFFICE & WORKS
UDYOG VIHAR
P.O. CHORHATA
REWA - 486 006 (M.P.)

EPC DIVISION
605 & 608 DDA BUILDING NO. 2
DISTRICT CENTRE
JANAKPURI
NEW DELHI - 110 058

ISO 9001:2000 DNV REGISTERED FIRM
ISO 14001 DNV REGISTERED FIRM

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Udyog Vihar, P.O. Chorhata, Rewa (M.P.) on Thursday, the August 6, 2009 at 11 a.m. to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2009, Profit and Loss Account for the year ended on that date, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri R.C. Tapuriah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri D.R. Bansal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration and reimbursement of out-of-pocket expenses as the Board may decide, based on the recommendation of the Audit Committee.

Registered Office:
Udyog Vihar,
P.O.Chorhata,
Rewa - 486 006 (M.P.)
May 11, 2009

By order of the Board

R. Radhakrishnan
President (Commercial) & Secretary

NOTES FOR SHAREHOLDERS' ATTENTION:

(a) A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A SHAREHOLDER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.

(b) The Register of Beneficial Owners, Register of Shareholders and Share Transfer Books of the Company shall remain closed from Friday, the July 31, 2009 to Thursday, the August 6, 2009 (both days inclusive).

(c) Shareholders are requested to notify immediately the changes, if any, in their registered addresses alongwith PINCODE Number-

- to their Depository Participants in respect of equity shares held in electronic form (Demat Account); and
- to the Company or its Registrar and Share Transfer Agents viz. Messrs Link Intime India Pvt. Ltd. (Formerly Messrs Intime Spectrum Registry Ltd.) (Unit: Vindhya Telelinks Ltd.) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 in respect of equity shares held in physical form.

(d) Shareholders are requested to note that dividends which remain unclaimed/unencashed for a period of 7 years from the date of transfer to the Unpaid Dividend Account, will be transferred by the Company to Investor Education & Protection Fund (IEPF) pursuant to the provisions of Section(s) 205A and 205C of the Companies Act, 1956. Further, under the provisions of Section 205C of the Companies Act, 1956, no claims by the shareholders shall lie against the IEPF or the Company for the Unclaimed Dividend transferred to IEPF and no payments shall be made in respect of any such claims. Shareholders who have so far not encashed their dividend warrants for the financial year ended March 31, 2002, are therefore requested to seek issuance of demand draft in lieu of Unencashed/Unclaimed Dividend Warrant(s) by writing to the Company or Company's Registrar and Share Transfer Agents viz. Messrs Link Intime India Pvt. Ltd.

(e) Additional information pursuant to Clause 49 of the Listing Agreement(s) with Stock Exchanges, on Directors recommended for re-appointment at the forthcoming Annual General Meeting, are given in the Annexure to the Notice.

(f) Shareholders/Proxies are requested to deposit the Attendance Slip duly filled in and signed for attending the meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. Corporate Shareholders intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.

ANNEXURE TO NOTICE

Details of Directors seeking re-appointment in ensuing Annual General Meeting scheduled to be held on August 6, 2009.

Name	Shri R.C.Tapuriah	Shri D.R. Bansal
Date of Birth	15.06.1942	01.08.1939
Date of Appointment	19.08.1985	06.11.1987
Expertise in specific functional areas	Industrialist with wide experience in Business and Industry.	Company executive having rich and varied experience of over 46 years in various facets of cable and other industries including in the field of administration, production and marketing. His strength also includes strong relationship management, international alliances/tie ups and business development. He is actively associated with various cable industry forums in India & abroad and also served at the helm of all renowned power & telecommunication cables industry association(s) in India for several years.
List of outside Directorships held	1. Alfred Herbert (India) Ltd. 2. Adorn Investments Ltd. 3. Bhagwati Pressing Company Ltd. 4. Birla Ericsson Optical Ltd. 5. Calcutta Investment Company Ltd. 6. Maxworth Industrial Services Ltd. 7. Mohta Carbide & Chemicals Ltd. 8. New India Retailing & Investment Ltd. 9. Northern Oxygen Ltd. 10. United Investment Company Ltd.	1. Birla Ericsson Optical Ltd. 2. Hindustan Gum & Chemicals Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Chairman – Audit Committee	Member – Share Transfer-cum-Investor Grievance Committee
Chairman/Member of the Committee of the Board of Directors of other Public Company	Chairman – Audit Committee & Share Transfer & Investor Grievance Committee of New India Retailing & Investment Ltd. Member – Audit Committee & Investor Grievance Committee of Alfred Herbert (India) Ltd.	Member – Share Transfer-Cum-Investor Grievance Committee of Birla Ericsson Optical Ltd.
Shareholding (both own or held by/ for other persons on a beneficial basis), if any, in the paid up equity share capital of the Company.	Nil	Nil
Relationship between Directors of the Company	No	No

NOTE : Number of other Directorships held by the Directors, as mentioned above, do not include alternate directorships and directorships held in foreign companies, Section 25 Companies and Indian private limited companies besides trustee/ membership of managing Committees of various trusts and other bodies, and are based on the latest declarations received from the Directors. The details of Committee Membership/Chairmanship is in accordance with revised Clause 49 of the Listing Agreements and reflects the Membership/Chairmanship of the Audit Committee and Shareholders'/Investors' Grievance Committee alone of all other Public Limited Companies.

Directors' Report
TO THE SHAREHOLDERS

Before presenting the Audited Accounts, the Directors record their profound sorrow and immense grief for the sudden and untimely demise of Shri R.S. Lodha, Chairman of the Board of Directors, who left for his heavenly abode on October 3, 2008. Shri R.S. Lodha was not only a distinguished industrialist but also a charismatic leader, a great philanthropist and a visionary, who dedicated himself towards furthering the growth of the M.P. Birla Group Companies, in addition to personally leading from the front, charitable and philanthropic activities in the fields of health care and education. He was a gold medalist from the renowned Institute of Chartered Accountants of India and highly respected for his professional calibre and acumen by the industry and various professional bodies. He held an endless list of senior positions including those of President of FICCI, Chairman of South Asia Business Forum of the ADB, Trustee of UTI, Trustee of Bharatiya Vidya Bhawan, UK etc. His significant contributions to the nation include creating several industrial ventures, prestigious institutions providing education and health care and research establishments. He lived an exemplary austere life dedicating his thought, body and soul to the well being of the M.P. Birla Group Companies. He leaves behind a closely knit family and a stream of followers, creating a void which is very difficult to be filled. He was a leader with charismatic qualities, a philanthropist of the highest order, a guide and a man of vision. Even to death, such great leaders are never lost. His vision will continue to participate in every act, thought and decision that we make. The imprint to his personality continues to guide our day to day working style and we continue to find comfort and solace in the fact that our lives have been enriched by the opportunity to have shared some of his knowledge and vision. His indomitable courage, firm faith, conviction and dynamic vision will continue to inspire the Company to cross new frontiers of challenge and opportunity in the years ahead.

Your Directors have the pleasure of presenting their Annual Report, together with the Audited Financial Statements of the Company for the year ended March 31, 2009.

ACCOUNTS & FINANCIAL MATTERS

	2008-09 Rs. in lacs	2007-08 Rs. in lacs
Turnover (Gross)	**27756.83**	23989.38
Other Income	**656.35**	837.98
	28413.18	24827.36
The year's working shows a Gross Profit/(Loss) (after Interest) of -	**(401.12)**	718.21
Less: Depreciation/Amortisation	**535.24**	451.28
Profit/(Loss) before Tax	**(936.36)**	266.93
- Income Tax and Fringe Benefit Tax Credit for earlier years	**(17.37)**	—
- Deferred Tax (Credit)	**(0.71)**	(32.42)
- Fringe Benefit Tax	**17.75**	13.00
Net Profit/(Loss)	**(936.03)**	286.35
Credit Balance brought forward	**749.68**	463.33
Adjusted by transfer from General Reserve	**186.35**	—
Surplus carried to Balance Sheet	**—**	749.68

In view of the loss, your Directors regret their inability to recommend any dividend for the year under consideration.

GENERAL & CORPORATE MATTERS

During the year under review, your Company's financial performance has deteriorated due to lower sales in the traditional PIJF Cables, OF Cables, etc. despite a higher sales in Quad Cables, Railway Signaling Cables and an impressive performance of EPC Division in the first full year of operation. The Company's profitability has been adversely impacted due to an unprecedented slow down across the globe volatile and elevated raw material prices, high interest rate and subdued demand conditions. Despite telecom being one of the few sectors which are relatively insulated from global recession compared to other industries, the unprecedented and most synchronized global economic crisis ever had its cascading impact as financial necessity caused fixed line operators to take a more flexible stance by way of increased sharing of networks. The gross turnover of Rs.27756.83 Lacs for the year under review as compared to Rs.23989.38 Lacs of the last year registered an increase of 15.70%, despite this, the Company suffered a gross loss (after interest) of Rs.401.12 Lacs as compared to a gross profit of Rs.718.21 Lacs during the previous year. The Company's performance has been adversely affected due to contraction in demand and erosion in prices besides sudden sharp decline and extreme volatility in the prices of key inputs mainly Copper, Aluminium, HDPE/LDPE which have moved in a haphazard manner compared to the realization. The steep fall in input prices has resulted into losses in the third quarter of the current year and inventories have had to be written off. The price of copper dropped by more than 65% within a short span of six months and did not match with the price realization from customers like BSNL. This loss coupled with steep depreciation of Indian Rupee and higher employee cost, etc. have caused a significant dent in the profitability levels.

The results of the last quarter which has earned a gross profit,(after interest and before depreciation) of Rs.658.38 lacs is a testimony of the immediate revival mainly due to a very impressive performance of EPC Division earning a sizeable portion of the gross profit with potential to grow in an accelerated manner and has raised the expectations of a smart turn around which may happen during the subsequent quarters of the financial year 2009-10.

Your Directors are pleased to inform that the JFTC produced by your Company has been well accepted in the European and Middle East regions as evidenced by the fact the Company is holding reasonable export orders at the end of financial year.

During the year under review, your Company, by taking advantage on its status as Part I vendor supplied Quad cables to Railways and enjoys a reasonable portion of Quad Cable business from Railways. Also your Company has successfully executed an order worth more than Rs.500 lacs towards the supply of Composite Cable to Railways. The other new products like Aerial Bunched Cable, Railway Signalling Cable, Composite Cable, Data Cable, etc. added substantial volume to the Company's turnover during the year under review.

In the Optical Fibre Cable business, your Company supplied cables to renowned customers including Bharti Airtel, Bharat Sanchar Nigam Ltd., Reliance, Tata, Idea Cellular, etc. Inspite of a lower off take, your Company has continued to remain as one of the preferred vendor of Bharti Airtel. To match the local market needs and also as the telecom service operators like BSNL, MTNL, etc. are laying more emphasis on GPON, your Company has already tied-up with a leading overseas vendor for supply of critical hardware and related products for Fibre To The Home(FTTH). Your Company has also engaged in some FTTH turnkey projects with a leading multinational for the installation of FTTH passive network and will also be participating in the tenders in pipeline for FTTH passive network.

Plagued with lower demand and large idle capacities, JFTC producers are not enjoying any major advantage on pricing flexibility and almost all players, irrespective of size are just breaking even and are only able to recover their variable costs and a part of their fixed costs. This situation will prevail and to circumvent this, your Company has put in lot of efforts towards diversification including Turnkey Services and the results of the same are already visible in this financial year.

The performance of Company's new business vertical viz. EPC (Engineering, Procurement & Construction) which became operational in the last quarter of previous financial year is note worthy. The EPC division has clocked a turnover of Rs.4080.51 lacs with a reasonable profit before depreciation is poised to register an accelerated growth in the financial year 2009-10. Inspite of the economic slowdown showing its face across the globe and the various projects being deferred or shelved, your Company has already positioned to leverage on the combination of Group Companies' technologies with the new EPC Division having expertise in the related areas, will be targeting specific project segments having high growth potential and the division is expected to generate a reasonable revenue and profitability in the immediate future. It is heartening to note that your Company has been awarded the first overseas project by a globally renowned telecom operator in connection with laying of Optical Fibre Cables for a distance of upto 189 Kms.

Apart from the above the Company has adopted/has been adopting to insulate itself in the fast changing and dynamic business scenario in conducting the business with long term mission and business acumen.

Your Directors are happy to report that the ISO 9001: 2000 Quality Management System Certificate granted to the Company by the Det Norske Veritas has been renewed for a further period of three years which indicates the Company's commitment in meeting global quality standards.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, the Management Discussion and Analysis, Report on Corporate Governance and a certificate by the Wholetime Director (CEO) confirming compliance by all the Board members and Senior Management Personnel with Company's Code of Conduct and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief and according to the information and explanation obtained by them, state that;

- in the preparation of the Annual Accounts for the year ended March 31, 2009, the applicable accounting standards have been followed;
- the Company has selected such accounting policies, applied them consistently, made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2008-09 and of the loss for the year ended March 31, 2009;
- proper and sufficient care have been taken 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; and
- the attached Annual Statement of Accounts for the year ended March 31, 2009 have been prepared on a 'going concern' basis.

JOINT VENTURE

In view of depressed market conditions, Birla Ericsson Optical Ltd., a venture promoted by your Company in association with Universal Cables Ltd. and Ericsson Cables AB, Sweden has unfortunately shown a downturn during the year under review.

INDUSTRIAL RELATIONS

Industrial relations remained cordial through out the year. The Board wishes to place on record its sincere appreciation for the dedicated efforts put in by all employees, their commitment and contribution in most difficult and challenging environment during the year.

The Company continues to accord a very high priority to both industrial safety and environmental protection and these are on going process at the Company's plant and facilities. As a recognition of these objectives, the ISO 14001:2004 Environmental Management Systems Certification accorded to the Company by the Det Norske Veritas has been renewed for its entire range of activities.

AWARD/RECOGNITION

During the year under review, your Company has won "Vishwakarma Rashtriya Puraskar(VRP) and National Safety Awards(NSA)" - Performance Year 2006 from Govt. of India, Ministry of Labour & Employment for its outstanding performance in industrial safety.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri R.C. Tapuriah and Shri D.R. Bansal, the directors, are due to retire by rotation at the ensuing Annual General Meeting and, being eligible have offered themselves for re-appointment. Details about Directors seeking re-appointment are given in the Notice of the ensuing Annual General Meting being sent to the shareholders along with Annual Report.

AUDITORS

Messrs S.R. Batliboi & Co., Chartered Accountants, retire as Auditors of the Company and, being eligible, offer themselves for re-appointment.

Messrs D. Sabyasachi & Co., Cost Accountants, have been appointed as Cost Auditors for Cost Audit in respect of Cables.

AUDITORS' REPORT

The remark of Auditors at Para 4.vi of the Auditors' Report read with Note No.6 in Schedule 22 - Notes to the Accounts are self explanatory and therefore, do not call for any further comments or explanations.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard (AS)-21 "Consolidated Financial Statements" read with Accounting Standard (AS)-27 "Financial Reporting of Interests in Joint Venture", the Consolidated Financial Statements form part of the Annual Report. These Group Accounts have been prepared on the basis of audited financial statements received from Subsidiaries and a Joint Venture Company.

SUBSIDIARY COMPANIES

In terms of approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, the documents relating to Subsidiary Companies as provided in Section 212(1) of the Companies Act, 1956 have not been attached with the Balance Sheet of the Company. The Company will make these documents available upon request by any member of the Company interested in obtaining the same. These documents will also be kept at the Registered Office of the Company and of the respective Subsidiary Companies for inspection by any member of the Company.

PARTICULARS OF EMPLOYEES

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given, as none of the employees qualifies for such disclosure.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the concerned particulars relating to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure, which is attached hereto and forms part of the Directors' Report.

ACKNOWLEDGEMENT

The Board desires to place on record its grateful appreciation for the excellent assistance and co-operation received from the State Government and continued support extended to the Company by the bankers, investors, suppliers and esteemed customers and other business associates.

Yours faithfully,

Harsh V. Lodha J. Veeraraghavan S.K. Misra R.C. Tapuriah D.R. Bansal	Directors
Y.S. Lodha	Wholetime Director

New Delhi, May 11, 2009

ANNEXURE

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREIN AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2009.

(A) CONSERVATION OF ENERGY

The Company adopted following measures on energy conservation:

- Energy saving by continuously maintaining unity Power Factor.
- Replacement of 250W Mercury Vapour Lamps used earlier with 90W energy saving CFL Lamps for plant lighting.
- Putting off one Transformer by load optimization.
- Installed small Air Compressors very near to Machines requiring High Air Pressure, thereby reducing the load on main Compressors.
- Replaced ordinary pumps with energy efficient pumps used in cooling towers.

(B) TECHNOLOGY ABSORPTION

I. Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company	(a) Development of 11 Quad PCM Cable. (b) Development of 5/10/20 Pair double sheathed Corrugated armoured cable. (c) Development of Simplex, Duplex, Fan-out Optical Fiber Cables and Fiber to Antennae. (d) Re-engineering of processes and process equipment for optimum product quality and cost effectiveness.
2. Benefits derived as a result of the above R&D	(a) Opportunity to compete in Domestic & International Market. (b) Technology upgradation. (c) Enhanced product range.
3. Future plan of action	Continuity of new product development based on evolving industry need, upgradation of process equipment, quality improvement of existing product offering.
4. Expenditure on R&D	R&D expenditure have not been accounted for separately.

II. Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	The technology being used for manufacture of Copper Cables and Optical Fibre Cables is fully absorbed. Innovation in process control, product development, cost reduction and quality improvement are being made on continuous basis looking to the market requirements.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	New product development, cost reduction and productivity improvement.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo are contained in Schedule 22 [15.2, 15.3 & 15.4] respectively annexed to and forming part of the Accounts.

Harsh V. Lodha J. Veeraraghavan S.K. Misra R.C. Tapuriah D.R. Bansal	Directors
Y.S. Lodha	Wholetime Director

New Delhi, May 11, 2009

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS

The company is presently engaged in the business of manufacturing and sale of telecom cables comprising of Jelly Filled Telephone cables(JFTC), Optical Fibre Cables(OFC) including Fibre Ribbon and has added a new turnkey Division (Engineering, Procurement & Construction) in the last quarter of the previous financial year 2007-08. In the financial year under review the Company has started manufacturing LT Aerial Bunch Cable.

The JFTC industry has been under margin pressures in the last few years due to excess capacity, lower demand, intense cut throat competition and volatile raw-materials prices mainly on account of copper. In the industry, the trisection of volatile copper prices, weakening rupee and the high cost of production has taken its toll. In addition to the industry dependant on the two state owned players, BSNL and MTNL for the bulk of demand, has to cut short its capacity utilization to miniscule levels, due to the aggressive rollout of wireless network and lower demand for fixed line services. Also the recessionary trends are impacting global markets resulting in lesser growth than the original projections for the past one year and this situation has aggravated the telecom cable segment which was already crippling with lower demand and idle capacity and forcing most segment players to diversify into allied businesses like manufacture of power cable and telecom equipments, etc.

The demand for OFC has been growing at phenomenal pace in the last few years but the 12% growth of 2008 worldwide cable demand seems weak after the growth of 30% in previous two years. In the Indian subcontinent the shipment of Fibre Kilometer has increased by 46% for the year 2008 compared to the previous year and the demand has gone upto 33% compared to the previous year. This growth in demand will continue and will be driven by last mile Access Networks and anticipated higher off-take by BSNL for high Fibre Ribbon type OFC, which is expected to grow upto 576 Fibre Count.

Across the world, growth rates of fibre cable demand varied significantly among regions and individual market. This variance in growth rates was due more to key FTTx projects than the recession. FTTx projects will remain the most critical market factor, and recent months have had announcements of new projects being funded or launched. Some of the large government economic stimulus plans announced include broadband infrastructure, which will contribute to demand for fibre cable and related products.

Inspite of a worldwide recession and a slow down which has also had an impact in the Indian economy, the growth of the GDP has been set at around 6% for the year 2009-10 and this growth can be achieved only by removing the infrastructure constraints and with the government's positive policy to fill in the rising gap between demand and supply of infrastructure and the deteriorating quality of infrastructure assets. As the Government's focus sustained budgetary allocations, and increased funding by international finance institutions, etc. are resulting in several infrastructure projects in India, the Company has started capitalizing on the attractive growth opportunities in Power and Telecommunication sectors by concentrating on EPC contracting and turnkey solutions on the specific target segments having high growth potential during the year under review.

PRODUCT-WISE PERFORMANCE

Jelly Filled Telephone Cables (JFTC)

For the financial year 2008-09, BSNL placed repeat orders for approx. 34 LCKM against their tender finalized in the year 2007-08 and your Company bagged orders for approx. 5.6 LCKM (16%) and supplied the stipulated quantity of materials within the desired delivery schedule. During the year under review your Company inspite of a lower off take from Bharti Airtel, has continued to remain as one of the most preferred vendors of Bharti Airtel. Apart from the above your Company has maintained its share in the JFTC business by supplying to other telecom operators and continued to concentrate on the untapped export market.

In the year 2008-09 your Company concentrated on new products like Aerial Bunch Cable, Signaling Cable, Composite Cable, Specialty Copper Cable, Electroplated Tinned Copper, FRP Rod, etc. and plans to derisk the business model by adding new products range with a product mix improvement and by broadening geographical exposure and customer profile. Your Company is in the forefront and developed a specialty Composite Cable containing 6 Quad Copper and 8 Fibre Optical Cable which can be scaled upto 24 Fibres and has successfully executed a sizeable order for supplies to Western Railway.

Optical Fibre Cables (OFC)

Copper cables are being replaced with Optical Fibre Cables and it is very much evident from the changes in the policy of BSNL. The government, in collaboration with the private players, is making consistent efforts to step up broadband penetration in the country. To achieve free broadband connectivity at 2 Mbps, the telecom department intends to lay an optic fibre cable network across the county and direct ISPs to connect to the National Internet Exchange of India. Even as the performance of the mobile sector continues to surpass expectations, progress in the internet and broadband segment leaves much to be desired. Despite being a key focus area for the government since 2007, this segment has a long way to go to achieve the government's target of 20 million broadband users by 2010. While the number of users accessing the internet via the mobile witnessed a quantum jump from December, 2007 to September, 2008, with a growth rate of 52.6% (crossing the 88 million mark in September, 2008), the broadband user base at 5.05 million continued to be among the lowest in the world. This segment, however, grew at over 68% during the period December, 2007 to December, 2008. Although wireless technology will soon provide high speed data, there is still a great need for “fixed” data and video services for rural India. This is where fibre plays a vital role for large scale backbone deployments. Optical backhaul networks can support robust access connectivity and track rising bandwidth demands. This is very true in India where there are clusters of DSL deployments which need to be connected by fibre backhaul. Hence the next level demand for bandwidth for data and video can be met by fibre only.

The government’s initiatives, including subsidies from the Universal Service Obligation (USO) Fund and promotion of infrastructure sharing among operators, have played a key role in increasing rural teledensity. Rural telephony also continued to be a priority for the government in 2008. The government also decided to reduce USO levy from 5% to 3% of the adjusted gross revenue, for operators who covered more than 95% of the rural areas.

Despite the increase in demand of OFC, there will not be any significant improvement in the domestic OFC prices and the bargaining power of buyers and the existence of overcapacity will constrain the ability of domestic players to resort to any considerable price hikes in the near future.

EPC Contracting/Turnkey Services

Notwithstanding increasing competition the EPC Division is positioning itself to deliver a resilient earning profile supported by a well balanced business model and well experienced human resource quality. Telecom Cables today has become a mature business in India. The Company has therefore recalibrated its business strategy in the telecom space and is now focusing on EPC/Turnkey business on specific niche areas. The strategy in the coming years is to continue to expand the project offerings inorder to provide a compelling value proposition to clients mainly in power and telecom infrastructure sector and use the available resources to create a wide footprint and a more diversified revenue stream over the years. The Company’s strategic decision to participate in turnkey projects has started paying rich dividends in the current year which is evident from the performance of EPC division in the initial year of operation.

The EPC division is expected on high growth trajectory in ensuing financial year with the projects from telecom and power and will be the future beacon of the Company’s performance. The Division’s strength and differentiation can be summarized as innovation, service capability & supply chain management with fast and talented leadership in application.

As the number of projects in EPC division grows, the attention shifts more on to execution feature. This is resolved by deploying the well experienced employees within the organization at the right time and also to ensure monitoring/reporting more web enabled software programmes are planned.

