



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 2010-11

BOARD OF DIRECTORS

SHRI HARSH V.LODHA	<i>Chairman</i>
SHRI J.VEERARAGHAVAN	
SHRI S.K.MISRA	
SHRI R.C.TAPURIAH	
SHRI D.R. BANSAL	
SHRI PRACHETA MAJUMDAR	
SHRI Y.S.LODHA	<i>Managing Director</i>

AUDIT COMMITTEE

SHRI R.C.TAPURIAH	<i>Chairman</i>
SHRI J.VEERARAGHAVAN	
SHRI S.K.MISRA	
SHRI PRACHETA MAJUMDAR	

PRESIDENT (COMMERCIAL) & SECRETARY

SHRI R.RADHAKRISHNAN

AUDITORS

V.SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS
NEW DELHI

SOLICITORS

NMS & COMPANY
NEW DELHI

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

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NOTICE

NOTICE is hereby given that the Twenty Eighth 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 Wednesday, the September 7, 2011 at 10.00 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, 2011, 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 S.K.Misra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Pracheta Majumdar, 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.

Special Business:

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED that in modification of the earlier resolution passed at the Eighteenth Annual General Meeting of the Company held on 8th June, 2001, save and except things done or omitted to be done before such modification, the consent of the Company be and is hereby accorded to the Board of Directors of the Company, under Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to borrow any sum or sums of money in any manner from time to time at its discretion for the purpose of business of the Company, with or without security and upon such terms and conditions as it may deem fit, notwithstanding that the money or moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however that the total amount so borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs.1600crores (Rupees One thousand six hundred crores only).

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all acts, deeds matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient.”

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

“RESOLVED that in modification of the earlier resolution passed at the Eighteenth Annual General Meeting of the Company held on 8th June, 2001, save and except things done or omitted to be done before such modification, the consent of the Company be and is hereby accorded to the Board of Directors of the Company under Section 293(1)(a) and other applicable provisions, if any, of the Companies. Act, 1956, to mortgage and/or create charge(s) on all or any of the immovable and movable properties or such assets of the Company, wherever situate, both present and future, or the whole or substantially the whole of the undertaking of the Company on such terms and conditions and at such time or times and in such form or manner as the Board of Directors may think fit, together with power to enter upon and take possession of the assets of the Company in certain events, for securing debentures, any loan and/or advances including credit facilities already obtained or that may be obtained from banks, financial institutions or trustees for the debenture holders or other person or persons together with interest/additional interest, further interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other moneys including any increase as a result of devaluation/revaluation/ fluctuation in exchange rate of foreign currency involved, payable by the Company to the concerned lenders within the overall limit of Rs.1600 crores (Rupees One thousand six hundred crores only). The security as aforesaid by way of mortgage and/or charge(s) may rank pari-passu with, or second or subservient to, the mortgages and / or charges already created or to be created by the Company or in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors of the Company.

FURTHER RESOLVED that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the mortgage and/or charge(s) as aforesaid and further to do all acts, deeds, matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient.”

Registered Office:
Udyog Vihar,
P.O.Chorhata,
Rewa - 486 006 (M.P.)
July 14, 2011

By order of the Board

R.Radhakrishnan
President (Commercial) &Secretary

**NOTES FOR MEMBERS' ATTENTION:**

- (a) The relevant Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business to be transacted at the meeting is annexed hereto.
- (b) 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.
- (c) The Register of Beneficial Owners, Register of Shareholders and Share Transfer Books of the Company shall remain closed from Thursday, the September 1, 2011 to Wednesday, the September 7, 2011 (both days inclusive).
- (d) Messrs Link Intime India Pvt.Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai – 400 078 is the Registrar and Share Transfer Agent for physical shares of the Company. Link Intime India Pvt.Ltd. is also the depository interface of the Company with both NSDL and CDSL.
- (e) Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
- (f) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, nominations, power of attorney, change of address/name, etc. to their depository participant only and not to the Company or its Registrar and Share Transfer Agent. The said intimation will be automatically reflected in the Company's records.
- (g) SEBI vide circular ref. no. MRD/DoP/Cir-05/2007 dated April 27, 2007 made Permanent Account Number (PAN) mandatory for all securities market transaction. Thereafter, vide circular no. MRD/DoP/Cir-05/2009 dated May 20, 2009 it was clarified that for securities market transactions and off market/private transaction involving transfer of shares in physical form of listed Companies, it shall be mandatory for the transferee(s) to furnish copy of PAN Card to the Company/RTAs for registration of such transfer of shares.