OVERALL REVIEW

In the year 2008-09 your Company has withstood the vagaries of global slowdown, haphazard price movement of raw materials and managed to close the year with a reasonable profit in the last quarter (inspite of a big loss in the first nine months of the year). The new products which were developed during the year under review will go a long way in attracting niche market and will generate a sizeable turnover. Your Company is confident that the diversification into the newer area of undertaking EPC/Turnkey contract(s) will strengthen the operations of the Company in value chain for value addition and this is possible with a strong dedicated team already inducted in the Company having expertise in the related areas.

FINANCIAL REVIEW

- The gross turnover increased by approx. 15.70% to Rs.27756.83 lacs in 2008-09 as compared to Rs.23989.38 lacs in the previous year mainly due to significantly higher sale of EPC Division amounting to Rs.40.80 Crores.
- The aggregate other income decreased to Rs.656.35 lacs as against Rs.837.98 lacs in the previous year mainly due to lower interest income on Bank deposits.
- The Company suffered gross loss before depreciation of Rs.401.12 lacs as against a gross profit before depreciation of Rs.718.21 lacs mainly due to an unprecedented slow down, extreme volatility in the prices of key inputs, volatile forex fluctuation resulting into losses and higher financial cost.
- The financial expenses at Rs.538.42 lacs (previous year Rs.335.70 lacs) are higher compared to the previous year due to higher requirement of working capital facilities.
- There was no change in the capital structure during the year. However, the decline in Reserves & Surplus of Rs.936.03 lacs is because of the net loss in the current year.
- The additions to the fixed assets of Rs.789.16 lacs during the year mainly consist of capital expenditure incurred for modernization and upgradation, installation of balancing equipments and new testing facilities and certain additions to the furniture, building, office equipment/vehicles.
- The inventory value decreased to Rs.3006.19 lacs as on March 31, 2009 from Rs.4519.62 lacs as at the end of the previous year due to decrease in raw material inventory and lower work-in-progress, finished goods and scrap.

- The Debtors level at Rs.6876.06 lacs as at March 31, 2009 as compared to Rs.3280.96 lacs as at March 31, 2008 has increased substantially in view of comparatively higher sales in the last quarter.
- For detailed information on the financial performance with respect to operational performance, a reference may please be made to the financial statements.

OPPORTUNITIES, THREATS & BUSINESS OUTLOOK

Even as the economic downturn bore down on major businesses across the world from mid-year onwards, the growth of Indian telecom industry has been phenomenal and it added a record 8-10 million subscribers a month in 2008. Riding on the back of strong growth in the mobile segment, the telecom subscriber base topped 375 million, making the country the second largest telecom market in the world after China.

The promise and potential of the industry, thus, remained intact. But that is not to say that the sector was totally immune to the global slowdown. In the latter half of 2008, operators found it difficult to tap external sources to fund their aggressive expansion plans. Amongst the important developments during the year was the government's approval to 3G services, mobile number portability (MNP) and mobile virtual network operators (MVNOs). Broadband is a nascent segment of the telecom industry and with increase in volume and competition in this segment, the network rollout is expected to gain momentum leading to an accelerated growth in OFC business. In addition to this, 3G offers the potential to keep people connected at all times, which means subscribers can avail of voice, data and video facilities simultaneously. As per recent initiatives by the Government, spectrum for 3G will be allocated through auction in near future with stiff network rollout obligations, which will further step up demand for OFC in coming years.

The JFTC is predominantly used in the subscriber access telecom networks and broadband services. The bulk of demand for JFTC in India is attributable to the expansion of the wire line telecom networks by the public & private operators besides regular replacement of old copper cables and deployment of high speed access network to make them broadband enabled. The wide-spread adoption of WLL and continued thrust on mobile telephony in India has hit demand for JFTC in a fundamental way. However, marked acceleration in the take-up of broadband services in India is likely to mean some recovery in demand for copper telecom cables, as provision of broadband connection via DSL over copper pairs requires good quality access lines.

Going forward, it is believed that telecom access to rural India will bring the next level of growth. According to analysts, the industry's upward trajectory will continue for several years to come. These estimates are based on the following arguments. India, with over a billion people, still has a teledensity of 33%; the internet and broadband subscriber base is yet to take off; and services like 3G, IPTV, DTH and mobile TV are just on the horizon. The Universal Service Obligation Fund (USFO) continues to be used to subsidize the developments in the telecom sector in the rural areas and the huge investments planned by telecom operators and increase in the distribution network will improve the demand to some extent for OFC. As the JFTC manufacturers have started diversifying into other businesses, the scenario for OFC appears brighter. However, due to the non-reliable power sector specially in the rural pockets by not meeting the power requirements which is a basic necessity for an efficient access of mobile network may pushdown the wireless line network in those areas for some time.

Telecommunication is a regulated industry and regulatory changes affect both our customers and us. However, as explained above the Government's ambitious targets for telecommunication expansion should see favourable regulatory environment in India.

The customer base in telecommunication cable industry is relatively concentrated. The Company's major customer over the years has been BSNL. The Company has, however, been able to retain and expand customers in Private Sector and is striving hard to expand the product and customer base to meet the growing challenges in the industry.

RISKS AND CONCERNS

In a scenario of global recession and melt down, the major risks for 2009 towards conducting the business for any corporate are listed as credit crunch, regulation and compliance, recession, cost cutting, non traditional entrants, managing talent and controlling the attrition, developing a risk free business model, etc. and the Company is fully aware of all the above risks and has adopted/has been adopting itself with the zigzag changing scenario in conducting the business with long term mission and business acumen.

Technological

(a) The consumption of JFTC per DEL is expected to remain low due to increasing telephone density and large scale deployment of wireless technology as compared to JFTC in access networks in India.

(b) As against opting for Optical Fibre for broadband rollout plans, the BSNL's strategy of endorsing "ADSL modems" as a means to its broadband connectivity may impact demand of OFC in access network and Fiber-To-The-Home applications.

(c) The Competition within the OFC business is becoming fierce due to emerging new technologies and frequent new product introductions in optical fibre arena by certain integrated overseas players that command competitive prices and preference in the market place.

Financial

Financial risks would include, interalia, low capacity utilization, unremunerative prices, delay in finalisation of tender and orders by the two main customers viz. BSNL & MTNL, highly concentrated customers base, shorter delivery schedule and liquidated damages, foreign exchange exposure and related exchange rates variation, commodity price including adverse movements in prices of raw-materials, warranty and security, current or future litigations, working capital management and interest rate, contingent liabilities, etc. In addition the credit risks could increase, if the financial condition of Company's customers decline. The Company regularly identifies and monitors the financial risks as well as potential business threats and develops appropriate risk mitigation plans. The Company's crisis management capability is also reasonably honed to protect its reputation with its stakeholders.

INTERNAL CONTROL SYSTEMS

The Company's system of financial, operational and compliance control and risk management is embedded in the business process by which the Company pursues its objectives. The established system also provides a reasonable assurance on the efficiencies of operations, safety of assets besides orderly and legitimate conduct of Company's business in the circumstances which may reasonably be foreseen. The Company has a defined organization structure, authority levels delegated powers, internal procedures, rules and guidelines for conducting business transactions.

The Company's initiative to leverage information technology for business values have yielded good results with the new Enterprise Resource Planning (ERP) SAP-R3 becoming operational to the extent planned by the management during the year under review and the necessary MIS reports are in the stages of complete implementation. The installation of the ERP software system will enhance Company's MIS system to greater heights, with future plans to have advance real time MIS systems for top management to effectively plan for countering the relevant risks and comply with the necessary provisions of corporate governance.

The Company has engaged a firm of Chartered Accountants for internal auditing, who besides conducting periodic audits, independently reviews and strengthens the control measures. The Internal Auditors regularly brief the Management and the Audit Committee on their findings and also on the steps to be taken with regard to deviations, if any.

ENVIRONMENT & SAFETY

The Company successfully continued with the implementation of industrial safety, quality and environmental protection measures and these are on going processes at the Company's plant and facilities. As a recognition of these objectives, the entire range of activities of the Company continue to remain certified to the requirement of international standard ISO 14001:2004 by the Det Norske Veritas.

INDUSTRIAL RELATIONS, HUMAN RESOURCE DEVELOPMENT AND SOCIAL RESPONSIBILITIES

The Company sees its relationship with its employees as critical to the future and its employee relations agenda focuses on ensuring that employees feel valued, on managing change constructively, and on creating an environment and culture within which every employee can maximize his contribution.

The Company is committed in providing the necessary development and training opportunities to equip our people with skills they will need in the future. Our approach integrates development and training with business objectives, job performance and personal development needs.

The Company is committed to maintain good industrial relations through active participation of workers, regular meetings and discussions on all legitimate and legally tenable issues. The Company employed 351 number of permanent employees on its Roll as on March 31, 2009.

The Industrial Training Institute established by the Company with the help of M.P.Birla Foundation Educational Society for providing vocational training to students from surrounding villages continues to get encouraging response and students passing out from this Institute are either self employed or have been successfully employed in various industries nation wide.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report may contain certain statements that might be considered "forward looking statements". These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed or implied in the Statement as important factors could influence the Company's operations such as demand supply conditions, Government policies, local, political and economic development, industrial relations, risks inherent to the Company's growth and such other factors. The Company does not undertake any obligation to publicly update, inform or revise such statements, whether as a result of developments, events or actual materialization. Market data and product analysis contained in this report has been taken from internal company reports, industry & research publications, but their accuracy and completeness are not guaranteed and their reliability can not be assured.

Report On Corporate Governance

The detailed Corporate Governance Report pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is set out below:

1. CORPORATE GOVERNANCE PHILOSOPHY

Good Corporate Governance is an integral part of the Company's Management and Business Philosophy.

The importance of Corporate Governance lies in its contribution both to business prosperity and to accountability. Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability and business prosperity with the ultimate objective of realising long term shareholder value, whilst taking into account the interest of all other stakeholders for wealth creation.

The Company will continue its efforts towards raising its standard in Corporate Governance and will also review its systems and procedures constantly in order to keep pace with the changing economic environment.

2. BOARD OF DIRECTORS

The present strength of the Board of Directors is Seven (7). The number of Independent Directors on the Board is Four (4), which is more than 1/3rd of the total number of Directors and the number of Non-Executive Directors is Six (6), which is more than 50% of the total number of Directors, as laid down under Clause 49.

None of the Directors is a member in more than 10 committees or acts as chairman of more than 5 committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding Committee memberships/ chairmanships have been made by the Directors.

During the financial year ended March 31, 2009, four Board Meetings were held on May 7, 2008, July 28, 2008, October 31, 2008 and January 29, 2009. The maximum time gap between any two meetings was not more than four months.

The following table gives the composition and category of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships/ Chairmanships held by them in other companies:-

Name of the Director	Category	Attendance Particulars		No. of other Directorships and Committee Memberships/Chairmanships		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Shri R.S. Lodha (Chairman)(till 03.10.2008)	Non-Executive	2	-	-	-	-
Shri Harsh V. Lodha	Non-Executive	4	No	8	2	3
Shri J. Veeraraghavan	Independent Non-Executive	4	No	None	None	None
Shri S.K. Misra	Independent Non-Executive	3	No	None	None	None
Shri R.C. Tapuriah	Independent Non-Executive	4	No	10	2	2
Shri D.R. Bansal	Non-Executive	4	No	2	1	None
Shri Pracheta Majumdar	Independent Non-Executive	4	Yes	1	None	1
Shri Y.S. Lodha (Wholetime Director)	Executive	4	No	1	None	None

Notes:

(i) Number of other Directorships held by the Directors, as mentioned above, do not include alternate directorships, and directorships held in foreign companies, Section 25 Companies and Indian private limited companies besides trustee/ membership of managing Committees of various trusts and other bodies and are based on the latest declarations received from the Directors. The details of Committee Membership/Chairmanship is in accordance with revised Clause 49 of the Listing Agreements and reflects the Membership/Chairmanship of the Audit Committee and Shareholders'/Investors' Grievance Committee alone of all other Public Limited Companies.

(ii) No disclosure regarding number of other Directorship and Committee Membership/Chairmanship is given in respect of Shri R.S. Lodha who was Non-Executive Chairman till his sad demise on October 3, 2008.

(iii) None of the Non-Executive Directors hold any Equity Shares of the Company as per the declarations received from them.
(iv) None of the Directors on the Board of our Company enjoys any relationship with other Directors of the Company.

All material information are circulated to the Directors before the meeting or placed at the meeting including minimum information as required under Annexure-IA of Clause 49 of the Listing Agreement(s). The Board has complete and unrestricted access to any information required by them to understand the transactions and take decisions. This enables the Board to discharge its responsibilities effectively and take informed decisions. The compliance report of all laws applicable to the Company as prepared and compiled by the Compliance Officer is circulated to all the Directors alongwith the Agenda and placed/reviewed in each Board Meeting.

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company and the same has been posted on the website of the Company. For the year under review, all Directors and Senior Management Personnel of the Company have confirmed their adherence to the provisions of the said Code.

A brief resume and the profile of Directors retiring by rotation eligible for re-appointment at the ensuing Annual General Meeting (AGM) of the Company are given in the Notice of AGM, annexed to this Annual Report.

3. AUDIT COMMITTEE

The Audit Committee constituted by the Board of Directors consists of Four Independent Non-Executive Directors as specified below:

(a) Shri Pracheta Majumdar : Chairman (Independent Non-Executive Director)
(b) Shri J. Veeraraghavan : Member (Independent Non-Executive Director)
(c) Shri S.K. Misra : Member (Independent Non-Executive Director)
(d) Shri R.C. Tapuriah : Member (Independent Non-Executive Director)

Note:
(i) Shri R.C.Tapuriah has been appointed as Member of the Audit Committee in place of Shri D.R. Bansal with effect from January 29, 2009.
(ii) Shri R.C.Tapuriah has been elected as the Chairman by the Members of the Audit Committee with effect from May 11, 2009 in place of Shri Pracheta Majumdar.

All the members of the Audit Committee are financially literate and having insight to interpret and understand financial statements.

The Secretary of the Company as appointed within the meaning of Section 383A of the Companies Act, 1956 acts as the Secretary to the Audit Committee.

The Terms of Reference stipulated by the Board to the Audit Committee are as contained in Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956 and broadly are as follows:
(i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
(ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees and also approval of payment for any other services rendered by the statutory auditors.
(iii) Reviewing, with the management, the annual and quarterly financial statements before submission to the board for approval.
(iv) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
(v) Reviewing the adequacy of internal audit function and discussion with internal auditors any significant findings and follow up thereon.
(vi) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
(vii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
(viii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
(ix) To review mandatorily the following informations -
- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- The financial statements, in particular, the investments made by the unlisted Subsidiary Companies.

Details of meetings held during the year and attendance thereof are given below:

Name of the Members	Meetings held and attendance particulars			
	May 7, 08	July 28, 08	October 31, 08	January 29, 09
Shri Pracheta Majumdar	Yes	Yes	Yes	Yes
Shri J. Veeraraghavan	Yes	Yes	Yes	Yes
Shri S.K. Misra	Yes	Yes	No	Yes
Shri D.R. Bansal	Yes	Yes	Yes	Yes

The meeting of the Audit Committee attended by the Secretary of the Committee and the necessary quorum was present at all the above meetings. While the Statutory Auditors and Internal Auditors attended all the meetings, the Cost Auditors of the Company attended one meeting. The Wholetime Director and other invited executives also attended the meetings to answer and clarify the issues raised at the meetings.

4. REMUNERATION COMMITTEE

The Remuneration Committee constituted in pursuance of the provisions of the Listing Agreement and Schedule XIII to the Companies Act, 1956, comprises of all three Independent Non-Executive Directors viz. Shri Pracheta Majumdar as Chairman with Shri J. Veeraraghavan and Shri S.K. Misra, as its members.

The Remuneration Committee formulates and recommends to the Board from time to time a compensation structure for whole-time members of the Board. During the financial year ended on March 31, 2009, Remuneration Committee met only once on May 7, 2008 which was attended by all the members. As per terms of reference, the Remuneration Committee approved the Annual increment of Shri Y.S. Lodha, Wholetime Director in the basic salary together with consequential increase in all other perquisites, allowances and benefits payable with effect from April 1, 2008.

At present, the Company does not have any policy for payment of remuneration to Non-Executive Directors including Non-Executive Independent Directors except by way of sitting fees at the rate of Rs.5000/- for each Meeting of the Board, Audit and Remuneration Committee and/or Rs.2000/- for each Meeting of the Share Transfer-Cum-Investors' Grievance Committee thereof attended by any such Director. The details of remuneration paid to Directors/Wholetime Director for the financial year ended March 31, 2009, are set out below:

(a) Non-Executive Directors:

Name of the Director	Sitting Fees (Rs. in lacs)
Shri R.S. Lodha	0.10
Shri Harsh V. Lodha	0.20
Shri J. Veeraraghavan	0.49
Shri S.K. Misra	0.35
Shri R.C. Tapuriah	0.20
Shri D.R. Bansal	0.44
Shri Pracheta Majumdar	0.49

(b) Wholetime Director: (Rs. in lacs)

Name	Salary	Perquisites, etc.	Sitting Fees	Total
Shri Y.S. Lodha	9.00	3.81	0.20	13.01

Notes: (1) Sitting fees includes fees paid for attending Committee Meetings.

(2) The above remuneration excludes contribution/provision for gratuity and provisions for pension/leave encashment.

(3) The terms of remuneration of the Wholetime Director and other conditions on his appointment with effect from November 4, 2006 have been approved by the Remuneration Committee and confirmed by the shareholders in the Extra Ordinary General Meeting held on December 16, 2006.

(4) All appointments are non-contractual except that of the Wholetime Director which is for three years with effect from November 4, 2006. The re-appointment of the Wholetime Director is conditional upon and subject to termination by three calendar months notice in writing on either side but no severance fees of any other kind is payable.

(5) The Company does not have any scheme for grant of Stock Options to its Directors, Wholetime Director or other employees.

5. SHARE TRANSFER-CUM-INVESTORS' GRIEVANCE COMMITTEE

The Share Transfer-cum-Investors' Grievance Committee constituted by the Board acts in accordance with the terms of reference specified by the Board from time to time which, interalia, include overseeing and reviewing, all matters connected with investor's complaints and redressal mechanism besides approval or authorisations for share transfer/transmission/ refusal of transfer/ consolidation/sub-division/dematerialisation or rematerailisation, issue of duplicate share certificate(s), etc. as per applicable statutory and regulatory provisions.

The composition of the Share Transfer-cum-Investors' Grievance Committee and the details of meetings attended by the members thereof are as follows -

Name of the Members	Category	No. of Meetings attended
Shri J. Veeraraghavan	Independent Non-Executive	02
Shri D.R. Bansal	Non-Executive	02
Shri Pracheta Majumdar	Independent Non-Executive	02

Shri J. Veeraraghavan was elected as Chairman of the Committee. Shri R. Radhakrishnan, President (Commercial) & Secretary of the Company has been designated as the Compliance Officer.

During the financial year ended March 31, 2009, two Meetings of the Committee were held on May 7, 2008 and October 31, 2008.

During the year under review, 25 complaints (excluding those correspondences which are not in the nature of complaints) were received from shareholders and investors, directly or through regulatory authorities. All the complaints have been attended/ resolved to the satisfaction of the complainants during the year except disputed cases and sub-judice matters, which would be resolved on final disposal of the cases by the judicial and other authorities. No request for share transfer was pending for approval as on March 31, 2009.

6. GENERAL BODY MEETINGS

Location and time where General Body Meetings were held in the last three years are given below:

Financial Year	Venue of the Meeting	Type of Meeting	Date	Time
2005-06 2005-06	Registered Office of the Company - Udyog Vihar, P.O.Chorhata, Rewa - 486 006 (M.P.)	AGM EGM	July 12, 2006 December 16, 2006	11 a.m. 11 a.m.
2006-07	Same as above	AGM	July 18, 2007	11 a.m.
2007-08	Same as above	AGM	August 14, 2008	11 a.m.

All the resolutions set out in the respective notices of the above meetings were passed by the members as ordinary resolutions except two Special Resolutions, one concerning commencement of new business pursuant to Section 149(2A) of the Companies Act, 1956 which was passed on show of hands and the other concerning alteration in object clause of Memorandum of Association of the Company by which the approval of the members was sought through postal ballot as required under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for which a separate ballot paper and other communication were circulated to the members. No Special Resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

7. DISCLOSURES

(a) There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with the related parties during the year in the ordinary course of business is disclosed in Note 4 of Schedule 22 to the financial statements in the Annual Report.

(b) The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on the Company by these authorities.

(c) The Company has generally complied with all the mandatory requirements as stipulated under revised Clause 49 of the Listing Agreement with the Stock Exchanges, to the extent these apply and extend to the Company.

(d) None of the subsidiary companies of the Company is a material non-listed Indian subsidiary as defined in Clause 49. The Audit Committee of the Company periodically reviews the financial statements, in particular, the investments made by the unlisted subsidiary companies. The Minutes of the Board Meetings of all the unlisted subsidiary Companies are placed at the Board Meeting of the Company.

(e) While preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Schedule 22 forming part of the financial statements.

(f) The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures covering the entire gamut of business operations of the Company. These procedures are periodically reviewed to ensure that executive management controls risks by means of a properly defined framework.

(g) The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

(h) The CEO (Wholetime Director) and the CFO [President (Commercial) & Secretary] have furnished a duly signed Certificate to the Board for the year ended March 31, 2009 in accordance with the provisions of revised Clause 49.V of the Listing Agreement and the same has been placed in the Board Meeting held on May 11, 2009.

(i) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, Shri R. Radhakrishnan, President (Commercial) & Secretary has been designated as the Compliance Officer of the Company under the Company's Code of Conduct for Prevention of Insider Trading. He is responsible for adherence to the Code by the Company and its designated employees. The Company also adheres to the disclosure practices for Prevention of Insider Trading as specified in the aforesaid SEBI Regulations.

(j) The Company has presently not adopted the non-mandatory requirements in regard to maintenance of Non-Executive Chairman's office, tenure of independent directors, sending half-yearly declaration of financial performance to each household of shareholders, unqualified financial statements, training of Board Members, mechanism for evaluating non-executive Board Members and establishment of whistle blower policy, etc. The Company has, however, constituted a Remuneration Committee, which has been dealt elaborately in point No.4 of this Report.

8. MEANS OF COMMUNICATION

(a) Quarterly Results:

Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges as per requirements of the Listing Agreements.

(b) Newspapers wherein results are normally published:

English Newspaper – Financial Express (All editions)

Vernacular Newspaper – Dainik Jagran (Rewa edition)

(c) Any website, where displayed:

www.vtlrewa.com

In addition, as required by SEBI and the listing agreement, the company has been regularly filing the required financial and other information on the Electronic Data Information Filing and Retrieval (EDIFAR) system at website www.sebiedifar.nic.in maintained by SEBI/National Informatics Centre.

(d) Whether it also displays official news releases: No

(e) The presentations made to institutional investors or to the analysts: Nil

9. GENERAL SHAREHOLDER INFORMATION

9.1 Annual General Meeting:

- Date and Time : August 6, 2009 at 11 A.M.
- Venue : Registered Office of the Company at Udyog Vihar, P.O.Chorhata, Rewa – 486 006 (M.P.)

9.2 Financial Calendar (2009-10) (tentative) :

Quarterly Results :

Ending June 30, 2009	:	Last week of July, 2009
Ending September 30, 2009	:	Last week of October, 2009
Ending December 31, 2009	:	Last week of January, 2010
Ending March 31, 2010	:	Last week of April, 2010

9.3 Book Closure date(s) : Friday, July 31, 2009 to Thursday, August 6, 2009 (both days inclusive)

9.4 Dividend Payment date : Not Applicable

9.5 Listing on Stock Exchanges :

(a) Bombay Stock Exchange Ltd.(BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street,
Fort,
Mumbai – 400 001

(b) National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, C-1, G.Block,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051

The Company has timely paid the Annual listing fees for the financial year 2008-09 to BSE & NSE.

9.6 Stock Code - Physical : BSE, Mumbai - 517015
NSE, Mumbai - VINDHYATEL EQ

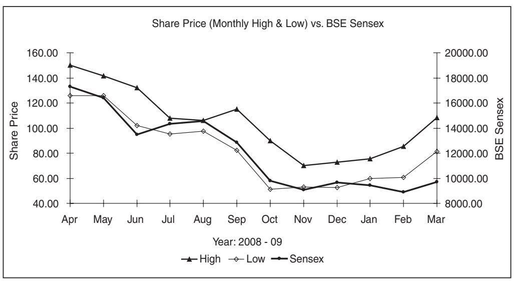
Demat ISIN Number for NSDL & CDSL : INE707A01012

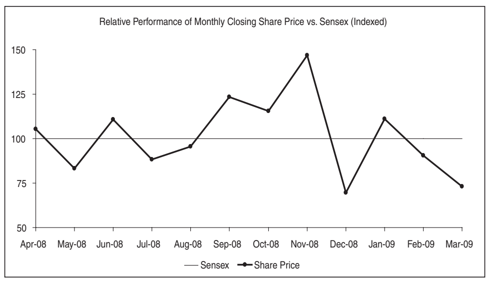
9.7 Stock Market Data :

Monthly high and low quotations of shares and volume of Equity Shares traded on Bombay Stock Exchange Ltd., Mumbai (BSE) and National Stock Exchange of India Ltd., Mumbai (NSE) are as follows :

Month	BSE			NSE		
	High (in Rs.)	Low (in Rs.)	Monthly Volume (in Nos.)	High (in Rs.)	Low (in Rs.)	Monthly Volume (in Nos.)
April, 2008	150.30	126.00	16882	148.15	128.15	8761
May, 2008	141.75	126.00	7446	142.80	127.00	2859
June, 2008	132.05	101.80	6927	127.00	110.05	8461
July, 2008	107.90	95.50	11230	107.10	93.10	16973
August, 2008	106.20	97.65	12509	106.45	98.00	1184
September, 2008	114.95	82.10	12618	112.50	80.95	4625
October, 2008	89.95	51.30	19169	90.95	61.10	10186
November, 2008	69.90	53.25	14676	72.90	51.20	10220
December, 2008	72.85	52.45	15429	70.00	52.45	165634
January, 2009	75.60	60.00	3895	76.80	57.25	2309
February, 2009	85.50	60.65	8326	89.50	63.00	14686
March, 2009	108.35	81.25	23960	109.45	89.95	17518

9.8 Share price performance in comparison to broad based indices - BSE Sensex:





9.9 Registrar and Share Transfer Agents : Messrs Link Intime India Pvt. Ltd.
(Formerly Messrs Intime Spectrum Registry Ltd.)
C-13, Pannalal Silk Mills Compound
L.B.S.Marg, Bhandup (West)
Mumbai – 400 078
Phone: +91-22-25946970-78
Fax : +91-22-25946969
Email : rnt.helpdesk@linkintime.co.in

9.10 Share Transfer System :

The trading in Company's equity shares on the stock exchanges is permitted only in dematerialised form for all classes of investors as per notification issued by the Securities & Exchange Board of India (SEBI).

All transactions in connection with transfer, transmission, etc. are processed by the Registrar and Share Transfer Agents of the Company on fortnightly basis and the same are placed before the Committee of Directors/Committee of Officers, as the case may be, for approval at regular interval. With a view to expedite the process of share transfer in physical segment, the Board of Directors has delegated the authority to a Committee of Officers for approving transfer upto 1000 equity shares in each request. A summary of transfer/transmission of equity shares so approved by the Committee of officers is placed at every Board Meeting. The average time taken for processing share transfer requests in physical form including despatch of share certificates is generally three weeks on receipt of duly completed documents in all respects. The request for dematerialisation of equity shares is generally confirmed/rejected within an average period of 15 days. The Company obtains from a Company Secretary in practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

The Company's representatives visit the office of the Registrar and Share Transfer Agents from time to time to monitor, supervise and ensure that there are no delays or lapses in the system.

9.11 (a) Distribution of Shareholding as on March 31, 2009 :

No.of Equity Shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 500	6388	90.88	902730	7.62
501 - 1000	357	5.08	267307	2.26
1001 - 2000	121	1.72	177794	1.50
2001 - 3000	44	0.63	111867	0.94
3001 - 4000	15	0.21	53635	0.45
4001 - 5000	20	0.28	94105	0.79
5001 - 10000	30	0.43	227717	1.92
10001 and above	54	0.77	10015708	84.52
GRAND TOTAL	7029	100.00	11850863	100.00
Physical Mode	2775	39.48	6488244	54.75
Electronic Mode	4254	60.52	5362619	45.25

(b) Category of Shareholders as on March 31, 2009:

Category	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Promoter and Promoter Group	14	0.20	5157405	43.52
Resident Individuals & Corporates	6630	94.31	3920789	33.08
Financial Institutions/Banks/Mutual Funds	18	0.26	104423	0.88
NRIs/FIIs/Foreign Bank	343	4.88	1409125	11.89
Societies	6	0.09	1253886	10.58
Clearing Member	18	0.26	5235	0.05
GRAND TOTAL	7029	100.00	11850863	100.00

9.12 Dematerialisation of Shares and liquidity: 5362619 Equity Shares representing 45.25% of total Equity Capital of the Company are held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited(CDSL) as on March 31, 2009.

Company's shares are reasonably liquid and are quite actively traded on the Bombay Stock Exchange Ltd., (BSE) and National Stock Exchange of India Ltd.(NSE). Relevant data for the approximate average daily turnover in terms of volume for the financial year 2008-09 is given below :

BSE	NSE	BSE+NSE
719	1505	2224

The Secretarial Audit Report from a Company Secretary in practice confirming that the total issued capital of the Company is in aggregate with the total number of equity shares in physical form and the total number of dematerialised equity shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges where the equity shares of the Company are listed.

9.13 Outstanding GDRs/ADRs/Warrants or any Convertible instruments, Conversion date and likely Impact on equity: The Company has not issued any of these instruments so far.

9.14 Plant Location : Udyog Vihar Industrial Area, P.O. Chorhata, Rewa - 486 006 (M.P.)

9.15 Address for Correspondence:

Messrs Link Intime India Pvt. Ltd.
(Formerly Messrs Intime Spectrum Registry Ltd.)`
C-13, Pannalal Silk Mills Compound
L.B.S. Marg , Bhandup (West)
Mumbai – 400 078
Phone : +91-22-25946970-78
Fax : +91-22-25946969
Email : rnt.helpdesk@linkintime.co.in

OR

Share Department
Vindhya Telelinks Limited,
Udyog Vihar, P.O. Chorhata,
Rewa - 486 006 (M.P.)
Phone : +91-7662-400400
Fax : +91-7662-400591
Email : headoffice@vtlrewa.com OR
investorgrievance@vindhyatelelinks.com

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under clause 49 of the Listing Agreement relating to Corporate Governance with the Stock Exchanges, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial year 2008-09.

For Vindhya Telelinks Limited

Place : Rewa
Date : May 1, 2009

Y.S. Lodha
Wholetime Director

AUDITOR'S CERTIFICATE

To

The Members of Vindhya Telelinks Limited

We have examined the compliance of conditions of corporate governance by Vindhya Telelinks Limited, for the year ended on March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the 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 complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such 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 S.R. BATLIBOI & CO.
Chartered Accountants

Per Anil Gupta
Partner
Membership No. 87921

Place : New Delhi
Date : May 11, 2009

Auditors' Report

TO THE MEMBERS OF VINDHYA TELELINKS LIMITED

1. We have audited the attached Balance Sheet of Vindhya Telelinks Limited ('the Company') as at March 31, 2009 and also the Profit and Loss Account and the 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 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) 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 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 purposes 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 those books;
   (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
   (iv) In our opinion, the balance sheet, profit and 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 the written representations received from the directors, as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
   (vi) *In view of changes to excise duty rates on the Company's finished products, and such rates being lower due to cenvatable customs duty on imported inputs, the Company has accumulated CENVAT credits aggregating to Rs. 949.48 lacs as at March 31, 2009. As stated in note 6 to the attached financial statements, the management has devised an alternative mechanism for utilization of these balances. In view of prevailing inverted duty structure, we are unable to comment on the utilization of the aforesaid balances and consequent adjustments, if any, required to the attached financial statements.*
   (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, *subject to the effects, if any, of our observation in paragraph 4.vi above,* 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 March 31, 2009;
      (b) in the case of the profit and loss account, of the loss for the year ended on that date; and
      (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per ANIL GUPTA
Partner
Membership No. 87921

Place : New Delhi
Date : May 11, 2009

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi) The Company did not have any term loans outstanding during the year.

(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 no funds raised on short-term basis have been used for long-term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money through a public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per ANIL GUPTA
Partner
Membership No. 87921

Place : New Delhi
Date : May 11, 2009

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share capital	1	**1182.19**	1182.18
Reserves and surplus	2	**20540.35**	21477.10
		21722.54	22659.28
LOAN FUNDS			
Secured loans	3	**3642.65**	943.27
DEFERRED TAX LIABILITIES (NET)		**-**	0.71
(Refer Note No. 13(i) of Schedule 22)			
		25365.19	23603.26
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	4	**14505.58**	13822.44
Less: Accumulated depreciation/amortisation		**10132.81**	9680.58
Net block		**4372.77**	4141.86
Capital work-in-progress		**6.01**	261.96
		4378.78	4403.82
INVESTMENTS	5	**11768.37**	11768.37
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	6	**3006.19**	4519.62
Sundry debtors	7	**6778.23**	3181.52
Cash and bank balances	8	**936.70**	899.68
Other current assets	9	**34.27**	79.27
Loans and advances	10	**2019.16**	1485.17
		12774.55	10165.26
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	11	**3333.82**	2536.04
Provisions	12	**222.69**	198.15
		3556.51	2734.19
NET CURRENT ASSETS		**9218.04**	7431.07
		25365.19	23603.26
NOTES TO ACCOUNTS	22		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our attached report of even date.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per ANIL GUPTA
Partner
Membership No.87921

New Delhi, May 11, 2009

Harsh V. Lodha, J. Veeraraghavan, S.K. Misra, R.C. Tapuriah, D.R. Bansal — Directors

Y.S. Lodha — Wholetime Director

R. Radhakrishnan — President (Commercial) & Secretary

New Delhi, May 11, 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	**For the Year ended March 31, 2009 Rs. in lacs**	For the Year ended March 31, 2008 Rs. in lacs
INCOME			
Turnover (Gross)	13	**27756.83**	23989.38
Less:- Excise duty		**2677.47**	3263.14
Turnover (Net)		**25079.36**	20726.24
Other income	14	**656.35**	837.98
		25735.71	21564.22
EXPENDITURE			
Raw materials consumed	15	**18333.39**	19261.96
Cost of traded goods sold		**10.51**	10.38
Materials purchased/Subcontract expenses	16	**2795.62**	11.80
Personnel expenses	17	**1059.31**	787.85
Operating and other expenses	18	**2189.87**	1854.44
(Increase)/decrease in inventories	19	**1209.71**	(1416.12)
Financial expenses	20	**538.42**	335.70
		26136.83	20846.01
PROFIT/ (LOSS)BEFORE DEPRECIATION / AMORTISATION AND TAX		**(401.12)**	718.21
Depreciation/amortisation	21	**535.24**	451.28
PROFIT/(LOSS) BEFORE TAX		**(936.36)**	266.93
Income tax and fringe benefit tax credit for earlier years		**(17.37)**	-
Deferred tax (credit)		**(0.71)**	(32.42)
Fringe benefit tax		**17.75**	13.00
Total tax (credit)		**(0.33)**	(19.42)
NET PROFIT/(LOSS) FOR THE YEAR		**(936.03)**	286.35
Credit Balance brought forward		**749.68**	463.33
Adjusted by transfer from General Reserve		**186.35**	-
		-	749.68
Earnings per share (EPS)			
Weighted average number of equity shares in calculating basic and diluted EPS		**11850863**	11850863
Basic and diluted [Nominal value of shares Rs.10/- each (Rs. 10/- each)]		**(7.92)**	2.42
NOTES TO ACCOUNTS	22		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our attached report of even date.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per ANIL GUPTA
Partner
Membership No.87921

New Delhi, May 11, 2009

Harsh V. Lodha
J. Veeraraghavan
S.K. Misra
R.C. Tapuriah
D.R. Bansal
} Directors

Y.S. Lodha — Wholetime Director
R. Radhakrishnan — President (Commercial) & Secretary

New Delhi, May 11, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

		Rs. in lacs	For the Year ended March 31, 2009 Rs. in lacs	Rs. in lacs	For the Year ended March 31, 2008 Rs. in lacs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/(Loss) before tax		**(936.36)**		266.93
	Adjustments for :				
	Depreciation	535.24		451.28	
	(Profit)/loss on disposal of fixed assets (Net)	(2.64)		(1.02)	
	Interest income	(64.57)		(275.83)	
	Dividend income	(371.37)		(339.47)	
	Interest expense	434.41	**531.07**	244.24	79.20
	Operating Profit/(Loss) before working capital changes		**(405.29)**		346.13
	Movement in working capital:				
	(Increase) in sundry debtors	(3596.71)		(2544.75)	
	Decrease/(increase) in inventories	1513.43		(2431.88)	
	(Increase) in loans and advances	(493.58)		(1118.37)	
	Increase in current liabilities and provisions	831.81	**(1745.05)**	2008.29	(4086.71)
	Cash generated (used in) operations :		**(2150.34)**		(3740.58)
	Direct taxes (paid)/refund received		**(47.06)**		(7.28)
	Net cash (used in) operating activities		**(2197.40)**		(3747.86)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets	(533.21)		(599.53)	
	Proceeds from sale of fixed assets	24.91		10.48	
	Interest received	109.57		311.79	
	Dividend received	371.37		339.47	
	Fixed deposits with banks placed	(519.50)		(265.00)	
	Fixed deposits with banks encashed	682.96		5155.06	
	Net cash from investing activities		**136.10**		4952.27

	For the Year ended March 31, 2009		For the Year ended March 31, 2008	
	Rs. in lacs	**Rs. in lacs**	Rs. in lacs	Rs. in lacs

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009 (Contd.)

C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from share capital	0.01		0.01	
Proceeds from securities premium	0.02		0.04	
Proceeds/(Repayment) of short term borrowings	2956.92		(214.27)	
(Repayment) of long term borrowings	(257.54)		(949.74)	
Interest paid	(434.41)		(244.68)	
Dividend paid	(3.22)		(3.69)	
Net cash from/ (used in) financing activities		**2261.78**		(1412.33)
Net Increase/(decrease) in cash and cash equivalents		**200.48**		(207.92)
Cash and cash equivalents at the beginning of the year		**216.64**		424.56
Cash and cash equivalents at the end of the year		**417.12**		216.64
Components of cash and cash equivalents as at 31st March*				
Cash and cheques on hand		**273.40**		178.69
With scheduled banks- on current accounts/dividend accounts/ cash credit accounts		**143.72**		37.95
		417.12		216.64

(a) * Difference of Rs.519.58 lacs (Rs.683.04 lacs) from Schedule 8 represents short term investments with an original maturity of three months or more.

(b) The Cash Flow Statement has been prepared under the 'Indirect method' as set out in Accounting Standard-3 on Cash Flow Statements.

(c) Negative figures have been shown in brackets.

As per our attached report of even date.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per ANIL GUPTA
Partner
Membership No.87921

New Delhi, May 11, 2009

Harsh V. Lodha
J. Veeraraghavan
S.K. Misra
R.C. Tapuriah
D.R. Bansal
Directors

Y.S. Lodha — Wholetime Director
R. Radhakrishnan — President (Commercial) & Secretary

New Delhi, May 11, 2009

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

		As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 1 :	**SHARE CAPITAL**		
Authorized			
1,50,00,000	Equity shares of Rs.10/- each	**1500.00**	1500.00
Issued			
1,18,52,014	Equity shares of Rs.10/- each	**1185.20**	1185.20
Subscribed			
1,18,50,863	Equity shares of Rs.10/- each fully paid up	**1185.09**	1185.09
	Less: Calls unpaid	**2.90**	2.91
		1182.19	1182.18

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 2 : RESERVES AND SURPLUS		
Capital Reserve		
On revaluation of plant and machinery		
Balance as per last account	**5.00**	6.21
Less : Transferred to Profit and Loss Account being difference of depreciation on revalued cost of assets and that on the original cost	**0.74**	1.21
	4.26	5.00
Securities Premium Account		
Balance as per last account	**3877.22**	3877.18
Add : Received during the year	**0.02**	0.04
	3877.24	3877.22
General Reserve		
Balance as per last account	**16845.20**	16845.52
Less : Adjustments for employees benefit	**-**	0.32
Less : Transferred to Profit and Loss Account	**186.35**	-
	16658.85	16845.20
Profit and Loss Account Balance	**-**	749.68
	20540.35	21477.10

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 3 : SECURED LOANS		
Loans from Banks		
Cash credit facilities	**2918.72**	267.33
Export packing credit	**723.93**	219.54
Loans against fixed deposit receipts	**-**	198.86
Sales tax loans	**-**	257.54
	3642.65	943.27

Note: Fund and Non-fund based credit facilities from State Bank of India (SBI) and State Bank of Patiala (SBP) including export packing credit from SBI are secured by hypothecation of the Company's entire goods, movable and other assets, present and future, including documents of title to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and rights and all machinery, present and future.These facilities are further secured by deposit of title deeds of the existing immovable properties of the Company as and by way of collateral security and are further secured by way of pledge of 12,50,000 equity shares of Birla Ericsson Optical Limited with SBI.

SCHEDULE 4: FIXED ASSETS

Rs. in lacs

Nature of fixed assets	Gross Block As at 01.04.2008	Gross Block Additions during the Year	Gross Block Deductions/ Adjustments	Gross Block As at 31.03.2009	Depreciation/Amortisation As at 01.04.2008	Depreciation/Amortisation Provided during the Year	Depreciation/Amortisation Deductions/ Adjustments	Depreciation/Amortisation As at 31.03.2009	Net Block As at 31.03.2009	Net Block As at 31.3.2008
LAND										
Freehold	113.18	-	-	113.18	-	-	-	-	**113.18**	113.18
Leasehold	44.68	-	-	44.68	5.86	0.68	-	6.54	**38.14**	38.82
BUILDINGS	2043.19	-	-	2043.19	970.91	49.20	-	1020.11	**1023.08**	1072.28
PLANT & MACHINERY	11246.65	724.07	89.16	11881.56	8481.93	451.04	74.60	8858.37	**3023.19**	2764.72
FURNITURE & OFFICE EQUIPMENT	289.92	43.37	6.08	327.21	185.67	26.58	3.54	208.71	**118.50**	104.25
VEHICLES	66.93	21.72	10.78	77.87	33.82	4.90	5.61	33.11	**44.76**	33.11
INTANGIBLES (Software)	17.89	-	-	17.89	2.39	3.58	-	5.97	**11.92**	15.50
	13822.44	789.16	106.02	14505.58	9680.58	535.98	83.75	10132.81	**4372.77**	4141.86
Capital Work-in-progress									**6.01**	261.96
									4378.78	4403.82
Previous Year	13619.29	367.87	164.72	13822.44	9383.35	452.49	155.26	9680.58	4141.86	

Notes: (1) Freehold Land includes Rs.5.47 lacs (Rs.5.47 lacs) and Building Rs.112.79 lacs (Rs. 112.79 lacs) given on operating lease. Written down value of these fixed assets as on March 31, 2009 is Rs. 41.32 lacs (Rs. 43.49 lacs) and depreciation charged during the year is Rs. 2.17 lacs (Rs. 2.29 lacs).

(2) Gross Block of Plant & Machinery includes Rs. 905.42 lacs (Rs. 905.42 lacs) on account of addition on revaluation during the year ended March 31, 1990 as per valuation carried out by approved valuer.

(3) Fixed Assets of the value of Rs.23.58 lacs (Rs. 14.14 lacs) WDV of Rs.2.70 lacs (WDV of Rs.1.14 lacs) have been discarded during the year.

			As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 5: INVESTMENTS				
Long Term Investments (At cost)				
(A) Trade				
Quoted - Fully paid up equity shares of Rs. 10/- each				
48,39,908	(48,39,908)	Universal Cables Limited	**3193.75**	3193.75
40,00,100	(40,00,100)	Birla Ericsson Optical Limited	**900.01**	900.01
63,80,243	(63,80,243)	Birla Corporation Limited	**1917.58**	1917.58
Unquoted - Fully paid up equity shares of Rs. 10/- each				
In the Subsidiary Companies				
1,52,50,200	(1,52,50,200)	August Agents Limited	**1525.02**	1525.02
1,50,00,200	(1,50,00,200)	Insilco Agents Limited	**1500.02**	1500.02
1,50,00,200	(1,50,00,200)	Laneseda Agents Limited	**1500.02**	1500.02
Other than the Subsidiary Companies				
2,99,940	(2,99,940)	Birla Financial Corporation Limited	**29.99**	29.99
1,20,00,000	(1,20,00,000)	Punjab Produce Holdings Limited	**1200.00**	1200.00
9,800	(9,800)	Universal Telelinks Private Limited	**0.98**	0.98
9,800	(9,800)	Universal Electricals Private Limited	**0.98**	0.98
(B) Other than trade				
Unquoted - Fully paid up equity shares of Re. 1/- each				
6,900	(6,900)	Free Press House Limited	**0.02**	0.02
			11768.37	11768.37
Aggregate amount of quoted investments			**6011.34**	6011.34
Market value of quoted investments			**13352.40**	16703.65
Aggregate amount of unquoted investments			**5757.03**	5757.03

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 6 : INVENTORIES		
Raw materials	**1432.41**	1698.84
Stores and spares	**266.08**	294.40
Traded goods	**33.54**	42.51
Work-in-progress	**1160.91**	1884.91
Finished goods	**90.67**	371.98
Scrap	**22.58**	226.98
	3006.19	4519.62
SCHEDULE 7 : SUNDRY DEBTORS (Unsecured)		
For Sales on deferred payment terms		
Debts outstanding for a period exceeding six months- Considered doubtful	**10.73**	12.12
For other sales		
Debts outstanding for a period exceeding six months- Considered good	**193.39**	22.32
Considered doubtful	**86.70**	87.32
Other debts		
Considered good	**6584.84**	3159.20
Considered doubtful	**0.40**	-
	6876.06	3280.96
Less: Provision for doubtful debts	**97.83**	99.44
	6778.23	3181.52
SCHEDULE 8: CASH AND BANK BALANCES		
Cash on hand (including cheques/drafts in hand Rs.272.88 lacs (Rs.174.55 lacs))	**273.40**	178.69
Balance with scheduled banks		
On current/collection accounts	**119.77**	30.76
" cash credit account	**19.98**	-
" fixed deposit accounts (fixed deposit receipts pledged with banks and others)	**519.58**	683.04
" unclaimed dividend accounts	**3.97**	7.19
	936.70	899.68
SCHEDULE 9: OTHER CURRENT ASSETS		
Interest receivable on deposits and others	**34.27**	79.27

	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SCHEDULE 10 : LOANS AND ADVANCES (Unsecured and Considered good)		
Loans to employees	**18.19**	13.97
Advances recoverable in cash or kind or for value to be received	**366.52**	370.92
Deposits (Others)	**400.57**	135.81
Balance with Customs, Central Excise, etc.	**1149.32**	926.64
Advance Income Tax and Income tax deducted at source(net of provisions Rs.48.18 lacs)	**40.41**	-
Claims, Payment of refunds etc. receivable	**44.15**	37.83
	2019.16	1485.17
SCHEDULE 11: CURRENT LIABILITIES		
Acceptances	**101.16**	420.30
Sundry creditors		
Dues to Micro, Small and Medium Enterprises (Refer Note No. 12 of Schedule 22)	**0.02**	-
Creditors other than Micro, Small and Medium Enterprises	**3166.78**	2061.72
Mobilisation and other advances from customers	**15.94**	0.88
Sundry deposits	**45.95**	45.95
Investor education and protection fund shall be credited by the following amount on due date(s): Unclaimed dividend	**3.97**	7.19
	3333.82	2536.04
SCHEDULE 12 : PROVISIONS		
For Income tax/fringe benefit tax (net of advance payment of income tax/income tax deducted at source Rs.Nil (Rs.39.40 lacs))	**-**	6.27
For Gratuity	**77.95**	69.17
For Compensated Absences	**103.44**	81.81
For Pension	**41.30**	40.90
	222.69	198.15

	For the year ended March 31, 2009 Rs. in lacs	For the year ended March 31, 2008 Rs. in lacs
SCHEDULE 13 : TURNOVER		
Finished Goods*	**22879.81**	23382.52
Contract Revenue	**4080.51**	14.75
Miscellaneous	**796.51**	592.11
	27756.83	23989.38

* includes price variation claims of Rs.Nil (Rs.50.54 lacs) related to an earlier year but settled during the year.

	For the year ended March 31, 2009 Rs. in lacs	For the year ended March 31, 2009 Rs. in lacs
SCHEDULE 14 : OTHER INCOME		
Interest:		
- on bank deposits (gross) (Tax deducted at source Rs.4.36 lacs (Rs.7.08 lacs))	**56.20**	230.55
- on inter corporate deposits etc. (gross) [Tax deducted at source Rs.0.71 lac (Rs.2.73 lacs)]	**8.37**	45.28
Dividend income		
- On Investments (Long term) (Trade)	**371.37**	339.47
Unspent liabilities/sundry balances written back	**12.97**	38.71
Provision for doubtful debts and advances written back	**8.20**	1.00
Profit on disposal of fixed assets	**10.06**	6.23
Rent received	**74.34**	74.50
Processing charges received	**97.83**	26.18
Exchange rate fluctuation (Net)	**-**	31.63
Miscellaneous income	**17.01**	44.43
	656.35	837.98
SCHEDULE 15: RAW MATERIALS CONSUMED		
Inventories as at March 31, 2008	**1698.84**	731.26
Add: Purchases (Less : Sales and claims Rs.1061.38 lacs (Rs.162.00 lacs))	**18066.96**	20229.54
	19765.80	20960.80
Less: Inventories as at March 31, 2009	**1432.41**	1698.84
	18333.39	19261.96
SCHEDULE 16: MATERIALS PURCHASED/SUBCONTRACT EXPENSES		
Cost of Materials purchased	**1624.78**	-
Subcontract Expenses	**1170.84**	11.80
	2795.62	11.80
SCHEDULE 17: PERSONNEL EXPENSES		
Salaries, wages and bonus	**895.06**	654.41
Contribution to provident and other funds	**94.34**	79.48
Workmen and staff welfare expenses	**69.91**	53.96
	1059.31	787.85

	For the year ended March 31, 2009 Rs. in lacs	For the year ended March 31, 2009 Rs. in lacs
SCHEDULE 18 : OPERATING AND OTHER EXPENSES		
Consumption of stores and spares	**242.02**	257.45
Packing materials	**476.85**	420.87
Power and fuel	**405.40**	400.67
Sales commission	**206.70**	57.17
Freight and transportation (Net)	**-**	3.66
Processing/Job Work and testing charges	**100.48**	167.86
Excise duty on Increase/(Decrease) of stocks (Refer Note No.15.5 of Schedule 22)	**(61.97)**	68.23
Rent	**50.61**	7.07
Rates & taxes	**26.37**	34.45
Insurance charges	**27.41**	20.02
Repair & maintenance :		
- Plant & machinery	**42.16**	30.62
- Buildings	**51.15**	54.23
- Others	**15.83**	13.91
Travelling and conveyance	**157.29**	87.83
Director’s sitting fees	**2.47**	1.97
Auditor’s remuneration		
Statutory auditors		
as auditors		
- Audit fees	**6.00**	3.00
- Tax audit fee	**0.75**	0.75
- Quarterly reviews	**4.50**	4.50
as others		
- Company law matters	**1.75**	1.75
- Certification etc.	**7.50**	5.00
- Out of pocket expenses	**1.04**	0.71
Cost auditors		
- Audit fees	**0.35**	0.35
- Reimbursement of expenses	**0.06**	-
Legal and professional expenses	**99.59**	47.80
Provision for doubtful debts and advances	**16.45**	0.32
Sundry advances/bad debts written off	**2.49**	3.18
Loss on disposal of fixed assets	**7.42**	5.21
Exchange rate fluctuation (Net)	**85.78**	-
Charity & donation	**1.11**	1.44
Miscellaneous expenses	**212.31**	154.42
	2189.87	1854.44

	For the year ended March 31, 2009 Rs. in lacs	For the year ended March 31, 2009 Rs. in lacs
SCHEDULE 19 : (INCREASE)/DECREASE IN INVENTORIES		
Inventories as at March 31, 2009		
Work-in-progress	**1160.91**	1884.91
Finished goods	**90.67**	371.98
Scrap	**22.58**	226.98
	1274.16	2483.87
Inventories as at March 31, 2008		
Work-in-progress	**1884.91**	1050.74
Finished goods	**371.98**	-
Scrap	**226.98**	17.01
	2483.87	1067.75
	1209.71	(1416.12)
SCHEDULE 20 : FINANCIAL EXPENSES		
Interest		
- to banks and others	**434.41**	244.24
Bank charges	**104.01**	91.46
	538.42	335.70
SCHEDULE 21 : DEPRECIATION		
On fixed assets	**535.98**	452.49
Less: Transfer from capital reserve	**0.74**	1.21
	535.24	451.28

SCHEDULE 22 : NOTES TO THE ACCOUNTS

1. NATURE OF OPERATIONS

   Vindhya Telelinks Limited, a M. P. Birla Group Company, is engaged in the business of manufacturing and selling of Jelly Filled Telephone Cables, Optic Fibre Telephone Cables, Aerial Bunch Cable, Quad Cable and Fibre Ribbon etc and providing Engineering, Procurement and Construction business.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

   (a) Basis of Preparation

   The financial statements have been prepared to comply in all material respects with the notified Accounting standards by Companies (Accounting Standard) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

   (b) Use of estimates

   The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

   (c) Fixed Assets

   Fixed Assets are stated at cost (including revalued amounts), less accumulated depreciation, amortization and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get

(h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duty deducted from gross turnover is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arose during the year. Credits/debits arising out of finalization of provisional prices on supplies are accounted for in the year of their acceptance since it is not possible to ascertain the exact quantum in respect thereof with reasonable accuracy. Revenue to the extent of price variation disputes, which are subjected to resolution through arbitration, is recognized based on interim relief granted by a Court and/or after receipt of revenue in execution of the final award in favour of the Company, as the case may be.

Contract Revenue

The Company follows the percentage of completion method as per Accounting Standard (AS)-7 to recognize revenue in respect of contracts executed. Contract Revenue is accounted for on the basis of bills submitted to clients/bills certified by the clients or on technical evaluation of work executed based on joint inspection with customers and do not include material supplied by customers/clients free of cost. The income on account of claims/rewards or extra item works are recognized to the extent Company expects reasonable certainty about receipt or acceptance from the clients/customers. In case the total cost of a contract, based on technical and other estimates, is expected to exceed the corresponding contract value, such expected loss is fully provided for.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Revenue is recognized when the shareholder’s right to receive payment is established by the Balance Sheet date.

(i) Foreign Currency Translations

(i) Initial Recognition

Foreign Currency Transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transactions.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

(iv) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the Profit and Loss Account in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for that year.

(j) Retirement and other Employee Benefits

(i) Retirement benefits in the form of Provident Fund and Superannuation Fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. The Company accounts for the contributions under Superannuation Scheme being made/to be made to Life Insurance Corporation of India (LIC) against an insurance policy taken with them. There are no other obligations other than the contributions payable to the funds.

(ii) Gratuity liability and pension liability (including past services of employees who were employed in other group companies) are defined benefit obligations and are provided for on the basis of an actuarial valuation performed in accordance with Projected Unit Credit Method made at the end of each financial year by an independent actuary.

(iii) Short term compensated absences are provided for on estimate basis. Long term compensated absences are provided for on actuarial valuation basis.

(iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(v) Payments made under Voluntary Retirement Scheme are charged to the profit and loss account in the year when the employee accepts the early retirement.

(vi) Ex-gratia or other amount disbursed on account of selective employees separation scheme are charged to Profit and Loss Account.

(k) Income Taxes

Tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(l) Segment Reporting Policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Include general corporate income and expense items which are not allocated to any business segment.

(m) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share splits, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except those disclosed elsewhere in the notes to the financial statements, are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the option of early retirement under the Voluntary Retirement Scheme.

(o) Cash and Cash equivalents

Cash and Cash equivalent in the cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

(p) Derivative Instruments

The Company uses derivative instruments such as forward contract to hedge its risks associated with fluctuations in raw material prices. Forward contracts are initially recognized at fair value on the date on which a derivative contract is entered into and subsequently re-measured at fair value. Such contract is carried as liability when the fair value is negative. Based on prudence, no treatment is given effect when the fair value of the contract is positive.

3. Segment Information

The business segment of the Company is divided into two categories i.e. Cables and EPC (Engineering, Procurement and Construction). A brief Description of the types of products and Services provided by each reportable segment is as follows:

1. Cables- The Company manufactures and markets various types of cables including Jelly Filled Telephone Cables, Optic Fibre Cables, Aerial Bunch Cable, Quad Cable and Fibre Ribbon.

2. EPC (Engineering, Procurement and Construction) –The Company undertakes and executes Contracts and provide services with or without materials, as the case may be.

(a) Primary Segment Information (by Business Segments)

The following table presents revenue and profit/(loss) information regarding industry segments for the years ended March 31, 2009 and March 31, 2008 and certain liabilities information regarding industry segments at March 31, 2009 and March 31, 2008.

Business Segments	**For the year ended March 31, 2009**			For the year ended March 31, 2008		
	Cables	**Engineering, Procurement and Construction**	**Total**	Cables	Engineering, Procurement and Construction	Total
	Rs. in lacs	**Rs. in lacs**	**Rs. in lacs**	Rs. in lacs	Rs. in lacs	Rs.in lacs
Revenue						
External Sales	**20998.85**	**4080.51**	**25079.36**	20711.49	14.75	20726.24
Inter Segment Sales	**–**	**–**	**–**	–	–	–
Other Income*	**146.07**	**–**	**146.07**	148.18	–	148.18
Total Revenue	**21144.92**	**4080.51**	**25225.43**	20859.67	14.75	20874.42
Results						
Segment result	**(1741.20)**	**732.55**	**(1008.65)**	(178.17)	2.95	(175.22)
Unallocated Corporate Income/ Expenses (Net)			**442.13**	–	–	410.56
Operating Profit/(Loss)			**(566.52)**	–	–	235.34
Interest Expenses (Net)			**(369.84)**			31.59
Income tax and fringe benefit tax credit for earlier Years			**17.37**			–
Deferred Tax Credit			**0.71**			32.42
Provision for Fringe Benefit Tax			**(17.75)**			(13.00)
Profit/(Loss) from Ordinary Activities			**(936.03)**			286.35
Other Information						
Segment Assets	**12397.92**	**4711.03**	**17108.95**	14561.89	–	14561.89
Unallocated Corporate Assets			**11812.75**			11775.56
Total Assets			**28921.70**			26337.45
Segment Liabilities	**2169.84**	**1382.70**	**3552.54**	2720.73	–	2720.73
Unallocated Corporate Liabilities			**3646.62**			957.44
Total Liabilities			**7199.16**			3678.17
Capital Expenditure	**212.96**	**320.25**	**533.21**	599.53	–	599.53
Unallocated Capital Expenditure	**–**	**–**	**–**	–	–	–
Depreciation	**511.67**	**23.57**	**535.24**	451.28	–	451.28
Unallocated Depreciation	**–**	**–**	**–**	–	–	–
Other Non Cash Expenditure						
Provision for Doubtful Debts(Net)	**8.25**	**–**	**8.25**	(0.68)	–	(0.68)
Sundry Balances written off	**2.49**	**–**	**2.49**	3.18	–	3.18

* Excludes Rs.510.28 lacs (Rs.689.80 lacs) netted off from Unallocated Corporate Expenses and Interest Expense.

(b) Geographical Segments

The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced:

Sales revenue by geographical market

Geographical Market Segment	**2008-09 Rs. in lacs**	2007-08 Rs. in lacs
Domestic Market	**24621.40**	20141.63
Overseas Market	**457.96**	584.61
	25079.36	20726.24

The following table shows the carrying amount of debtors by geographical market

Geographical Market Segment	**2008-09 Rs. in lacs**	2007-08 Rs. in lacs
Domestic Market	**6596.41**	3034.19
Overseas Market	**181.82**	147.33
	6778.23	3181.52

The Company has common fixed assets for producing goods/providing services to Domestic Market as well as for Overseas Markets. Hence, separate figures for fixed assets/additions to fixed assets have not been furnished.

4. Related Party Disclosure

Subsidiaries : August Agents Ltd.*, Insilco Agents Ltd.*, Laneseda Agents Ltd.*

Joint Venture : Birla Ericsson Optical Ltd. (BEOL)

Key Management Personnel : Shri Y.S. Lodha (Wholetime Director)

* No transaction has taken place during the year.

Note: The Company by itself or along-with its subsidiaries hold more than 20% of the voting power of certain bodies corporate. The Company has been legally advised that it does not have any "significant influence" in the said bodies corporate as defined in Accounting Standard '18' "Related Party Disclosure" and accordingly, has not considered the above investees as related parties under AS-18.

Particulars			**Joint Venture (Birla Ericsson Optical Ltd.)**	
			2008-09 Rs. in lacs	2007-08 Rs. in lacs
(i)	**Transactions during the year**			
	(a)	Purchases of Finished Goods, Traded items, Raw Materials, Stores, Spares and Packing Materials	**588.12**	89.64
	(b)	Sale of Raw-Materials, Stores, Finished Goods Spares and Packing Materials	**1403.86**	1700.23
	(c)	Other Service Charges/Lease Rent Received	**60.40**	4.59
	(d)	Other Service Charges Paid	**2.97**	12.76
	(e)	Sale of Fixed Assets	**25.74**	–
	(f)	Purchases of Fixed Assets	**10.73**	10.96
	(g)	Inter-Corporate Deposits taken	**2725.00**	2075.00
	(h)	Inter-Corporate Deposits repaid	**2725.00**	2075.00
	(i)	Interest on Inter-Corporate Deposits paid	**12.57**	10.90
(ii)	**Balance outstanding at the year end**			
	Payables		**80.61**	6.05

Notes:

(i) The transactions with Joint Venture is at prevailing market prices.

(ii) No amount has been provided as doubtful debt or advance/written off or written back in the year in respect of debts due from/to above related parties.

(iii) Transactions and balances relating to reimbursement of expenses to/from related parties have not been considered above.

(iii)	**Key Management Personnel**		
	Shri Y.S. Lodha, Wholetime Director	**13.01***	7.49*

* Excluding contribution/provision for gratuity and leave encashment, being the figures those are actuarially determined for the Company as a whole and therefore, are not separately available.

5. Interest in Joint Venture Company

Pursuant to Accounting Standard '27' "Financial Reporting of Interest in Joint Ventures" the relevant information relating to a Joint Venture Company is as given below:

Name of the Joint Venture Company	Country of Incorporation	Proportion of Ownership Interest	Description of Interest
Birla Ericsson Optical Ltd. (BEOL)	India	13.33%	JV is established principally for manufacture of Optic Fibre Cables and Jelly Filled Telephone Cables.

The Company's share in the aggregate amounts of each of the assets, liabilities, income, expenses, contingent liabilities and capital commitments as at/for the years ended March 31, 2009 and March 31, 2008 in the above company as per its audited financial statements are as under:

	As at/For the year ended March 31, 2009 Rs. in lacs	As at/For the year ended March 31, 2008 Rs. in lacs
Name of Joint Venture	**BEOL**	BEOL
Assets		
- Fixed Assets (Net Block)	**438.16**	372.88
- Investments	**187.45**	187.45
- Inventories	**278.38**	478.87
- Sundry Debtors	**294.44**	385.30
- Cash and Bank Balances	**148.79**	196.60
- Other Current Assets	**4.53**	19.23
- Loans and Advances	**82.58**	100.80
	1434.33	1741.13
Liabilities		
- Secured Loans	**46.41**	273.87
- Unsecured Loans	**310.40**	310.40
- Current Liabilities and Provisions	**231.40**	234.10
	588.21	818.37
Income		
- Income from Operations	**1573.61**	1699.75
- Other Income	**20.06**	60.09
Expenses		
Manufacturing and Other Expenses	**1594.57**	1662.63
Interest and Financial Charges	**25.74**	35.18
Depreciation	**49.43**	47.94
Provision for Tax/(Tax Credit)	**0.57**	1.64
Contingent Liabilities	**1202.92**	947.04
Capital Commitments	**10.39**	99.82

6. Government of India vide Finance Act, 2006 vide Notification No.19/2006 dated March 1, 2006 introduced special auxiliary duty (SAD) on import of any goods whereas the excise duty on finished goods, continued to remain at 16% till February 29, 2008, 14% till December 7, 2008, 10% till February 23, 2009 and 8% thereafter which has resulted in an inverted duty structure. The management has devised alternative mechanism for utilisation of the accumulated Cenvat balances of Rs. 949.48 lacs (as appearing in Schedule 10 of Loans and Advances) as going concern over a reasonable period of time and hence this does not call for any provision thereagainst.

7. Contingent liabilities (not provided for) in respect of

(i) Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for Rs.10.66 lacs (Rs.20.91 lacs).

(ii) Claims against the Company not acknowledged as debts Rs. 8.09 lacs (Rs. Nil).

(iii) Pending cases with Income-Tax Appellate authorities where Income Tax Department has preferred Appeals - liability not ascertainable*.

* Based on the discussions with the solicitors/meeting the terms and conditions by the Company, the management believes that the Company has a strong chance of success in the cases and hence no provision thereagainst is considered necessary.

8. In the opinion of the management, the decline in the market value of certain quoted long term investments (trade) (aggregate carrying cost amount Rs.4093.76 lacs) by Rs.2069.48 lacs at the year end is temporary and hence, does not call for any provision thereagainst. However, there is no diminution in the value of long term quoted investments if market value of all investments is taken together.

9. The Company has filed a law suit against an overseas supplier and its agent relating to the validity and existence of an alleged agreement before a competent court which is already seized of the said suit. The supplier in order to overreach the said Law Suit has initiated an arbitration for claiming recovery of value of the unsupplied goods for the period from October, 2002 to September, 2006 aggregating to Rs.5919.97 lacs (value as on March 31, 2009). The said arbitration proceedings have been stayed by the order of the Competent Court. The Company has been legally advised that the said claim against the Company is unsustainable and there is no likelihood of any liability arising against the Company.

10. Derivative Instruments and Unhedged Foreign Currency Exposure

Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

Particulars	Currency	**As at March 31, 2009**	As at March 31, 2008
Acceptances	USD	**196,245.00**	1,045,770.72
Sundry Creditors	USD	**17,438.13**	34,152.13
	EURO	**–**	67,213.00
Advances	USD	**–**	480,159.02
	EURO	**8,524.00**	–
Sundry Debtors	USD	**42,782.62**	25,378.92
	EURO	**233,532.13**	220,237.57

11. Employee Benefit plans (Notified AS 15)

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The Company has also agreed to provide pension to one senior employee. These benefits are unfunded.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

Net employee benefit expense (recognized in Employee Cost)

	Gratuity		**Pension**	
	2008-09	2007-08	**2008-09**	2007-08
	Rs. in lacs	Rs. in lacs	**Rs. in lacs**	Rs. in lacs
Current service cost	**17.85**	10.64	**–**	–
Interest cost on benefit obligation	**9.73**	8.37	**2.57**	2.93
Expected return on plan assets	**(7.13)**	(5.27)	**–**	–
Net Actuarial (Gain)/Loss recognized in the year	**6.55**	9.21	**2.27**	(0.94)
Add: Impact of variation in actual and expected return on plan assets	**(0.50)**	0.18	**–**	–
Add: Actual amount of gratuity payable to pending full and final settlements	**–**	0.51	**–**	–
Add: Insurance cost borne by the Company	**0.77**	0.55	–	–
Add: Movement of short term liability of employee	**–**	–	**4.44**	4.44
Net Benefit Expense	**27.27**	24.19	**9.28**	6.43
Actual return on plan assets	**(7.63)**	(5.44)	–	–

Amount recognized in the Balance Sheet

	Gratuity		Pension	
	2008-09 Rs. in lacs	2007-08 Rs. in lacs	**2008-09 Rs. in lacs**	2007-08 Rs. in lacs
Defined benefit obligation	**171.79**	138.88	**41.30**	40.90
Fair value of the plan assets	**93.84**	69.71	**–**	–
Net Asset (Liability)	**(77.95)**	(69.17)	**(41.30)**	(40.90)

Changes in present value of the defined benefit obligation are as follows

	Gratuity		Pension	
	2008-09 Rs.in lacs	2007-08 Rs.in lacs	**2008-09 Rs.in lacs**	2007-08 Rs.in lacs
Opening Defined Benefit Obligation	**138.88**	114.97	**40.90**	38.91
Interest Cost	**9.73**	8.37	**2.57**	2.93
Current Service Cost	**17.85**	10.64	**–**	–
Benefits paid	**(1.22)**	(4.82)	**(4.44)**	(4.44)
Actuarial (Gain)/Loss on obligations	**6.55**	9.21	**2.27**	(0.94)
Add: Actual amount of gratuity payable on full and final settlement	**–**	0.51	**–**	–
Add: Movement of short term liability of employee	**–**	–	**–**	4.44
Closing Defined Benefit Obligation	**171.79**	138.88	**41.30**	40.90

Changes in the fair value of plan assets are as follows

	Gratuity	
	2008-09 Rs. in lacs	2007-08 Rs. in lacs
Opening Fair value of Plan Assets	**69.71**	50.88
Expected Return	**7.13**	5 .27
Contributions by employer	**17.72**	18.20
Benefits paid	**(1.22)**	(4.82)
Actuarial Gain on Plan Assets	**0.50**	0.18
Closing Fair Value of Plan Assets	**93.84**	69.71

The major categories of plan assets in case of gratuity as a percentage of the fair value of total plan assets are as follows

	Gratuity	
	2008-09 (%)	2007-08 (%)
Investments with insurer	**100**	100

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

The principal assumptions used in determining gratuity and pension obligations for the Company's plans are shown below

	Gratuity		Pension	
	2008-09 Rs. in lacs	2007-08 Rs. in lacs	**2008-09 Rs. in lacs**	2007-08 Rs. in lacs
Mortality Table	**LIC 1994-96 Ultimate**	LIC 1994-96 Ultimate	**LIC 1994-96 Ultimate**	LIC 1994-96 Ultimate
Attrition Rate	**5.00% p.a.**	5.00% p.a.	**N.A.**	N.A.
Imputed rate of interest	**7.50% p.a.**	8.00% p.a.	**7.50%**	8.00%
Salary rise	**7.50% p.a.**	7.50% p.a.	**N.A.**	N.A.
Expected Return on plan assets	**9.15%**	9.15%	**N.A.**	N.A.
Remaining working life	**17.11 Years**	16.68 Years	**N.A.**	N.A.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company expects to contribute Rs. 20.00 lacs to Gratuity Fund during the year 2009-10.

Notes:

1. Information relating to experience adjustments to plan assets and liabilities as required by Para 120(n)(ii) of the Accounting Standard 15 (Revised) on Employee Benefits is not available with the Company. The impact of the same is not material.
2. The actuarial valuation of gratuity and pension liability in the current year and previous year was done in accordance with the revised Accounting Standard 15, Employee Benefits. Accordingly, comparative numbers, as required by Para 120(n) of Revised Accounting Standard 15, are not furnished.

Defined Contribution Plan	**2008-09 Rs. in lacs**	2007-08 Rs. in lacs
Contribution to Provident Fund	**53.58**	40.12
Contribution to Superannuation Fund	**13.48**	15.16

12. Disclosure as per Section 22 of “The Micro, Small and Medium Enterprises Development Act, 2006”.

Sl. No.	**Particulars**	**As At March 31, 2009 Rs. in lacs**	As At March 31, 2008 Rs. in lacs
1	the principal amount and interest due thereon remaining unpaid to any supplier		
	- Principal amount	**0.02**	Nil
	- Interest thereon	**0.40**	0.04
2	the amount of interest paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	**Nil**	Nil
3	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
4	the amount of interest accrued and remaining unpaid.	**0.40**	0.04
5	the amount of further interest remaining due and payable in the succeeding year till the date of finalization of financial statements.	**Nil**	Nil

13. (i) Components of Deferred Tax arising on account of timing differences alongwith their movement as at March 31, 2009 is as given below:

Particulars	**As at March 31, 2009 Rs. in lacs**	As at March 31, 2008 Rs. in lacs
Deferred Tax Liability (A)		
- Differences in depreciation and other differences in block of fixed assets as per tax books and financial books.	**591.69**	617.93
Deferred Tax Asset (B)		
- Unabsorbed Depreciation	**591.69**	617.22
Deferred Tax Liability (Net) (A-B)	**Nil**	0.71

(ii) Pursuant to Accounting Standard (AS) 22 “Accounting for Taxes on Income”, the Company, has, based on prudence, not recognized deferred tax assets amounting to Rs. 873.96 lacs (Rs.426.53 lacs) on all the timing differences including Rs.180.38 lacs (Rs. Nil) on unabsorbed depreciation.

14. Information pursuant to Accounting Standard ”7"

Pursuant to Accounting Standard “7” (Revised) on “Construction Contracts”, the relevant information relating to Contracts in Progress at the reporting date is as given below:

		2008-09 Rs. in lacs	2007-08 Rs. in lacs
(a)	Aggregate amount of Cost incurred	**3347.96**	11.80
(b)	Recognized Profit upto the reporting date	**732.55**	2.95
(c)	Amount of advance received	**Nil**	Nil
(d)	Amount of outstanding/retentions	**3579.25**	14.75
(e)	Long Term Contracts in progress	**88.68**	Nil
(f)	Advance billing to Customers	**Nil**	Nil

15. Supplementary Statutory Information

15.1 Managerial Remuneration

		2008-09 Rs. in lacs	2007-08 Rs. in lacs
(a)	Salary	**9.00**	5.40
(b)	Contribution to Provident Fund	**1.08**	0.65
(c)	Sitting Fees	**0.20**	0.20
(d)	Perquisites (Actual and/or evaluated as per Income Tax Rules, 1962)	**2.73**	1.24
		13.01*	7.49*

* Excluding provision for gratuity and leave encashment, being the figures those are actuarially determined for the Company as a whole and therefore, are not separately available.

15.2	Earnings in Foreign Exchange (on accrual basis)		
	Exports of goods on FOB basis	**431.55**	565.19
15.3	Expenditure in Foreign Currency (on cash basis)		
	Interest	**–**	–
	Travelling	**14.37**	8.24
	Others	**42.49**	5.65
15.4	Value of imports on CIF basis		
	Raw Materials	**8966.32**	12899.62
	Spare Parts	**59.13**	31.82
	Traded Goods	**–**	7.89
	Capital Goods	**183.07**	221.77

15.5 In accordance with Explanation below Para 10 of Notified Accounting Standard 9: Revenue Recognition, excise duty on sales amounting to Rs.2677.47 lacs (Rs.3263.14 lacs) has been reduced from sales in the Profit and Loss Account and excise duty on decrease in stocks amounting to Rs.61.97 lacs has been considered as income (Rs.68.23 lacs as expense on increase in stocks) in Schedule 18 of the financial statements.

16. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part-II of Schedule VI to the Companies Act, 1956.

(a) (i) Licensed Capacity, Installed Capacity and Actual Production

Product	Unit	Licensed/Registered Capacity March 31 2009	Licensed/Registered Capacity March 31 2008	Installed Capacity (as certified by the management) March 31 2009	Installed Capacity (as certified by the management) March 31 2008	Actual Production March 31 2009	Actual Production March 31 2008
(a) Jelly Filled Telephone Cable	**CKMs**	**10700000**	10700000	**7026000**	7454000	**1123538**	1647117
(b) Optical Fibre Cable	**KMs**	**34272**	34272	**34272**	34272	**11756**	16663
(c) Fibre Ribbon	**KMs**	**75000**	75000	**75000**	75000	**1951**	13338
(d) Quad Cable	**KMs**	**1800**	1800	**1800**	1800	**1712**	575
(e) FRP Rod	**KMs**	**20000**	20000	**20000**	20000	**8179**	2804
(f) E-Glass Roving	**MTs**	**25**	25	**25**	25	**–**	–
(g) Tinned Copper Wire	**MTs**	**1036**	1036	**1036**	1036	**0.10**	26
(h) Signalling Cable	**KMs**	**2000**	2000	**2000**	2000	**341**	5
(i) Aerial Bunched Cable	**KMs**	**12000**	12000	**12000**	12000	**1262**	4

(ii) Sales (Gross)

Product	Unit	2008-09 Quantity	2008-09 Value Rs. in lacs	2007-08 Quantity	2007-08 Value Rs. in lacs
Jelly Filled Telephone Cable	**CKMs**	**1160319**	**10332.71**	1608079	15374.50
Optical Fibre Cable	**KMs**	**11811**	**6408.78**	16421	6003.05
Fibre Ribbon	**KMs**	**1951**	**126.12**	13363	871.27
Quad Cable	**KMs**	**1712**	**3221.03**	575	984.29
FRP Rod	**KMs**	**8179**	**135.46**	2804	46.73
Tinned Copper Wire	**MTs**	**0.10**	**0.21**	26	92.06
Signalling Cable	**KMs**	**341**	**456.44**	5	8.38
Aerial Bunched Cable	**KMs**	**1262**	**2199.06**	4	2.23
Contract Revenue			**4080.51**	–	14.75
Miscellaneous Sales*			**796.51**	–	592.12
			27756.83		23989.38

*Including Sale of traded goods Rs.6.46 lacs (Rs.8.26 lacs).

Note: Differences in quantitative tally are due to own consumption, claims and samples.

(b) Consumption of Raw Materials

	Unit	Quantity 2008-09	Quantity 2007-08	Value (Rs. in lacs) 2008-09	Value (Rs. in lacs) 2007-08
(i) Copper	MTs	**2070**	3019	**7409.19**	9871.09
(ii) Polyethylene	MTs	**2637**	3804	**2095.49**	2568.98
(iii) Single Mode Optical Fibre	KMs	**753160**	825713	**2796.20**	2954.89
(iv) Aluminium Rod	MTs	**1784**	–	**2044.97**	–
(v) Others				**3987.54**	3867.00
				18333.39	19261.96

(c) Value of imported and indigenous Raw Materials and Stores and Spares consumed and percentage thereof

	2008-09		2007-08	
	Value Rs. in lacs	**% to Total**	Value Rs. in lacs	% to Total
(i) Raw Materials				
Imported	**9500.03**	**51.82**	12888.71	66.91
Indigenous	**8833.36**	**48.18**	6373.25	33.09
	18333.39	**100.00**	19261.96	100.00
(ii) Stores and Spares				
Imported	**34.08**	**14.08**	31.57	12.26
Indigenous	**207.94**	**85.92**	225.88	87.74
	242.02	**100.00**	257.45	100.00

(d) Stock of Finished Goods

Product	**Unit**	**2008-09**				2007-08			
		Opening Stock		**Closing Stock**		Opening Stock		Closing Stock	
		Qty	**Value Rs. in lacs**	**Qty**	**Value Rs. in lacs**	Qty	Value Rs. in lacs	Qty	Value Rs. in lacs
Jelly Filled Telephone Cable	**CKMs**	**39035**	**270.73**	**1736**	**6.29**	–	–	39035	270.73
Optical Fibre Cable	**KMs**	**241**	**101.25**	**181**	**84.38**	192	–	241	101.25
Fibre Ribbon	**KMs**	**–**	**–**		–	25	–	–	–
			371.98		**90.67**		–		371.98

17. Figures of previous year have been shown in brackets and regrouped wherever necessary.

Signatures to Schedules 1 to 22

As per our attached report of even date.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per ANIL GUPTA
Partner
Membership No.87921

New Delhi, May 11, 2009

Harsh V. Lodha
J. Veeraraghavan
S.K. Misra
R.C. Tapuriah
D.R. Bansal
} Directors

Y.S. Lodha — Wholetime Director
R. Radhakrishnan — President (Commercial) & Secretary

New Delhi, May 11, 2009

ADDITIONAL INFORMATION AS REQUIRED UNDER PART-IV OF SCHEDULE-VI TO THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.

I. Registration details

Registration No. L31300MP1983PLC002134

State Code 10

Balance Sheet date: Date 31, Month 03, Year 2009

II. Capital raised during the year (Amount in Rs.thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	Total Assets
2892170	2892170

Sources of Funds

Paid-up Capital	Reserves & Surplus
118219	2054035
Secured Loans	Unsecured Loans
364265	NIL

Application of Funds

Net Fixed Assets	Investments
437878	1176837
Net Current Assets	Misc. Expenditure
921804	NIL
Accumulated Losses	Deferred Tax Assets (Net)
NIL	

IV. Performance of Company (Amount in Rs. thousands)

Turnover	Total Expenditure
2573571	2667207

+ / – : – ✓ Profit/Loss before Tax (93636)

+ / – : – ✓ Profit/Loss after Tax (93603)

Earning per Share before Extraordinary Item in Rs. (7.92)

Dividend rate % – –

Earning per Share after Extraordinary Item in Rs. (7.92)

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

Item Code No. (ITC Code) 854449.90

Product Description JELLY FILLED TELEPHONE CABLES

Item Code No. (ITC Code) 900110.00

Product Description OPTICAL FIBRE CABLES

Item Code No. (ITC Code) 854460.90

Product Description AERIAL BUNCH CABLES

INFORMATION REGARDING SUBSIDIARY COMPANIES

Pursuant to the approval granted by the Central Government under Section 212(8) of the Companies Act, 1956 for the financial year ended on March 31, 2009, the required information relating to the subsidiary companies is as given below:

Rs. in lacs

Particulars	August Agents Ltd.		Laneseda Agents Ltd.		Insilco Agents Ltd.	
	March 31, 2009	March 31, 2008	**March 31, 2009**	March 31, 2008	**March 31, 2009**	March 31, 2008
Capital	**1525.02**	1525.02	**1500.02**	1500.02	**1500.02**	1500.02
Reserves	**776.08**	502.17	**776.82**	505.73	**774.58**	505.05
Total Assets	**2309.90**	2030.00	**2282.75**	2009.11	**2279.91**	2008.03
Total Liabilities	**2309.90**	2030.00	**2282.75**	2009.11	**2279.91**	2008.03
Investments (Quoted)						
Equity Shares of Rs.10/- each of Universal Cables Ltd.						
No. of Shares	**71915.00**	71915.00	**35000.00**	35000.00	**109710.00**	109710.00
Value	**84.67**	84.67	**41.34**	41.34	**131.72**	131.72
Birla Corporation Ltd.						
No. of Shares	**6015912.00**	6015912.00	**5994680.00**	5994680.00	**6004080.00**	6004080.00
Value	**1518.51**	1518.51	**1492.56**	1492.56	**1495.84**	1495.84
Secured Debentures (Unquoted)						
Debenture Series -201 ALT -2 of Citicorp Finance (India) Ltd.						
No. of Shares/Units	**2.00**	2.00	**2.00**	2.00	**–**	–
Value	**20.50**	20.50	**20.50**	20.50	**–**	–
HDFC Debenture Series -II of HDFC Mutual Fund						
No. of Shares/Units	**–**	–	**–**	–	**–**	–
Value	**50.00**	50.00	**50.00**	50.00	**50.00**	50.00
Kotak Securities - NDPMS Structured Opportunities of Kotak Mutual Fund						
No. of Shares/Units	**–**	–	**1.00**	–	**–**	–
Value	**–**	–	**10.20**	–	**–**	–
Investments (Unquoted)						
Prudential ICICI Monthly Income Plan - Cum Prudential ICICI Mutual Fund						
No. of Units	**–**	57681.23	**–**	–	**–**	–
Value	**–**	8.57	**–**	–	**–**	–
Reliance MIP - Growth of Reliance Mutual Fund						
No. of Units	**–**	57663.97	**–**	–	**–**	–
Value	**–**	7.01	**–**	–	**–**	–
Birla Income Plus Plan B-Growth of Birla Sun Life Mutual Fund						
No. of Units	**–**	–	**748.48**	748.48	**–**	–
Value	**–**	–	**0.17**	0.17	**–**	–
HDFC High Interest Fund Short Term Plan - Growth of HDFC M.F.						
No. of Units	**475298.57**	475298.57	**–**	–	**–**	–
Value	**63.00**	63.00	**–**	–	**–**	–

INFORMATION REGARDING SUBSIDIARY COMPANIES (Contd.)

Rs. in lacs

Particulars	August Agents Ltd.		Laneseda Agents Ltd.		Insilco Agents Ltd.	
	March 31, 2009	March 31, 2008	**March 31, 2009**	March 31, 2008	**March 31, 2009**	March 31, 2008
Principal Pnb Fixed Maturity Plan 385 days - Ser IV Growth of Principal Pnb Assets Management						
No. of Units	**–**	770000.00	**–**	–	**–**	–
Value	**–**	77.00	**–**	–	**–**	–
J.M.Money Manager Fund Super Plus Plan Growth of J.M. Financial Mutual Fund						
No. of Units	**–**	–	**563980.70**	563980.70	**–**	–
Value	**–**	–	**57.00**	57.00	**–**	–
Principal Pnb Fixed Maturity Plan 540 days - Series I Growth of Principal Pnb Assets Management						
No. of Units	**–**	–	**–**	935000.00	**–**	–
Value	**–**	–	**–**	93.50	**–**	–
Reliance Short Term Fund of Reliance Mutual Fund						
No. of Units	**–**	–	**–**	–	**308684.53**	465523.06
Value	**–**	–	**–**	–	**49.03**	58.55
DWS Fixed Term Fund Series 29- Growth of Deutsche Mutual Fund						
No. of Units	**–**	338220.71	**–**	–	**–**	–
Value	**–**	33.82	**–**	–	**–**	–
DWS Short Maturity Fund- Growth of Deutsche Mutual Fund						
No. of Units	**121841.64**	846831.31	**–**	–	**–**	–
Value	**15.82**	110.00	**–**	–	**–**	–
HDFC FMP -367 Days April 07 (5) Retail Growth of HDFC Mutual Fund						
No. of Units	**–**	–	**–**	578313.67	**–**	–
Value	**–**	–	**–**	57.83	**–**	–
HDFC Short Term Plan - Growth of HDFC Mutual Fund						
No. of Units	**–**	–	**–**	574915.02	**–**	–
Value	**–**	–	**–**	80.00	**–**	–
ICICI Prudential Income Multplier Regular Plus - Growth of ICICI Prudential Mutual Fund						
No. of Units	**–**	–	**499307.47**	340914.21	**–**	–
Value	**–**	–	**76.50**	51.50	**–**	–
ICICI Prudential FMP - Sr 36 - 18 Month Plan B OF ICICI Prudential Mutual Fund						
No. of Units	**–**	–	**–**	–	–	500000.00
Value	**–**	–	**–**	–	–	50.00
Lotus India Active Income Fund Instut.- Growth of Lotus India Mutual Fund						
No. of Units	**–**	–	**–**	–	–	1100000.00
Value	**–**	–	**–**	–	–	110.00

INFORMATION REGARDING SUBSIDIARY COMPANIES (Contd.)

Rs. in lacs

Particulars	August Agents Ltd.		Laneseda Agents Ltd.		Insilco Agents Ltd.	
	March 31, 2009	March 31, 2008	**March 31, 2009**	March 31, 2008	**March 31, 2009**	March 31, 2008
Lotus India Active Income Fund Regular - Growth of Lotus India Mutual Fund						
No. of Units	**–**	–	**–**	–	–	33968.38
Value	**–**	–	**–**	–	–	3.50
J.M. Arbitrage Advantage Fund - Dividend of JM Financial Mutual Fund						
No. of Units	**–**	–	**–**	485837.83	**–**	–
Value	**–**	–	**–**	50.00	**–**	–
Optimix Active Debt Multi Manager FOF Scheme of ING Mutual Fund						
No. of Units	**–**	–	**67180.82**	67180.82	**–**	–
Value	**–**	–	**7.50**	7.50	**–**	–
SBI Arbitrage Opportunity Fund - Dividend of SBI Mutual Fund						
No. of Units	**–**	–	**–**	–	**–**	464291.35
Value	**–**	–	**–**	–	**–**	50.00
IDFC Liquid Fund-Dividend of IDFC Mutual Fund						
No. of Units	**–**	–	**–**	–	**–**	5087.34
Value	**–**	–	**–**	–	**–**	51.00
IDFC Arbitrage Fund Plan B-Dividend of IDFC Mutual Fund						
No. of Units	–	500114.72	**–**	–	**–**	–
Value	–	51.59	**–**	–	**–**	–
Birla Sun Life Income Plus Growth of Birla Sun Life Mutual Fund						
No. of Units	**80310.45**	**–**	**–**	–	**125585.36**	–
Value	**31.30**	**–**	**–**	–	**52.00**	–
DSP Black Rock Bond Fund Regular Plan - Growth of DSP Black Rock Mutual Fund						
No. of Units	**346771.29**	–	**–**	–	**–**	–
Value	**102.00**	–	**–**	–	**–**	–
HDFC High Interest Fund Growth of HDFC Mutual Fund						
No. of Units	**181053.93**	–	**–**	–	**–**	–
Value	**52.75**	–	**–**	–	**–**	–
ICICI Prudential Income Plan - Growth of ICICI Mutual Fund						
No. of Units	**42492.04**	–	**–**	–	**–**	–
Value	**11.73**	–	**–**	–	**–**	–
ICICI Prudential Gilt Fund Investment Plan of ICICI Mutual Fund						
No. of Units	**88769.58**	–	**–**	–	**–**	–
Value	**25.00**	–	**–**	–	**–**	–

INFORMATION REGARDING SUBSIDIARY COMPANIES (Contd.)

Rs. in lacs

Particulars	August Agents Ltd.		Laneseda Agents Ltd.		Insilco Agents Ltd.	
	March 31, 2009	March 31, 2008	**March 31, 2009**	March 31, 2008	**March 31, 2009**	March 31, 2008
JM Money Manager Fund Regular Plan Growth of JM Financial Mutual Fund						
No. of Units	**482220.88**	–	**–**	–	**–**	–
Value	**56.10**	–	**–**	–	**–**	–
Reliance Income Fund Retail Plan Growth of Reliance Mutual Financial Fund						
No. of Units	**30909.15**	–	**–**	–	**–**	–
Value	**8.90**	–	**–**	–	**–**	–
Reliance Medium Term Fund Retail Plan Growth of Reliance Mutual Financial Fund						
No. of Units	**583884.78**	–	**–**	–	**–**	–
Value	**105.00**	–	**–**	–	**–**	–
Templeton India Government Security Fund Long Term Plan Growth of Franklin Templeton Mutual Fund						
No. of Units	**126233.94**	–	**–**	–	**126233.94**	–
Value	**25.00**	–	**–**	–	**25.00**	–
UTI Bond Fund Regular Growth Plan of UTI Mutual Financial Fund						
No. of Units	**474810.73**	–	**–**	–	**–**	–
Value	**127.00**	–	**–**	–	**–**	–
DWS Fixed Term Fund Series 54 - Growth of Deutsche Mutual Fund						
No. of Units	**–**	–	**1450000.00**	–	**–**	–
Value	**–**	–	**145.00**	–	**–**	–
DWS Fixed Term Fund Series 55 - Growth of Deutsche Mutual Fund						
No. of Units	**–**	–	**900000.00**	–	**–**	–
Value	**–**	–	**90.00**	–	**–**	–
Reliance Income Fund Retail Plan Growth of Reliance Mutual Fund						
No. of Units	**–**	–	**146665.23**	–	**–**	–
Value	**–**	–	**42.25**	–		–
HDFC High Interest Fund Growth of HDFC Mutual Fund						
No. of Units	**–**	–	**306400.23**	–	**–**	–
Value	**–**	–	**91.06**	–	**–**	–
HDFC High Interest Fund Short Plan - Growth of HDFC Mutual Fund						
No. of Units	**–**	–	**294370.55**	–	**–**	–
Value	**–**	–	**49.04**	–	**–**	–
IDFC Fixed Maturity Plan Yearly Series -25 Plan -B Growth of IDFC Mutual Fund						
No. of Units	**–**	–	**1000000.00**	–	**–**	–
Value	**–**	–	**100.00**	–	**–**	–

INFORMATION REGARDING SUBSIDIARY COMPANIES (Contd.)

Rs. in lacs

Particulars	August Agents Ltd.		Laneseda Agents Ltd.		Insilco Agents Ltd.	
	March 31, 2009	March 31, 2008	**March 31, 2009**	March 31, 2008	**March 31, 2009**	March 31, 2008
Birla Sun Life Gilt Plus Regular Growth of Birla Sun Life Mutual Fund						
No. of Units	**–**	–	**–**	–	**78079.65**	–
Value	**–**	–	**–**	–	**23.00**	–
HDFC Income Fund Growth of HDFC Mutual Fund						
No. of Units	**–**	–	**–**	–	**782342.02**	–
Value	**–**	–	**–**	–	**150.00**	–
ICICI Prudential Gilt Fund Investment Plan - Growth of ICICI Mutual Fund						
No. of Units	**–**	–	**–**	–	**88769.58**	–
Value	**–**	–	**–**	–	**25.00**	–
Principal PNB Fixed Maturity Plan 385 days- Ser.IX Growth of Principal PNB Mutual Fund						
No. of Units	**–**	–	**–**	–	**1440000.00**	–
Value	**–**	–	**–**	–	**144.00**	–
Reliance Medium Term Fund Retail Plan Growth of Reliance Mutual Fund						
No. of Units	**–**	–	**–**	–	**404019.78**	–
Value	**–**	–	**–**	–	**71.72**	–
Tata Short Term Bond Fund Growth of Tata Mutual Fund						
No. of Units	**–**	–	**–**	–	**317456.51**	–
Value	**–**	–	**–**	–	**53.00**	–
Turnover	**281.15**	219.48	**275.59**	222.62	**273.11**	222.00
Profit Before Taxation	**279.91**	217.04	**274.37**	220.19	**271.89**	219.58
Provision for Taxation	**6.00**	0.35	**3.25**	0.70	**2.35**	0.25
Profit after Taxation	**273.91**	216.69	**271.12**	219.49	**269.54**	219.33
Proposed Dividend	**–**	–	**–**	–	**–**	–

Harsh V. Lodha J. Veeraraghavan S.K. Misra R.C. Tapuriah D.R. Bansal	Directors
Y.S. Lodha	Wholetime Director
R. Radhakrishnan	President (Commercial) & Secretary

New Delhi, May 11, 2009

Auditors' Report

TO THE BOARD OF DIRECTORS OF VINDHYA TELELINKS LIMITED

We have audited the attached consolidated balance sheet of Vindhya Telelinks Group, as at March 31, 2009, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Vindhya Telelinks Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of all subsidiaries, whose financial statements reflect total assets of Rs.6835.73 lacs as at March 31, 2009, the total revenue of Rs. 829.93 lacs and cash flows amounting to Rs.1.47 lacs for the year then ended. We also did not audit the financial statements of joint venture of Vindhya Telelinks Limited out of which total assets of Rs.1420.90 lacs as at March 31, 2009 and total revenue of Rs.1583.85 lacs for the year have been considered for the purpose of preparation of these consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

Read with Note No 1 (v) in Schedule 25, we report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, and Accounting

CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share capital	1	**1182.19**	1182.18
Reserves and surplus	2	**22795.87**	23012.16
		23978.06	24194.34
LOAN FUNDS			
Secured loans	3	**3689.06**	1217.16
Unsecured loans	4	**310.40**	310.40
		3999.46	1527.56
DEFERRED TAX LIABILITIES (NET)		**–**	0.71
(Refer Note No. 12.1 of Schedule 25)			
		27977.52	25722.61
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	5	**15899.12**	15184.14
Less: Accumulated depreciation/amortisation		**11176.02**	10671.99
Net block		**4723.10**	4512.15
Capital Work-in-progress		**92.73**	264.55
		4815.83	4776.70
INVESTMENTS	6	**13354.46**	12557.28
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	**3284.57**	4998.50
Sundry debtors	8	**7061.92**	3565.11
Cash and bank balances	9	**1090.74**	1100.06
Other current assets	10	**38.80**	98.50
Loans and advances	11	**2108.50**	1586.93
		13584.53	11349.10
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	12	**3533.40**	2752.65
Provisions	13	**243.90**	207.82
		3777.30	2960.47
NET CURRENT ASSETS		**9807.23**	8388.63
		27977.52	25722.61
NOTES TO ACCOUNTS	25		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our attached report of even date.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per ANIL GUPTA
Partner
Membership No.87921

New Delhi, May 11, 2009

Harsh V. Lodha	Directors
J. Veeraraghavan	Directors
S.K. Misra	Directors
R.C. Tapuriah	Directors
D.R. Bansal	Directors
Y.S. Lodha	Wholetime Director
R. Radhakrishnan	President (Commercial) & Secretary

New Delhi, May 11, 2009

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	**For the Year ended March 31, 2009 Rs. in lacs**	For the Year ended March 31, 2008 Rs. in lacs
INCOME			
Turnover (Gross)	14	**29483.66**	25787.97
Less:- Excise duty		**2869.89**	3460.29
Turnover (Net)		**26613.77**	22327.68
Other income	15	**1495.80**	1558.41
		28109.57	23886.09
EXPENDITURE			
Raw materials consumed	16	**19522.00**	20729.66
Materials purchased/Subcontract Expenses	17	**2795.62**	11.80
Cost of traded goods sold	18	**10.58**	10.38
Personnel expenses	19	**1152.95**	859.27
Operating and other expenses	20	**2366.97**	2019.09
(Increase)/Decrease in inventories	21	**1318.00**	(1550.00)
Financial expenses	22	**562.48**	369.43
		27728.60	22449.63
PROFIT BEFORE DEPRECIATION/ AMORTISATION AND TAX		**380.97**	1436.46
Depreciation/Amortisation	23	**584.67**	499.23
PROFIT/ (LOSS) BEFORE TAX		**(203.70)**	937.23
Taxes	24	**11.87**	(16.47)
NET PROFIT/ (LOSS) FOR THE YEAR		**(215.57)**	953.70
Credit Balance brought forward		**2266.66**	1444.07
Transfer from General Reserve		**186.35**	–
Amount available for appropriation		**2237.44**	2397.77
APPROPRIATIONS			
Transferred to Reserve Fund (Under RBI Act, 1934)		**162.91**	131.11
Surplus carried to Balance Sheet		**2074.53**	2266.66
		2237.44	2397.77
Earnings per share (EPS)			
Weighted average number of equity shares in calculating basic and diluted EPS		**11850863**	11850863
Basic and diluted [(Nominal value of shares Rs.10 each (Rs. 10 each)]		**(1.82)**	8.05
NOTES TO ACCOUNTS	25		

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our attached report of even date.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per ANIL GUPTA
Partner
Membership No.87921

New Delhi, May 11, 2009

Harsh V. Lodha
J. Veeraraghavan
S.K. Misra
R.C. Tapuriah
D.R. Bansal
Directors

Y.S. Lodha — Wholetime Director

R. Radhakrishnan — President (Commercial) & Secretary

New Delhi, May 11, 2009

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

		Rs. in lacs	For the Year ended March 31, 2009 Rs. in lacs	Rs. in lacs	For the Year ended March 31, 2008 Rs. in lacs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/(Loss) before taxes		**(203.70)**		937.23
	Adjustments for :				
	Depreciation/Amortisation	584.67		499.23	
	Loss/(Profit) on disposal of fixed assets (net)	(1.53)		1.39	
	(Profit) on sale of current investments	(90.98)		(18.58)	
	Provision for diminution in the value of current investments	16.36		0.61	
	Interest income	(74.16)		(315.91)	
	Dividend income	(1113.75)		(988.46)	
	Interest expense	448.94	**(230.45)**	269.75	(551.97)
	Operating Profit/(Loss) before working capital changes		**(434.15)**		385.26
	Movement in working capital:				
	(Increase) in sundry debtors	(3496.81)		(2796.66)	
	Decrease/(increase) in inventories	1713.93		(2631.20)	
	(Increase) in loans and advances	(473.84)		(1163.52)	
	Increase in current liabilities and provisions	821.18	**(1435.54)**	2045.64	(4545.74)
	Net Cash (used in) /generated from operations :		**(1869.69)**		(4160.48)
	Direct taxes (paid)		**(60.31)**		(15.24)
	Net cash (used in) operating activities		**(1930.00)**		(4175.72)
B.	**Cash flows from investing activities**				
	Purchase of fixed assets	(645.31)		(651.75)	
	Proceeds from sale of fixed assets	22.30		12.07	
	Purchase of investments	(1549.96)		(889.28)	
	Sale of investments	827.40		236.21	
	Deposits with bodies corporate & others received back	–		41.83	
	Interest received	133.86		346.09	
	Dividend received	1113.75		988.46	
	Fixed deposits with banks placed	(583.48)		(278.33)	
	Fixed deposits with banks encashed	842.25		5500.31	
	Net cash generated from investing activities		**160.81**		5305.61

		For the Year ended March 31, 2009		For the Year ended March 31, 2008
	Rs. in lacs	**Rs. in lacs**	Rs. in lacs	Rs. in lacs

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009 (Contd.)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from share capital	0.01		0.01	
Proceeds from securities premium	0.02		0.04	
Proceeds/(Repayment) of short term borrowing (net)	2775.68		(66.61)	
Repayment of long term borrowings	(303.78)		(999.02)	
Interest paid	(448.94)		(270.19)	
Dividend paid	(4.35)		(4.63)	
Net cash from/(used in) financing activities		**2018.64**		(1340.40)
Net Increase/(decrease) in cash and cash equivalents		**249.45**		(210.51)
Cash and cash equivalents at the beginning of the year		**257.71**		468.22
Cash and cash equivalents at the end of the year		**507.16**		257.71
Components of cash and cash equivalents as at March 31*				
Cash and cheques on hand		**282.71**		213.76
With scheduled banks - on current/collection accounts		**126.46**		34.71
- cash credit accounts		**93.10**		–
- Unclaimed dividend accounts		**4.89**		9.24
		507.16		257.71

(a) * Difference of Rs. 583.58 lacs (Rs. 842.35 lacs) from Schedule 9 represents short term investments with an original maturity of three months or more.

(b) The Cash Flow Statement has been prepared under the 'Indirect method' as set out in Accounting Standard-3 on Cash Flow Statements.

(c) Negative figures have been shown in brackets.

As per our attached report of even date.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per ANIL GUPTA
Partner
Membership No.87921

New Delhi, May 11, 2009

Harsh V. Lodha
J. Veeraraghavan
S.K. Misra
R.C. Tapuriah
D.R. Bansal — Directors

Y.S. Lodha — Wholetime Director

R. Radhakrishnan — President (Commercial) & Secretary

New Delhi, May 11, 2009

SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

SCHEDULE 1 : SHARE CAPITAL

Authorised							
150,00,000	Equity shares of Rs. 10 each	1500.00	–	**1500.00**	1500.00	–	1500.00
Issued							
118,52,014	Equity shares of Rs. 10 each	1185.20	–	**1185.20**	1185.20	–	1185.20
Subscribed							
118,50,863	Equity shares of Rs. 10 each fully paid up	1185.09	–	**1185.09**	1185.09	–	1185.09
	Less: Calls unpaid	2.90	–	**2.90**	2.91	–	2.91
		1182.19	–	**1182.19**	1182.18	–	1182.18

SCHEDULE 2 : RESERVES AND SURPLUS

Capital Reserve						
Difference between the cost of the investment in the Subsidiaries and Company's portion in equity of the subsidiaries at the time of acquisition	0.03	–	**0.03**	0.03	–	0.03
On revaluation of plant & machinery						
Balance as per last account	5.00	–	**5.00**	6.21	–	6.21
Less: Transferred to Profit and Loss Account being difference of depreciation on revalued cost of assets and that on the original cost	0.74	–	**0.74**	1.21	–	1.21
	4.26	–	**4.26**	5.00	–	5.00
Securities Premium Account						
As per last account	3877.22	184.34	**4061.56**	3877.18	184.34	4061.52
Add : Received during the year	0.02	–	**0.02**	0.04	–	0.04
	3877.24	184.34	**4061.58**	3877.22	184.34	4061.56
Reserve Fund (Under the Reserve Bank of India Act, 1934)						
As per last account	306.77	–	**306.77**	175.66	–	175.66
Add: Created during the year	162.91	–	**162.91**	131.11	–	131.11
	469.68	–	**469.68**	306.77	–	306.77
General Reserve						
Balance as per last account	16170.12	202.02	**16372.14**	16170.44	204.67	16375.11
Less : Adjustment for Employees Benefits	–	–	**–**	0.32	2.65	2.97
Less: Transferred to Profit and Loss Account	186.35	–	**186.35**	–	–	–
	15983.77	202.02	**16185.79**	16170.12	202.02	16372.14
Profit and Loss Account	2102.78	(28.25)	**2074.53**	2224.31	42.35	2266.66
	22437.76	358.11	**22795.87**	22583.45	428.71	23012.16

	As at March 31, 2009			As at March 31, 2008		
	Company and its subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs
SCHEDULE 3 : SECURED LOANS						
Loans from Banks						
Cash credit facilities	2918.72	–	**2918.72**	267.33	180.39	447.72
Export packing credit	723.93	0.70	**724.63**	219.54	14.89	234.43
Term loan from Bank	–	45.71	**45.71**	–	–	–
Loans against fixed deposit receipts	–	–	**–**	198.86	32.37	231.23
Sales Tax Loans	–	–	**–**	257.54	46.24	303.78
	3642.65	46.41	**3689.06**	943.27	273.89	1217.16

Notes:

1. Repayment of Sales Tax Loans and Term Loans from Bank against Fixed Deposit Receipts due within next twelve months Rs.26.67 lacs (Rs.535.00 lacs) including Rs.26.67 lacs (Rs.78.60 lacs) of joint venture.
2. Fund and non fund based credit facilities from State Bank of India (SBI) for Parent Company and Joint Venture and State Bank of Patiala (SBP) for Parent Company including export packing credit from State Bank of India (SBI) are secured by hypothecation of the Joint Venture's and Parent Company's entire goods, movable and other assets, present and future, including documents of title to goods and other assets such as book-debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and rights and all machinery, present and future. These facilities are further secured by deposit of all title deeds of the existing immovable properties of the Joint venture and Parent Company as and by way of collateral security and are further secured by way of pledge of 12,50,000 equity shares of Birla Ericsson Optical Limited held as investment by the Parent Company.
3. Sales Tax Loans are as per Scheme of State Government and for administration of these loans, Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC) has been nominated by the State Government.
4. Sales Tax Loans from MPSIDC are secured by way of hypothecation of Joint Venture's all movable plant and machinery, spares, tools and accessories and other movable assets, both present and future, ranking subsequent and subservient to all charge(s) created/to be created in favour of SBI and are further secured or to be secured by way of joint mortgage (on residual charge basis) created/to be created by deposit of title deeds of all immovable properties of the Joint Venture.

SCHEDULE 4 : UNSECURED LOANS						
Sales Tax Loans						
(Refer Note No. 3 of Schedule 3 above) (Due within next twelve months Rs.144.99 lacs (Rs.63.41 lacs))	–	310.40	**310.40**	–	310.40	310.40

SCHEDULE 5: FIXED ASSETS (Company and its Subsidiaries)

Rs. in lacs

Nature of fixed assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2008	Additions during the Year	Deductions/ Adjustments	As at 31.03.2009	As at 01.04.2008	Provided during the Year	Deductions/ Adjustments	As at 31.03.2009	**As at 31.03.2009**	As at 31.3.2008
LAND										
Freehold	113.18	–	–	113.18	–	–	–	–	**113.18**	113.18
Leasehold	44.68	–	–	44.68	5.86	0.68	–	6.54	**38.14**	38.82
BUILDINGS	2043.19	–	–	2043.19	970.91	49.20	–	1020.11	**1023.08**	1072.28
PLANT & MACHINERY	11246.65	724.07	84.24	11886.48	8481.93	451.04	71.24	8861.73	**3024.75**	2764.72
FURNITURE & OFFICE EQUIPMENT	289.67	43.37	6.08	326.96	185.67	26.58	3.54	208.71	**118.25**	104.00
VEHICLES	66.93	21.72	10.78	77.87	33.82	4.90	5.61	33.11	**44.76**	33.11
INTANGIBLE ASSETS (Software)	17.89	–	–	17.89	2.39	3.58	–	5.97	**11.92**	15.50
TOTAL	13822.19	789.16	101.10	14510.25	9680.58	535.98	80.39	10136.17	**4374.08**	4141.61
Capital work-in-progress									**6.01**	261.96
									4380.09	4403.57
Previous Year	13619.04	367.87	164.72	13822.19	9383.35	452.49	155.26	9680.58	4141.61	

Notes: (1) Freehold Land includes Rs.5.47 lacs (Rs.5.47 lacs) and Building Rs.112.79 lacs (Rs.112.79 lacs) given on operating lease. Written down value of these fixed assets as on March 31, 2009 is Rs.41.32 lacs (Rs.43.49 lacs) and depreciation charged during the year is Rs.2.17 lacs (Rs.2.29 lacs).

(2) Gross Block of Plant & Machinery include Rs.905.42 lacs (Rs.905.42 lacs) on account of addition on revaluation during the year ended March 31, 1990 as per valuation carried out by approved valuer.

(3) Fixed Assets of the value of Rs.23.58 lacs (Rs.14.14 lacs) WDV of Rs.2.70 lacs (WDV of Rs.1.14 lacs) have been discarded during the year.

FIXED ASSETS (Company's proportionate share in Joint Venture)

Rs. in lacs

Nature of fixed assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2008	Additions during the Year	Deductions/ Adjustments	As at 31.03.2009	As at 01.04.2008	Provided during the Year	Deductions/ Adjustments	As at 31.03.2009	**As at 31.03.2009**	As at 31.3.2008
Lease hold Land	3.25	–	–	3.25	0.78	0.05	–	0.83	**2.42**	2.47
BUILDINGS	136.80	0.60	–	137.40	47.47	3.83	–	51.30	**86.10**	89.33
PLANT & MACHINERY	1206.43	25.41	0.95	1230.89	935.90	44.19	0.90	979.19	**251.70**	270.53
FURNITURE & OFFICE EQUIPMENT	8.64	0.61	0.10	9.15	5.23	0.49	0.09	5.63	**3.52**	3.41
VEHICLES	4.56	1.18	–	5.74	1.73	0.39	–	2.12	**3.62**	2.83
INTANGIBLE ASSETS (Software)	2.27	0.17	–	2.44	0.30	0.48	–	0.78	**1.66**	1.97
TOTAL	1361.95	27.97	1.05	1388.87	991.41	49.43	0.99	1039.85	**349.02**	370.54
Capital Work-in-progress									**86.72**	2.59
									435.74	373.13
Previous Year	1337.60	51.31	26.96	1361.95	966.42	47.95	22.96	991.41	370.54	

Note: Building includes Rs.8.53 lacs (Rs.8.53 lacs) given on operating lease. Written down value of these fixed assets as on March 31, 2009 is Rs.7.54 lacs (Rs.7.68 lacs) and depreciation charged during the year is Rs.0.14 lac (Rs.0.14 lac).

SCHEDULE 5: FIXED ASSETS (Consolidated)

Rs. in lacs

Nature of fixed assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2008	Additions during the Year	Deductions/ Adjustments	As at 31.03.2009	As at 01.04.2008	Provided during the Year	Deductions/ Adjustments	As at 31.03.2009	**As at 31.03.2009**	As at 31.03.2008
LAND										
Freehold	113.18	–	–	113.18	–	–	–	–	**113.18**	113.18
Leasehold	47.93	–	–	47.93	6.64	0.73	–	7.37	**40.56**	41.29
BUILDINGS	2179.99	0.60	–	2180.59	1018.38	53.03	–	1071.41	**1109.18**	1161.61
PLANT & MACHINERY	12453.08	749.48	85.19	13117.37	9417.83	495.23	72.14	9840.92	**3276.45**	3035.25
FURNITURE & OFFICE EQUIPMENT	298.31	43.98	6.18	336.11	190.90	27.07	3.63	214.34	**121.77**	107.41
VEHICLES	71.49	22.90	10.78	83.61	35.55	5.29	5.61	35.23	**48.38**	35.94
INTANGIBLE ASSETS (Software)	20.16	0.17	–	20.33	2.69	4.06	–	6.75	**13.58**	17.47
TOTAL	15184.14	817.13	102.15	15899.12	10671.99	585.41	81.38	11176.02	**4723.10**	4512.15
Capital work-in-progress									**92.73**	264.55
									4815.83	4776.70
Previous Year	14956.64	419.18	191.68	15184.14	10349.77	500.44	178.22	10671.99	4512.15	

Notes: (1) Freehold Land includes Rs.5.47 lacs (Rs.5.47 lacs) and Building Rs.121.32 lacs (Rs.121.32 lacs) given on operating lease. Written down value of these fixed assets as on March 31, 2009 is Rs.48.86 lacs (Rs.51.17 lacs) and depreciation charged during the year is Rs.2.31 lacs (Rs.2.43 lacs).

(2) Gross Block of Plant & Machinery include Rs.905.42 lacs (Rs.905.42 lacs) on account of addition on revaluation during the year ended March 31, 1990 as per valuation carried out by approved valuer.

(3) Fixed Assets of the value of Rs.23.58 lacs (Rs.14.14 lacs) WDV of Rs.2.70 lacs (WDV of Rs.1.14 lacs) have been discarded during the year.

			As at March 31, 2009			As at March 31, 2008		
			Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs	Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs
SCHEDULE 6 : INVESTMENTS								
Long Term Investments (At Cost)								
(A) Trade								
Quoted - Fully paid up equity shares of Rs.10 each								
2,43,94,948	(2,43,94,948)	Birla Corporation Ltd.	6424.49	0.01	**6424.50**	6424.49	0.01	6424.50
52,04,150	(52,04,150)	Universal Cables Ltd.*	3451.47	187.16	**3638.63**	3451.47	187.16	3638.63
Unquoted - Fully paid up equity shares of Rs.10 each								
1,20,00,000	(1,20,00,000)	Punjab Produce Holdings Ltd.	1200.00	–	**1200.00**	1200.00	–	1200.00
2,99,940	(2,99,940)	Birla Financial Corporation Ltd.	29.99	–	**29.99**	29.99	–	29.99
11,106	(11,106)	Universal Telelinks Private Ltd.	0.98	0.13	**1.11**	0.98	0.13	1.11
11,106	(11,106)	Universal Electricals Private Ltd.	0.98	0.13	**1.11**	0.98	0.13	1.11
(B) Other than trade								
Unquoted - Fully paid up equity shares of Re.1 each								
6,900	(6,900)	Free Press House Ltd.	0.02	–	**0.02**	0.02	–	0.02
Redeemable Non Convertible Secured Debenture (Unquoted)								
4	(4)	Debenture Series - 201 ALT-2 of Citicorp Finance (India) Ltd	91.00	–	**91.00**	91.00	–	91.00
–	–	HDFC Debenture Series-II of HDFC Mutual Fund (Under PMS)	100.00	–	**100.00**	100.00	–	100.00
1	-	Kotak Securities - NDPMS Structured Opportunities of Kotak Mutual Fund	10.20	–	**10.20**	–	–	–
		Current Investments - Trade						
Unquoted - Fully paid up units of Mutual Funds of Rs.10 each								
–	(4,85,838)	JM Arbitrage Advantage Fund Dividend of JM Mutual Fund	–	–	–	50.00	–	50.00
–	(57,681)	Prudential ICICI MIP-Cumm. of Prudential ICICI Mutual Fund	–	–	**–**	8.57	–	8.57
–	(57,664)	Reliance MIP-Growth of Reliance Mutual Fund	–	–	**–**	7.01	–	7.01
1,77,574	(–)	Reliance Income Fund Retail Plan Growth of Reliance Mutual Financial Fund (NAV as on 31.3.09 - Rs.51.60 lacs)	51.15	–	**51.15**	–	–	–
9,87,905	(–)	Reliance Medium Term Fund Retail Plan Growth of Reliance Mutual Fund (NAV as on 31.3.09 - Rs.179.49 lacs)	176.72	–	**176.72**	–	–	–
748	(748)	Birla Income Plus Plan B-Growth of Birla Sun Life Fund (NAV as on 31.3.09 - Rs.0.30 lac)	0.17	–	**0.17**	0.17	–	0.17
–	(9,35,000)	Principal PNB Fixed Maturity Plan 540 days- series I Growth of Principal PNB Asset Management	–	–	**–**	93.50	–	93.50

			As at March 31, 2009			As at March 31, 2008		
			Company and its subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs

SCHEDULE 6 : INVESTMENTS (Contd.)

14,50,000	(–)	DWS Fixed Term Fund Series 54 – Growth of Deutsche Mutual Fund (NAV as on 31.3.09 - Rs.152.90 lacs)	145.00	–	**145.00**	–	–	–
9,00,000	(–)	DWS Fixed Term Fund Series 55 – Growth of Deutsche Mutual Fund (NAV as on 31.3.09 - Rs.95.54 lacs)	90.00	–	**90.00**	–	–	–
14,40,000	(–)	Principal PNB Fixed Maturity Plan 385 days- Ser.IX Growth of Principal PNB Mutual Fund (NAV as on 31.3.09 - Rs.154.77 lacs)	144.00	–	**144.00**	–	–	–
78,080	(–)	Birla Sun Life Gift Plus Regular Growth of Birla Sun Life Mutual Fund (NAV as on 31.3.09 - Rs.23.33 lacs)	23.00	–	**23.00**	–	–	–
2,05,895	(–)	Birla Sun Life Income Plus Growth of Birla Sun Life Mutual Fund (NAV as on 31.3.09 - Rs.81.55 lacs)	83.30	–	**83.30**	–	–	–
3,17,457	(–)	Tata Short Term Bond Fund Growth of Tata Mutual Fund (NAV as on 31.3.09 - Rs.51.97 lacs)	53.00	–	**53.00**	–	–	–
10,00,000	(–)	IDFC Fixed Maturity Plan Yearly Series -25 Plan -B Growth of IDFC Mutual Fund (NAV as on 31.3.09 - Rs.106.73 lacs)	100.00	–	**100.00**	–	–	–
2,52,468	(–)	Templeton India Government Security Fund Long Term Plan Growth of Franklin Templeton Mutual Fund (NAV as on 31.3.09 - Rs.56.70 lacs)	50.00	–	**50.00**	–	–	–
–	(7,70,000)	Principal PNB Fixed Maturity Plan 385 days- Ser. IV Growth of Principal PNB Asset Management	–	–	**–**	77.00	–	77.00
–	(5,78,314)	HDFC FMP 367 April 07 (5) Retail Growth of HDFC Mutual Fund	–	–	**–**	57.83	–	57.83
7,69,670	(4,75,299)	HDFC High Interest Fund Short Plan – Growth of HDFC Mutual Fund (NAV as on 31.3.09 - Rs130.44 lacs)	112.04	–	**112.04**	63.00	–	63.00
487,454	(–)	HDFC High Interest Fund Growth of HDFC Mutual Fund (NAV as on 31.3.09 - Rs.142.40 lacs)	143.81	–	**143.81**	–	–	–
7,82,342	(–)	HDFC Income Fund Growth of HDFC Mutual Fund (NAV as on 31.3.09 - Rs.156.98 lacs)	150.00	–	**150.00**	–	–	–
–	(5,74,915)	HDFC Short Term Plan-Growth of HDFC Mutual Fund	–	–	**–**	80.00	–	80.00
3,08,685	(4,65,523)	Reliance Short Term Fund of Reliance Mutual Fund (NAV as on 31.3.09 – Rs 49.94 lacs)	49.03	–	**49.03**	58.54	–	58.54

			As at March 31, 2009			As at March 31, 2008		
			Company and its subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs

SCHEDULE 6 : INVESTMENTS (Contd.)

5,63,981	(5,63,981)	JM Money Manager Fund Super Plus Plan Growth of JM Mutual Fund (NAV as on 31.3.09 - Rs.69.70 lacs)	57.00	–	**57.00**	57.00	–	57.00
4,99,307	(3,40,914)	Prudential ICICI Income Multiplier Regular-Growth (NAV as on 31.3.09 - Rs.72.73 lacs)	76.50	–	**76.50**	51.50	–	51.50
4,82,221	(–)	JM Money Manager Fund Regular Plan Growth of JM Financial Mutual Fund (NAV as on 31.3.09 - Rs.58.28 lacs)	56.10	–	**56.10**	–	–	–
–	(3,38,221)	DWS Fixed Term Fund Series 29 Growth of Deutsche Mutual Fund	–	–	**–**	33.82	–	33.82
1,21,842	(8,46,831)	DWS Short Maturity Fund - Growth of Deutsche Mutual Fund (NAV as on 31.3.09 - Rs.18.86 lacs)	15.82	–	**15.82**	110.00	–	110.00
–	(5,00,115)	Standard Chartered Arbitrage Fund Plan B - Dividend of Standard Chartered Mutual Fund	–	–	**–**	51.59	–	51.59
67,181	(75,000)	Optimix Active Debt Multi Manager FOF Scheme of ING Mutual Fund (NAV as on 31.3.09 - Rs. 8.20 lacs)	7.50	–	**7.50**	7.50	–	7.50
1,77,540	(–)	ICICI Prudential Gilt Fund Investment Plan - Growth of ICICI Mutual Fund (NAV as on 31.3.09 - Rs.53.14 lacs)	50.00	–	**50.00**	–	–	–
42,492	(–)	ICICI Prudential Income Plan - Growth of ICICI Mutual Fund (NAV as on 31.3.09 - Rs.11.78 lacs)	11.73	–	**11.73**	–	–	–
3,46,771	(–)	DSP Black Rock Bond Fund Regular Plan - Growth of DSP Black Rock Mutual Fund (NAV as on 31.3.09 - Rs. 100.70 lacs)	102.00	**–**	**102.00**	–	–	–
4,74,811	(–)	UTI Bond Fund Regular Growth Plan of UTI Mutual Financial Fund (NAV as on 31.3.09 - Rs. 119.29 lacs)	127.00	–	**127.00**	–	–	–
–	(5,00,000)	ICICI Prudential FMP - Sr 36-18 Months Plan B of ICICI Prudential Mutual Fund	–	–	**–**	50.00	–	50.00
–	(11,00,000)	Lotus India Active income Fund Instut. - Growth of Lotus India Mutual Fund	–	–	**–**	110.00	–	110.00
–	(33,968)	Lotus India Active income Fund Retail - Growth of Lotus India Mutual Fund	–	–	**–**	3.50	–	3.50
–	(4,64,291)	SBI Arbitrage Opportunity Fund - Dividend of SBI Mutual Fund	–	–	**–**	50.00	–	50.00
–	(5,087)	Standard Chartered Liquidity Manager Plus - Dividend of Standard Chartered Mutual Fund	–	–	**–**	51.00	–	51.00
			13184.00	187.43	**13371.43**	12370.46	187.43	12557.89

	As at March 31, 2009			As at March 31, 2008		
	Company and its subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs

SCHEDULE 6 : INVESTMENTS (Contd.)

Less Provision for Diminution in the value of current investments	16.97	–	**16.97**	0.61	–	0.61
	13167.03	187.43	**13354.46**	12369.85	187.43	12557.28
Aggregate amount of quoted investments	9875.96	187.17	**10063.13**	9875.96	187.17	10063.13
Market value of quoted investments	45120.88	52.83	**45173.71**	52150.36	106.36	52256.72
Aggregate amount of mutual funds units	1874.87	–	**1874.87**	1071.53	–	1071.53
Repurchase price of mutual funds units, represented by Net Asset Value	1947.30	–	**1947.30**	1145.50	–	1145.50
Aggregate amount of unquoted investments	1433.17	0.26	**1433.43**	1422.97	0.26	1423.23

Note: 12422 Units of Reliance Short Term Fund Retail Plan Growth of Reliance Mutual Fund, 1000000 Units of JM Fixed Maturity Fund Series XII Quarterly Plan I Institutional Growth of JM Financial Mutual Fund, 17773 Units of HDFC High Interest Fund Short Term Plan Growth of HDFC Mutual Fund, 313433 Units of Reliance Floating Rate Fund Growth of Reliance Mutual Fund, 242206 Units of Birla Monthly Income Plan Wealth 25 - Growth of Birla Sun Life Mutual Fund, 350000 Units of Canara Robeco Fixed Maturity Plan Series 3 Quarterly Plan 1 Retail Growth Fund of Canara Rebeco Mutual Fund, 1000000 Units of Canara Robeco Fixed Maturity Plan Series 3 Quarterly Plan 4 Institutional Growth Fund of Canara Rebeco Mutual Fund, 1000000 Units of DWS Fixed Term Fund Series 57 Institutional Growth of Deutsche Mutual Fund, 1020000 Units of HDFC Fixed Maturity Plan 90 Days October 2008 (IX) (3) - Growth of HDFC Mutual Fund, 24931 Units of JM Money Manager Fund Regular Plan - Growth of JM Financial Mutual Fund, 244550 Units of JM Money Manager Fund Super Plus-Growth of JM Financial Mutual Fund 5000000 Units of Marie Assets Interval Fund Quarterly Plan Series-1 of Marie Asset Mutual Fund, 26408 Units of IDFC Arbitrage Fund Plan B- Dividend of IDFC Mutual Fund, 657147 Units of UTI Fixed Income Interval Fund MIP II Growth of UTI Mutual Financial Fund, 363235 Units of HDFC Floating Rate Income Fund Short Term Plan Retail Growth of HDFC Mutual Fund have been purchased and sold/redeemed during the year.

	As at March 31, 2009			As at March 31, 2008		
	Company and its subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs
SCHEDULE 7 : INVENTORIES						
Raw materials	1432.41	160.01	**1592.42**	1698.84	243.95	1942.79
Stores and spares	266.08	35.92	**302.00**	294.40	44.11	338.51
Traded goods	33.54	0.19	**33.73**	42.51	0.27	42.78
Work- in- progress	1160.91	68.89	**1229.80**	1884.91	171.61	2056.52
Finished goods	90.67	10.11	**100.78**	371.98	4.59	376.57
Scrap	22.58	3.26	**25.84**	226.98	14.35	241.33
	3006.19	278.38	**3284.57**	4519.62	478.88	4998.50
SCHEDULE 8 : SUNDRY DEBTORS (Unsecured)						
For Sales on deferred payment terms						
Debts outstanding for a period exceeding six months-						
Considered doubtful	10.73	–	**10.73**	12.12	–	12.12
For other sales						
Debts outstanding for a period exceeding six months-						
Considered good	193.39	37.70	**231.09**	22.32	21.99	44.31
Considered doubtful	86.70	–	**86.70**	87.32	–	87.32
Other debts						
Considered good	6584.84	245.99	**6830.83**	3159.20	361.60	3520.80
Considered doubtful	0.40	–	**0.40**	–	–	–
	6876.06	283.69	**7159.75**	3280.96	383.59	3664.55
Less: Provision for doubtful debts	97.83	–	**97.83**	99.44	–	99.44
	6778.23	283.69	**7061.92**	3181.52	383.59	3565.11
SCHEDULE 9: CASH AND BANK BALANCES						
Cash on hand (including cheques/drafts in hand Rs. 281.69 lacs (Rs. 209.26 lacs)(including Rs 8.81 lacs (Rs. 34.71 lacs) of joint venture))	273.55	9.16	**282.71**	178.74	35.02	213.76
Balance with scheduled banks						
On current/collection accounts	124.87	1.59	**126.46**	34.49	0.22	34.71
" cash credit accounts	19.98	73.12	**93.10**	–	–	–
" fixed deposit accounts (Fixed Deposit Receipts of pledged with banks and others)	519.58	64.00	**583.58**	683.04	159.31	842.35
" unclaimed dividend accounts (including Fixed Deposits of Rs 0.91 lac (Rs. 2.01 lacs) (including Rs 0.91 lac (Rs. 2.01 lacs) of joint venture))	3.97	0.92	**4.89**	7.19	2.05	9.24
	941.95	148.79	**1090.74**	903.46	196.60	1100.06
SCHEDULE 10: OTHER CURRENT ASSETS						
Interest receivable on deposits and others	34.27	4.53	**38.80**	79.27	19.23	98.50

	As at March 31, 2009			As at March 31, 2008		
	Company and its subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs
SCHEDULE 11 : LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)						
Loans to employees	18.19	3.46	**21.65**	13.97	0.93	14.90
Advances recoverable in cash or kind or for value to be received	366.52	6.35	**372.87**	371.53	29.67	401.20
Deposits						
- Others	400.57	8.57	**409.14**	135.81	6.18	141.99
Balance with Customs, Central Excise, etc.	1149.32	55.40	**1204.72**	926.64	47.02	973.66
Advance Income Tax and Income tax deducted at source (net of provisions Rs.92.45 lacs (Rs.59.83 lacs) (including Rs.4.57 lacs (Rs.5.21 lacs) of joint venture)	47.17	1.47	**48.64**	0.35	0.56	0.91
Claims, payment of refunds etc. receivable	44.15	7.33	**51.48**	37.83	16.44	54.27
	2025.92	82.58	**2108.50**	1486.13	100.80	1586.93
SCHEDULE 12: CURRENT LIABILITIES						
Acceptances	101.16	28.04	**129.20**	420.30	40.55	460.85
Sundry creditors						
Dues to Micro and Small Enterprises (Refer Note No. 11 of Schedule 25)	0.02	0.04	**0.06**	–	–	–
Creditors other than Micro and Small Enterprises	3156.18	169.61	**3325.79**	2061.08	174.65	2235.73
Advance from customers	15.94	11.57	**27.51**	0.88	–	0.88
Sundry deposits	45.95	–	**45.95**	45.95	–	45.95
Investor Education and Protection Fund shall be credited by the following amount on due date:						
Unclaimed dividend	3.97	0.92	**4.89**	7.19	2.05	9.24
	3323.22	210.18	**3533.40**	2535.40	217.25	2752.65
SCHEDULE 13 : PROVISIONS						
For Gratuity	77.95	–	**77.95**	69.17	–	69.17
For Compensated Absences	103.44	10.47	**113.91**	81.81	8.62	90.43
For Pension	41.30	10.74	**52.04**	40.90	7.32	48.22
	222.69	21.21	**243.90**	191.88	15.94	207.82

	For the year ended March 31, 2009			For the year ended March 31, 2008		
	Company and its subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs
SCHEDULE 14 : TURNOVER						
Finished goods *	22844.95	1710.09	**24555.04**	23259.27	1891.31	25150.58
Contract revenue	4080.51	-	**4080.51**	14.75	-	14.75
Others	796.51	51.60	**848.11**	592.09	30.55	622.64
	27721.97	1761.69	**29483.66**	23866.11	1921.86	25787.97

* includes price variation claims of Rs. Nil (Rs. Nil of Joint Venture) (Rs. 58.02 lacs) (Rs. 7.48 lacs of joint venture) related to an earlier year but settled during the year.

	For the year ended March 31, 2009			For the year ended March 31, 2008		
	Company and its subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs
SCHEDULE 15 : OTHER INCOME						
Interest:						
-on bank deposits (gross) ((Tax deducted at source Rs.5.13 lacs (Rs.7.42 lacs) (including Rs.0.77 lac (Rs.0.34 lac) of joint venture))	56.20	8.60	**64.80**	230.55	37.54	268.09
-on inter corporate deposits etc. (gross) (Tax deducted at source Rs.0.77 lac (Rs.2.90 lacs)) (including Rs.0.06 lac (Rs.0.18 lac) of joint venture))	8.37	0.99	**9.36**	46.07	1.75	47.82
-On Investments (Long term) (Trade)	1097.16	3.54	**1100.70**	975.18	3.54	978.72
-On Investments (Current) (Trade)	13.05	–	**13.05**	9.74	–	9.74
Unspent liabilities/sundry balances written back	12.97	2.46	**15.43**	38.71	2.28	40.99
Provision for doubtful debts written back	8.20	–	**8.20**	1.00	–	1.00
Profit on sale of current investments (Trade) (net)	90.98	–	**90.98**	17.85	0.73	18.58
Profit on disposal of fixed assets	8.95	0.01	**8.96**	6.23	0.06	6.29
Rent received	74.21	0.64	**74.85**	74.37	0.64	75.01
Exchange rate fluctuation (net)	–	–	**–**	31.63	5.49	37.12
Processing charges received	89.91	–	**89.91**	25.70	–	25.70
Miscellaneous income	17.02	2.54	**19.56**	44.43	4.92	49.35
	1477.02	18.78	**1495.80**	1501.46	56.95	1558.41
SCHEDULE 16: RAW MATERIALS CONSUMED						
Inventories as at 31st March, 2008	1698.84	243.95	**1942.79**	731.26	191.59	922.85
Add: Purchases (Less : sales and claims Rs.957.23 lacs(Rs.138.74 lacs) (including Rs.36.94 lacs (Rs.Nil) of joint venture))	18036.30	1135.33	**19171.63**	20123.72	1625.88	21749.60
	19735.14	1379.28	**21114.42**	20854.98	1817.47	22672.45
Less: Inventories as at March 31, 2009	1432.41	160.01	**1592.42**	1698.84	243.95	1942.79
	18302.73	1219.27	**19522.00**	19156.14	1573.52	20729.66
SCHEDULE 17: MATERIALS PURCHASED/ SUBCONTRACT EXPENSES						
Cost of Materials purchased.	1624.78	–	**1624.78**	–	–	–
Subcontract Expenses	1170.84	–	**1170.84**	11.80	–	11.80
	2795.62	–	**2795.62**	11.80	–	11.80
SCHEDULE 18: COST OF TRADED GOODS SOLD						
Inventories as at March 31, 2008	42.51	0.27	**42.78**	42.94	0.18	43.12
Add: Purchases	1.53	–	**1.53**	9.95	0.09	10.04
	44.04	0.27	**44.31**	52.89	0.27	53.16
Less: Inventories as at March 31, 2009	33.54	0.19	**33.73**	42.51	0.27	42.78
	10.50	0.08	**10.58**	10.38	–	10.38
SCHEDULE 19: PERSONNEL EXPENSES						
Salaries, wages and bonus	897.28	76.14	**973.42**	656.44	58.09	714.53
Contribution to provident and other funds	94.34	9.22	**103.56**	79.48	5.41	84.89
Workmen and staff welfare expenses	69.91	6.06	**75.97**	53.96	5.89	59.85
	1061.53	91.42	**1152.95**	789.88	69.39	859.27

	For the year ended March 31, 2009			For the year ended March 31, 2008		
	Company and its subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs
SCHEDULE 21 : (INCREASE)/DECREASE IN INVENTORIES						
Inventories as at March 31, 2009						
Work- in-progress	1160.91	68.89	**1229.80**	1884.91	171.61	2056.52
Finished goods	90.67	10.11	**100.78**	371.98	4.59	376.57
Scrap	22.58	3.26	**25.84**	226.98	14.35	241.33
	1274.16	82.26	**1356.42**	2483.87	190.55	2674.42
Inventories as at March 31, 2008						
Work- in-progress	1884.91	171.61	**2056.52**	1050.74	56.10	1106.84
Finished goods	371.98	4.59	**376.57**	–	–	–
Scrap	226.98	14.35	**241.33**	17.01	0.57	17.58
	2483.87	190.55	**2674.42**	1067.75	56.67	1124.42
	1209.71	108.29	**1318.00**	(1416.12)	(133.88)	(1550.00)
SCHEDULE 22 : FINANCIAL EXPENSES						
Interest						
- on fixed loans	–	–	**–**	–	3.81	3.81
- to banks and others	432.73	16.21	**448.94**	242.79	23.15	265.94
Bank charges	104.01	9.53	**113.54**	91.46	8.22	99.68
	536.74	25.74	**562.48**	334.25	35.18	369.43
SCHEDULE 23 : DEPRECIATION						
On Fixed Assets	535.98	49.43	**585.41**	452.49	47.95	500.44
Less: Transfer from Capital Reserve	0.74	–	**0.74**	1.21	–	1.21
	535.24	49.43	**584.67**	451.28	47.95	499.23
SCHEDULE 24 : TAXES						
Income tax for current year/ Minimum alternate tax	11.60	–	**11.60**	1.30	0.54	1.84
Deferred tax (credit)	(0.71)	–	**(0.71)**	(32.42)	–	(32.42)
Income tax and Fringe Benefit Tax credit for earlier years	(17.34)	(0.60)	**(17.94)**	–	–	–
Fringe benefit tax	17.75	1.17	**18.92**	13.00	1.11	14.11
	11.30	0.57	**11.87**	(18.12)	1.65	(16.47)

SCHEDULE 25 : NOTES TO THE CONSOLIDATED ACCOUNTS

NOTES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2009, Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year ended on that date.

1. The Consolidated Financial Statements relate to Vindhya Telelinks Ltd. (Parent Company), its subsidiary companies and its joint venture company. The Consolidated Financial Statements have been prepared on the following basis:

   (i) The financial statements of the Parent Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra group balances and intra group transactions.

   (ii) The financial statements of the subsidiary companies and joint venture used in the consolidation are drawn for the same reporting period as that of the Parent Company i.e. year ended March 31, 2009.

   (iii) The list of Subsidiary Companies which are included in the consolidation and the Parent Company's holding therein are as under:

Name of Subsidiaries	Country of Incorporation	Percentage of Ownership
August Agents Limited	India	100.00
Insilco Agents Limited	India	100.00
Laneseda Agents Limited	India	100.00

   (iv) Joint Venture Company – In accordance with Accounting Standard 27 notified under Companies (Accounting Standard) Rules, 2006, the Parent Company has prepared the accompanying Consolidated Financial Statements by including the Parent Company's proportionate interest in the Joint Venture's assets, liabilities, income, expenses and other relevant information after eliminating parent company's share in intra group balances Rs. 10.75 lacs (Previous year Rs. 6.05 lacs) and intra group transactions Rs. 49.32 lacs (Previous year Rs. 2.52 lacs). Detail of Joint Venture Company is as follows:

Name of Joint Venture	Country of Incorporation	Percentage of Ownership
Birla Ericsson Optical Limited	India	13.33

   (v) The Parent Company by itself or alongwith its subsidiaries hold more than 20% of the voting power of certain bodies corporate. The Parent Company has been legally advised that it does not have any "Significant Influence" in the said bodies corporate as defined in Accounting Standard '18' "Related Party Disclosures" and accordingly, has not considered the above investees as related parties under AS-18 and has not consolidated the accounts of the above as "Associate" under Accounting Standard '23'.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

   (a) Basis of Preparation

   The Financial Statements have been prepared to comply in all matervAccounting Standard '23'. 823(S)11(T)ed

   and isoli.())-1433(Basis of P0024 Tce been prep30072 Tc 0.00b3 Tw 2.646 -1Us5(y) coi(orate)7(.)59 V)]TJ -044e been prepared t

Software licenses costing Rs. 5,000 and below are fully depreciated in the year of acquisition.

(d) Depreciation

(i) Premium on leasehold land is amortised over the life of the lease.

(ii) Depreciation on second hand plant and machinery purchased by the parent company during the financial year 2004-05 which are estimated to have lower residual lives than envisaged as per the rates provided in Schedule XIV to the Companies Act, 1956, has been provided based on the estimated lower residual life by using the straight line method.

(iii) Depreciation on Fixed Assets of Unit No.1 and Computer Systems of the Parent Company (26.88% of total Fixed Assets) is provided on Written Down Value Method at rates, computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed under Schedule XIV to the Companies Act, 1956.

(iv) Depreciation on all other Fixed Assets is provided on Straight Line Method at rates, computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed under Schedule XIV to the Companies Act, 1956.

(v) Depreciation on insurance spares capitalized in Parent Company and Joint Venture is provided over the residual useful life of the respective mother asset.

(e) Leases

Where the Group is the Lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc are recognized immediately in the Profit and Loss Account.

Where the Group is the Lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

(f) Investments

Investments that are readily realisable 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 carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(g) Inventories

Inventories are valued as follows:

Raw Materials, Stores & Spares and Traded Goods	:	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a transaction moving weighted average basis.
Work-in-progress and Finished Goods (Own manufactured)	:	Lower of cost and net realizable value. Cost includes, direct materials (determined on weighted average cost basis) and labour & proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.
Scrap	:	Net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise duty deducted from gross turnover is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arose during the year. Credits/debits arising out of finalisation of provisional prices on supplies are accounted for in the year of their acceptance since it is not possible to ascertain the exact quantum in respect thereof with reasonable accuracy.Revenue to the extent of price variation disputes, which are subjected to resolution through arbitration is recognized based on interim relief granted by a Court and/or after receipt of revenue in execution of the final award in favour of the Parent Company and Joint Venture, as the case may be.

Contract Revenue

The Parent Company follows the percentage of completion method as per Accounting Standard(AS)-7 to recognize revenue in respect of contracts executed. Contract Revenue is accounted for on the basis of bills submitted to clients/bills certified by the clients or on technical evaluation of work executed based on joint inspection with customers and do not include material supplied by customers/clients free of cost. The income on account of claims/rewards or extra item works are recognized to the extent parent company expects reasonable certainty about receipt or acceptance from the clients/ customers. In case the total cost of a contract, based on technical and other estimates, is expected to exceed the corresponding contract value, such expected loss is fully provided for.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend

Revenue is recognized when the shareholder's right to receive payment is established by the Balance Sheet date.

(i) Foreign Currency Translations

(i) Initial Recognition

Foreign Currency Transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transactions.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

(iv) Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract . Exchange differences on such contracts are recognized in the Profit and Loss Account in the year in which exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for that year.

(j) Retirement Benefits

(i) Retirement benefits in the form of Provident Fund and Superannuation Fund are charged to profit and loss account of the year when contributions to the respective funds are due. The Group accounts for the contributions under Superannuation Scheme being made to Life Insurance Corporation of India (LIC) against an insurance policy taken with them. There are no other obligations other than the contributions payable to the funds.

(ii) Gratuity liability and pension liability (including past services of employees who were in other group companies) are defined benefit obligations and are provided for on the basis of an actuarial valuation performed in accordance with Projected Unit Credit Method made at the end of each financial year by an independent actuary.

(iii) Short term compensated absences are provided for on estimate basis. Long term compensated absences are provided for on actuarial valuation basis.

(iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

(v) Payments made under Voluntary Retirement Scheme are charged to the profit and loss account in the year when the employee accepts the early retirement.

(vi) Ex-gratia or other amount disbursed on account of selective employees separation scheme are charged to Profit and Loss Account.

(k) Income Taxes

Tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Parent Company, its subsidiaries and joint venture have unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date Parent Company and subsidiaries and joint venture re-assess unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Parent Company, its subsidiaries and joint venture writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Parent Company, Subsidiaries and Joint Venture will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Parent Company, Subsidiaries and Joint Venture review the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect these Companies will pay normal income tax during the specified period.

(l) Segment Reporting Policies

Identification of segments

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the group operate.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Include general corporate income and expense items which are not allocated to any business segment.

(m) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events of bonus issue, bonus element in a right issue to existing shareholders, share splits and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(n) Provisions

A provision is recognised when the group has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions, except those disclosed elsewhere in the notes to the financial statements are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the option of early retirement under the Voluntary Retirement Scheme.

(o) Cash and Cash equivalents

Cash and Cash equivalent in the cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

(p) Derivative Instruments

The Group uses derivative instruments such as forward contract to hedge its risks associated with fluctuations in raw material prices. Forward contracts are initially recognized at fair value on the date on which a derivative contract is entered into and subsequently re measured at fair value. Such contract is carried as liability when the fair value is negative. Based on prudence, no treatment is given effect when the fair value of the contract is positive.

3. Segment Information

The business segment of the Group is divided into two categories i.e. Cables and EPC (Engineering, Procurement and Construction). A brief Description of the types of products and Services provided by each reportable segment is as follows:

1. Cables- The Group manufactures and markets various types of cables including Jelly Filled Telephone Cables, Optic Fibre Cables, Aerial Bunch Cable, Quad Cable and Fibre Ribbon.
2. EPC (Engineering, Procurement and Construction) –The Group undertakes and executes Contracts and provide services with or without materials, as the case may be.

(a) Primary Segment Information (by Business Segments)

The following table presents revenue and profit/(loss) information regarding industry segments for the years ended March 31, 2009 and March 31,2008 and certain liabilities information regarding industry segments at March 31, 2009 and March 31, 2008.

Business Segments	For the Year Ended March 31, 2009			For the Year ended March 31, 2008		
	Cables	Engineering, Procurement and Construction	Total	Cables	Engineering, Procurement and Construction	Total
	Rs.in lacs	Rs.in lacs	Rs.in lacs	Rs.in lacs	Rs.in lacs	Rs.in lacs
Revenue						
External Sales	**22533.26**	**4080.51**	**26613.77**	22312.93	14.75	22327.68
Inter Segment Sales	**–**	**–**	**–**	–	–	–
Other Income*	**142.06**	**–**	**142.06**	160.45	–	160.45
Total Revenue	**22675.32**	**4080.51**	**26755.83**	22473.38	14.75	22488.13
Results						
Segment result	**(1820.79)**	**732.55**	**(1088.24)**	(189.45)	2.95	(186.50)
Unallocated Corporate Income/ Expenses (Net)			**1259.32**			1077.57
Operating Profit/(Loss)			**171.08**			891.07
Interest Expenses (Net)			**(374.78)**			46.16
Income tax for current year/Minimum alternative tax			**(11.60)**			(1.84)
Excess Provision for Taxation written back			**17.94**			–
Deferred Tax (Charge)/Credit			**0.71**			32.42
Provision for Fringe Benefit Tax			**(18.92)**			(14.11)
Profit/(Loss) from Ordinary Activities			**(215.57)**			953.70
Other Information						
Segment Assets	**13635.80**	**4711.03**	**18346.83**	16115.65	–	16115.65
Unallocated Corporate Assets			**13407.99**			12567.43
Total Assets			**31754.82**			28683.08
Segment Liabilities	**2389.71**	**1382.70**	**3772.41**	2955.58	–	2955.58
Unallocated Corporate Liabilities			**4004.35**			1533.16
Total Liabilities			**7776.76**			4488.74
Capital Expenditure	**325.06**	**320.25**	**645.31**	599.53	–	599.53
Unallocated Capital Expenditure	**–**	**–**	**–**	–	–	–
Depreciation	**561.10**	**23.57**	**584.67**	499.23	–	499.23
Other Non Cash Expenditure						
Provision for Doubtful Debts	**8.25**	**–**	**8.25**	(0.68)	–	(0.68)
Sundry Balances written off	**3.29**	**–**	**3.29**	3.18	–	3.18

*Excludes Rs.1353.74 lacs (Rs.1397.96 lacs) netted off from Unallocated Corporate Expenses and Interest Expense.

(b) Geographical Segments

The following table shows the distribution of the Group's consolidated sales by geographical market, regardless of where the goods were produced:

Sales revenue by geographical market

Geographical Market Segment	2008-09 Rs. in lacs	2007-08 Rs. in lacs
Domestic Market	**26117.70**	21605.33
Overseas Market	**496.07**	722.35
	26613.77	22327.68

The following table shows the carrying amount of debtors by geographical market

Geographical Market Segment	2008-09 Rs. in lacs	2007-08 Rs. in lacs
Domestic Market	**6879.48**	3415.87
Overseas Market	**182.44**	149.24
	7061.92	3565.11

The Group has common fixed assets for producing goods/providing services to Domestic Market as well as for Overseas Market. Hence, separate figures for fixed assets/additions to fixed assets have not been furnished.

4. Related Party Disclosure

Joint Venture	:	Birla Ericsson Optical Ltd.
Key Management Personnel	:	Shri Y.S. Lodha (Wholetime Director of the Parent Company) Shri D.R. Bansal (Managing Director of the Joint Venture Company) Shri S.K. Daga (Wholetime Director of August Agents Ltd., a subsidiary company) Shri D.L. Rathi (Wholetime Director of Insilco Agents Ltd., a subsidiary company) Shri K. Damani (Wholetime Director of Laneseda Agents Ltd., a subsidiary company)
Other parties which significantly Influence/are influenced by the Company (either individually or with others)	:	Ericsson Cables AB (formerly Ericsson Network Technologies AB) Sweden (ECA) (Associate of Joint Venture) Universal Cables Limited (UCL) (Associate of Joint Venture)

Particulars	**Parent Company and its Subsidiaries with their Joint venture**		**Joint Venture with its Associates**			
			UCL		**ECA**	
	2008-09 Rs. in lacs	2007-08 Rs. in lacs	**2008-09 Rs. in lacs**	2007-08 Rs. in lacs	**2008-09 Rs. in lacs**	2007-08 Rs. in lacs
(i) Transactions during the year						
(a) Purchase of Raw Materials, Stores, Spares and Packing Materials	**509.72**	77.69	**239.99**	187.91	**–**	9.18
(b) Sale of Raw Materials, Stores, Spares and Packing Materials	**980.95**	640.47	**41.48**	0.94	**–**	–
(c) Sale of finished goods	**235.78**	833.37	**0.47**	–	**–**	–
(d) Other Service Charges/ Lease Rent Received	**52.35**	3.98	**0.64**	0.64	**–**	–
(e) Other Service Charges Paid	**2.57**	11.06	**–**	0.02	**0.13**	–
(f) Sale of Fixed Assets	**22.31**	–	**0.05**	–	**–**	–
(g) Purchase of Fixed Assets	**9.30**	9.50	**–**	1.08	–	
(h) Interest on Inter-Corporate Deposits received	**–**	–	**–**	0.64	**–**	–
(i) Interest on Inter-Corporate Deposits paid	**10.89**	9.45	**–**	–	**–**	–
(j) Inter-Corporate Deposits Granted	**–**	–	**–**	93.31	**–**	–
(k) Inter-Corporate Deposits Refunded	**–**	–	**–**	–	**–**	–
(l) Inter-Corporate Deposits taken	**2361.76**	1798.40	**–**	–	**–**	–
(m) Inter-Corporate Deposits repaid	**2361.76**	1798.40	**–**	–	**–**	–
(n) Dividend Received	**–**	–	**3.54**	3.54	**–**	–
(ii) Balance Outstanding at the year end						
Payables	**69.86**	5.24	**94.89**	40.12	**–**	–

Notes:

(i) The transactions with Joint Venture is at prevailing market prices.

(ii) No amount has been provided as doubtful debt or advance/written off or written back in the year in respect of debts due from/to above related parties.

(iii) Transactions and balances relating to reimbursement of expenses to/from related parties have not been considered above.

(iii) Remuneration to Managing Director and Wholetime Director

	2008-09 Rs. in lacs	2007-08 Rs. in lacs
Shri Y.S. Lodha	**13.01**	7.49
Shri D.R. Bansal	**1.80**	1.56
Shri S.K. Daga	**0.12**	0.12
Shri D.L. Rathi	**0.12**	0.12
Shri K. Damani	**0.12**	0.12
Total	**15.17***	9.41*

*Excluding contribution/provision for gratuity and leave encashment, being the figures those are actuarially determined for the Parent Company, Subsidiaries and Joint Venture as a whole and therefore, are not separately available.

5. Government of India vide Finance Act, 2006 vide Notification No.19/2006 dated March 1, 2006 introduced special auxiliary duty (SAD) on import of any goods whereas the excise duty on finished goods, continued to remain at 16% till February 29, 2008, 14% till December 7, 2008, 10% till February 23, 2009 and 8% thereafter which has resulted in an inverted duty structure. The management has devised alternative mechanism for utilisation of the accumulated cenvat balances of Rs.949.48 lacs (as appearing in Schedule 10 of Loans and Advances) as going concern over a reasonable period of time and hence this does not call for any provision thereagainst.

6. Contingent liabilities (not provided for) in respect of

   (i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advance) Rs.21.05 lacs (Rs.120.72 lacs) (including Rs.10.39 lacs (Rs.99.81 lacs) of joint venture).

   (ii) Claims against the Group not acknowledged as debts Rs.8.34 lacs (Rs.0.01 lac) (including Rs.0.25 lac (Rs.0.01 lac) of joint venture))*

   (iii) Pending cases with Income-Tax Appellate authorities where Income Tax Department has preferred Appeals - liability not ascertainable***.**

   * Based on the discussions with the solicitors/meeting the terms and conditions by the Parent Company and Joint Venture, the management believes that the Parent Company and Joint Venture have a strong chance of success in the cases and hence no provision thereagainst is considered necessary.

7. In the opinion of the management, the decline in the market value of certain quoted long term investments (trade) (aggregate carrying cost amount Rs.3638.63 lacs) by Rs.1778.15 lacs held by the parent company, subsidiaries, Joint Venture in a listed company at the year end is temporary and hence, does not call for any provision thereagainst. However, there is no diminution in the value of long term quoted investments if market value of all investments is taken together.

8. The Parent Company and its joint venture have filed a law suit against an overseas supplier and its agent relating to the validity and existence of an alleged agreement before a competent court which is already seized of the said suit. The supplier, in order to overreach the said Law Suit, has initiated an arbitration for claiming recovery of value of the unsupplied goods for the period from October, 2002 to September, 2006 aggregating to Rs.6709.10 lacs (value as on March 31, 2009), (including Rs.789.13 lacs share of a joint venture company). The said arbitration proceeding have been stayed by the order of the Competent Court. The Parent Company and the joint venture company have been legally advised that the said claim is unsustainable and there is no likelihood of any liability arising against the Parent Company and its joint venture.

9. Derivative Instruments and unhedged Foreign Currency Exposure

   Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

Particulars	**Currency**	**As at March 31, 2009**			As at March 31, 2008		
		Company and its Subsidiaries	**Joint Venture**	**Total**	Company and its Subsidiaries	Joint Venture	Total
Acceptances	USD	**196,245**	**54,401**	**250,646**	1,045,771	100,902	11,46,673
Sundry Creditors	USD	**17,438**	**1,483**	**18,921**	34,152	–	34,152
	EURO	**–**	**13,530**	**13,530**	67,213	–	67,213
Loans and Advances	USD	–	–	–	480,159	12,064	492,223
	EURO	**8,524**	–	**8,524**	–	–	–
Sundry Debtors	EURO	**233,532**	–	**233,532**	220,238	–	220,338
	USD	**42,783**	–	**42,783**	25,379	4,790	30,169

10. Employee Benefit plans (Notified AS 15)

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy. The Group has also agreed to provide pension to two senior employees. These benefits are unfunded.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

Net employee benefit expense (recognized in Employee Cost)

	Year	Gratuity			Pension		
		Company and its Subsidiaries Rs.in lacs	Joint Venture Rs.in lacs	Total Rs.in lacs	Company and its Subsidiaries Rs.in lacs	Joint Venture Rs.in lacs	Total Rs.in lacs
Current service cost	**2009**	**17.85**	**1.20**	**19.05**	**–**	**–**	**–**
	2008	10.64	1.02	11.66	–	–	–
Interest cost on benefit obligation	**2009**	**9.73**	**1.01**	**10.74**	**2.57**	**0.51**	**3.08**
	2008	8.37	1.09	9.46	2.93	0.98	3.91
Expected return on plan assets	**2009**	**(7.13)**	**(1.14)**	**(8.27)**	**–**	**–**	**–**
	2008	(5.27)	(0.95)	(6.22)	–	–	–
Net Actuarial (Gain)/Loss recognized in the year	**2009**	**6.55**	**1.18**	**7.73**	**2.27**	**3.29**	**5.56**
	2008	9.21	(1.80)	7.41	(0.94)	(6.04)	(6.98)
Add: Impact of variation in actual and expected return on plan assets	**2009**	**(0.50)**	**0.05**	**(0.45)**	**–**	**–**	**–**
	2008	(0.18)	0.06	(0.12)	–	–	–
Add: Actual amount of gratuity payable to pending full and final settlements	**2009**	–	–	–	**–**	**–**	**–**
	2008	0.51	–	0.51	–	–	–
Add: Insurance cost borne by the Group	**2009**	**0.77**	**0.08**	**0.85**	**–**	**–**	**–**
	2008	0.91	0.09	1.00	–	–	–
Add: Movement of short term liability of employee	**2009**	–	–	–	**4.44**	**–**	**4.44**
	2008	–	–	–	4.44	–	4.44
Net Benefit Expense	**2009**	**27.27**	**2.38**	**29.65**	**9.28**	**3.80**	**13.08**
	2008	24.19	(0.49)	23.70	6.43	(5.06)	1.37
Actual return on plan assets	**2009**	**(7.63)**	**(1.10)**	**(8.73)**	**–**	**–**	**–**
	2008	(5.44)	(0.90)	(6.34)	–	–	–

Amount recognized in the Balance Sheet

	Year	Gratuity			Pension		
		Company and its Subsidiaries Rs.in lacs	Joint Venture Rs.in lacs	Total Rs.in lacs	Company and its Subsidiaries Rs.in lacs	Joint Venture Rs.in lacs	Total Rs.in lacs
Defined Benefit obligation	**2009**	**171.79**	**16.42**	**188.21**	**41.30**	**10.74**	**52.04**
	2008	138.88	13.85	152.73	40.90	7.32	48.22
Fair value of the plan assets	**2009**	**93.84**	**16.62**	**110.46**	**–**	**–**	**–**
	2008	69.71	14.23	83.94	–	–	–
Net Asset/(Liability)	**2009**	**(77.95)**	**0.20**	**(77.75)**	**(41.30)**	**(10.74)**	**(52.04)**
	2008	(69.17)	0.38	(68.79)	(40.90)	(7.32)	(48.22)

Changes in present value of the defined benefit obligation are as follows:

	Year	Gratuity			Pension		
		Company and its Subsidiaries Rs.in lacs	**Joint Venture Rs.in lacs**	**Total Rs.in lacs**	**Company and its Subsidiaries Rs.in lacs**	**Joint Venture Rs.in lacs**	**Total Rs.in lacs**
Opening Defined Benefit Obligation	**2009**	**138.88**	**13.85**	**152.73**	**40.90**	**7.32**	**48.22**
	2008	114.97	13.84	128.81	38.91	12.76	51.67
Interest Cost	**2009**	**9.73**	**1.01**	**10.74**	**2.57**	**0.51**	**3.08**
	2008	8.37	1.09	9.46	2.93	0.98	3.91
Current Service Cost	**2009**	**17.85**	**1.20**	**19.05**	**–**	**–**	**–**
	2008	10.64	1.02	11.66	–	–	–
Benefit paid	**2009**	**(1.22)**	**(0.82)**	**(2.04)**	**(4.44)**	**(0.38)**	**(4.82)**
	2008	(4.82)	(0.30)	(5.12)	(4.44)	(0.38)	(4.82)
Actuarial (Gain)/Loss on obligations	**2009**	**6.55**	**1.18**	**7.73**	**2.27**	**3.29**	**5.56**
	2008	9.21	(1.80)	7.41	(0.94)	(6.04)	(6.98)
Add: Actual amount of gratuity payable to pending full and final settlements	**2009**	**–**	**–**	**–**	**–**	**–**	**–**
	2008	0.51	–	0.51	–	–	–
Add: Movement of short term liability of employee	**2009**	**–**	**–**	**–**	**–**	**–**	**–**
	2008	–	–	–	4.44	–	4.44
Closing Defined Benefit Obligation	**2009**	**171.79**	**16.42**	**188.21**	**41.30**	**10.74**	**52.04**
	2008	138.88	13.85	152.73	40.90	7.32	48.22

Changes in the Present value of plan assets are as follows:

	Gratuity (2008-09)			Gratuity (2007-08)		
	Company and its Subsidiaries Rs.in lacs	**Joint Venture Rs.in lacs**	**Total Rs.in lacs**	Company and its Subsidiaries Rs.in lacs	Joint Venture Rs.in lacs	Total Rs.in lacs
Opening Fair value of Plan Assets	**69.71**	**14.23**	**83.94**	50.88	11.81	62.69
Expected Return	**7.13**	**1.14**	**8.27**	5.27	0.95	6.22
Contribution by employer	**17.72**	**2.12**	**19.84**	18.20	1.83	20.03
Benefits paid	**(1.22)**	**(0.82)**	**(2.04)**	(4.82)	(0.30)	(5.12)
Actuarial Gain on Plan Assets	**0.50**	**(0.05)**	**0.45**	0.18	(0.06)	0.12
Closing Fair Value of Plan Assets	**93.84**	**16.62**	**110.46**	69.71	14.23	83.94

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	Gratuity	
	2008-09 (%)	2007-08 (%)
Investments with insurer	**100**	100

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

The principal assumptions used in determining gratuity and pension obligations for the Group's plans are shown below:

	Year	Gratuity		Pension	
		Company and its subsidiaries	Joint Venture	Company and its subsidiaries	Joint Venture
Mortality Table	**2009**	**LIC 1994-96 Ultimate**	**LIC 1994-96 Ultimate**	**LIC 1994-96 Ultimate**	**LIC 1994-96 Ultimate**
	2008	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate	LIC 1994-96 Ultimate
Attrition Rate	**2009**	**5.00% p.a.**	**5.00% p.a.**	**N.A.**	**N.A.**
	2008	5.00% p.a.	5.00% p.a.	N.A.	N.A.
Imputed rate of interest	**2009**	**7.50% p.a.**	**7.50% p.a.**	**7.50% p.a.**	**7.50% p.a.**
	2008	8.00% p.a.	8.00% p.a.	8.00% p.a.	8.00% p.a.
Salary rise	**2009**	**7.50% p.a.**	**7.50% p.a.**	**N.A.**	**N.A.**
	2008	7.50% p.a.	7.50% p.a.	N.A.	N.A.
Return on plan assets	**2009**	**9.15%**	**9.15%**	**N.A.**	**N.A.**
	2008	9.15%	9.15%	N.A.	N.A.
Remaining working life	**2009**	**17.11 Years**	**17.11 Years**	**N.A.**	**N.A.**
	2008	16.68 Years	16.68 Years	N.A.	N.A.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Parent Company, its subsidiaries and joint venture expects to contribute Rs. 35.00 lacs to Gratuity Fund during the year 2009-10.

Notes:

1. Information relating to experience adjustments to plan assets and liabilities as required by Para 120(n)(ii) of the Accounting Standard 15 (Revised) on Employee Benefits is not available with the Group. The impact of the same is not material.
2. The actuarial valuation of gratuity and pension liability in the current year and previous year was done in accordance with the revised Accounting Standard 15, Employee Benefits. Accordingly, comparative numbers, as required by Para 120(n) of Revised Accounting Standard 15, are not furnished.

	(2008-09)			(2007-08)		
	Company and its Subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs	Company and its Subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs
Contribution to Provident Fund	**53.58**	**4.59**	**58.17**	40.12	3.99	44.11
Contribution to Superannuation Fund	**13.48**	**2.27**	**15.75**	15.16	1.47	16.63

11. Disclosure as per Section 22 of "The Micro, Small and Medium Enterprises Development Act, 2006".

Sl. No.	Particulars	As at March 31, 2009 Rs. in lacs	As at March 31, 2008 Rs. in lacs
1	the principal amount and interest due thereon remaining unpaid to any supplier		
	- Principal amount (including Rs. 0.04 lac of Joint Venture)	**0.06**	0.29
	- Interest thereon	**0.40**	0.06
2	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day	**Nil**	Nil
3	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	**Nil**	Nil
4	the amount of interest accrued and remaining unpaid	**0.40**	0.06
5	The amount of further interest remaining due and payable in the succeeding year till the date of finalization of financial statements.	**Nil**	Nil

12. (i) Components of Deferred Tax arising on account of timing differences alongwith their movement as at March 31, 2009 is as given below:

	As at March 31, 2009			As at March 31, 2008		
	Company and its Subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its Subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs
Deferred Tax Liability (A)						
- Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	**591.69**	**51.80**	**643.49**	617.93	48.26	666.19
Deferred Tax Asset (B)						
- Unabsorbed Depreciation	**591.69**	**49.48**	**641.17**	617.22	46.56	663.78
- Expenses covered under Section 43 B	**–**	**2.32**	**2.32**	–	1.70	1.70
Deferred Tax Liability (Net) (A+B)	**–**	**–**	**–**	0.71	–	0.71

(ii) Pursuant to Accounting Standard (AS) 22 "Accounting for Taxes on Income", the Parent Company and its Joint Venture has, based on prudence, not recognised deferred tax assets amounting to Rs.901.67 lacs (Rs.458.24 lacs) including Rs.27.71 lacs (Rs.31.71 lacs) of Joint Venture on all the timing differences including unabsorbed depreciation.

13. **Information pursuant to Accounting Standard "7"**

Pursuant to Accounting Standard "7" (Revised) on "Construction Contracts", the relevant information relating to Contracts in Progress at the reporting date is as given below:

		2008-09 Rs. in lacs	2007-08 Rs. in lacs
(a)	Aggregate amount of Cost incurred	**3347.96**	11.80
(b)	Recognized Profit upto the reporting date	**732.55**	2.95
(c)	Amount of advance received	**Nil**	Nil
(d)	Amount of outstanding/retentions	**3579.25**	14.75
(e)	Long Term Contracts in progress	**88.68**	Nil
(f)	Advance billing to Customers	**Nil**	Nil

14. Supplementary Statutory Information

14.1 Managerial Remuneration

		2008-09			2007-08		
		Company and its Subsidiaries Rs. in lacs	**Joint Venture Rs. in lacs**	**Total Rs. in lacs**	Company and its Subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Total Rs. in lacs
(a)	Salary	**9.36**	**1.36**	**10.72**	5.76	1.14	6.90
(b)	Commission**						
(c)	Contribution to Provident Fund	**1.08**	**0.16**	**1.24**	0.65	0.14	0.79
(d)	Sitting Fees	**0.20**	**0.03**	**0.23**	0.20	0.03	0.23
(e)	Perquisites (Actual and/or evaluated as per Income Tax Rules, 1962)	**2.73**	**0.25**	**2.98**	1.24	0.25	1.49
	Total*	**13.37**	**1.80**	**15.17**	7.85	1.56	9.41

* Excluding contribution/provision for gratuity, provision for pension and leave encashment, being the figures those are actuarially determined for the Parent Company, Subsidiaries and Joint Venture as a whole and therefore, are not separately available.

** In view of loss computed in accordance with Section 349 of the Companies Act, 1956, no commission is payable to Managing Director of joint venture.

14.2 In accordance with Explanation below Para 10 of Notified Accounting Standard 9: Revenue Recognition, excise duty on sales amounting to Rs.2869.89 lacs, including Rs.196.62 lacs in case of joint venture (Rs.3460.29 lacs, including Rs.214.62 lacs of joint venture) has been reduced from sales in profit & loss account and excise duty on decrease in stocks amounting to Rs.62.86 lacs has been considered as income, including Rs.0.89 lacs on decrease in stock of joint venture (Rs.70.42 lacs as expense, including Rs.2.19 lacs of joint venture on increase in stock) in Schedule 20 of the financial statements.

15. Figures of previous year have been shown in brackets and regrouped wherever necessary.

Signatures to Schedules 1 to 25

As per our attached report of even date.

For S.R. BATLIBOI & CO.
Chartered Accountants

Per ANIL GUPTA
Partner
Membership No.87921

New Delhi, May 11, 2009

Harsh V. Lodha	Directors
J. Veeraraghavan	Directors
S.K. Misra	Directors
R.C. Tapuriah	Directors
D.R. Bansal	Directors
Y.S. Lodha	Wholetime Director
R. Radhakrishnan	President (Commercial) & Secretary

New Delhi, May 11, 2009

FORM OF PROXY

VINDHYA TELELINKS LIMITED

Regd. Office: Udyog Vihar, P.O.Chorhata, Rewa – 486 006 (M.P.)

DP ID*	
Client ID*	

Registered Folio No.	

I/We ____

of____in the district of

______________________ being a member/members of the above named Company, hereby appoint

Mr./Mrs. ______________________of______________________in the

district of __________________ or failing him/her Mr./Mrs. __________________ of

______________________ in the district of ______________________

as my/our proxy to vote for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on Thursday, the August 6, 2009, and at any adjournment thereof.

Signed this ________ day of ________________,2009

Signature ____________ Affix Revenue Stamp of Thirty Paise ____________

* Applicable for members holding shares in dematerialised form.

1. This proxy form must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the Meeting. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
2. Members who hold shares in the dematerialised form are requested to quote their DPID and Client ID for identification.

— — — — — — — — — — — — — — Tear here — — — — — — — — — — — — — —

ATTENDANCE SLIP

VINDHYA TELELINKS LIMITED

Regd. Office: Udyog Vihar, P.O.Chorhata, Rewa – 486 006 (M.P.)

To be handed over at the entrance of the Meeting Hall

Full name of the Member attending : ____

Full name of the First joint-holder : ____

(To be filled in if first named joint-holder does not attend the Meeting)

Name of Proxy : ____

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING being held at the Registered Office of the Company on Thursday, the August 6, 2009.

Registered Folio No.	
DP ID*	
Client ID*	
No. of Share held	

____

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)

* Applicable for members holding shares in dematerialised form.

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

VISIT OF REVERED YOGA GURU SHRI BABA RAMDEV TO VTL STAFF CLUB AND PLANT

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