SEBI further clarified that it shall be mandatory to furnish a copy of PAN in the following cases:

- (i) Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholder(s).
 - (ii) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - (iii) Transposition of shares when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.
- (h) 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.
 - (i) 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. Members who hold shares in de-materialized form are requested to bring their DP I.D. and client I.D. No.(s) for easier identification of attendance at the meeting.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following explanatory statements set out material facts relating to the Special Business of the accompanying Notice dated July 14, 2011.

ITEM NO.5

The Members in the Eighteenth Annual General Meeting of the Company held on 8th June, 2001, authorised the Board of Directors of the Company pursuant to Section 293(1)(d) of the Companies Act, 1956, to borrow moneys (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) from time to time in excess of the aggregate of paid-up capital of the Company and its free reserves, subject to a limit of Rs.400 crores.

With the envisaged increased business activities of the Company and future growth plans, it is considered that the borrowing limit of Rs.400 crores authorised earlier is not sufficient. Hence the limit be increased to Rs.1600 crores as proposed in the resolution.

The Board of Directors accordingly recommend the Members to adopt the proposed resolution as an ordinary resolution.

None of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO.6

As a security for the Rupee/Foreign Currency Loans and/or advances including credit facilities or debentures to be sanctioned or subscribed by banks, financial institutions or other person(s) with whom the Company negotiates for financial assistance/credit facilities from time to time and to provide security against other loans, the Company is required to create mortgages/charges on its movable and immovable properties, both present and future.



In view of increased requirements of funds in future for envisaged increased business activities and growth plans of the Company, it is proposed that the authority given to the Board of Directors to create mortgage(s) and/or charge(s) be increased from Rs.400 crores to Rs.1600 crores.

Section 293(1)(a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of a public company shall not without the consent of the such public company in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. Since the mortgages and/or charges proposed to be created by the Company in favour of banks, financial institutions, trustees of the debenture holders or other person or persons may be regarded as disposal of Company's properties/undertaking, it is felt advisable by way of abundant caution to obtain the consent of the members by an Ordinary Resolution pursuant to Section 293(1)(a) of the Companies Act, 1956.

The Board of Directors accordingly recommend the Members to adopt the proposed resolution as an ordinary resolution.

None of the Directors of the Company is concerned or interested in the said resolution.

Registered Office:
Udyog Vihar,
P.O.Chorhata,
Rewa - 486 006 (M.P.)
July 14, 2011

By order of the Board

R.Radhakrishnan
President (Commercial) &Secretary

Important Communication to Members

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance", allowing paperless compliances by the companies through electronic mode. The Company welcomes this initiative. The attention of the Members is specifically drawn to the Circular nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively issued by MCA clarifying that a company would be deemed to have complied with the provisions of Sections 53 and 219(1) of the Companies Act, 1956, if documents like notices, annual report, etc. are sent in electronic form to its Members. In terms of the enabling provisions and underlying theme of this circular, the Company has decided to send henceforth, all documents, required to be sent to Shareholders like, General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc., in electronic form on the e-mail id provided by them and made available to us by the Depositories/Registrar and Share Transfer Agent of the Company. Kindly note that the email address furnished for your respective folios will be deemed to be your registered email address for serving the said notices/documents, including those covered under Section 219 of the Companies Act, 1956. Members who have not registered their email addresses so far are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned DP. Members who hold shares in physical form are also requested to register their e-mail address with our Registrar and Share Transfer Agent Messrs Link Intime India Pvt. Ltd., (Unit: Vindhya Telelinks Limited), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078, E-mail ID: mnt.helpdesk@linkintime.co.in, by sending a letter duly signed by the first/sole holder quoting the name and folio number(s). The Annual Report and other communication sent electronically will also be displayed on the Company's website www.vtlrewa.com and will be made available for inspection at the Registered Office of the Company on all working days during business hours. Further, please note that members are entitled to be furnished free of cost, copy of Annual Report and other documents upon receipt of their written requisition at any time.

**ANNEXURE TO NOTICE**

Details of Directors seeking re-appointment in ensuing Annual General Meeting scheduled to be held on September 7, 2011.

Name	Shri S. K. Mishra	Shri Pracheta Majumdar
Date of Birth	28.04.1933	15.08.1944
Date of Appointment	27.10.2004	27.10.2004
Expertise in specific functional areas	Retired Senior IAS Officer who has served as Secretary to the Govt. of India including Principal Secretary to the Prime Minister.	Mechanical Engineer and management Advisor by profession. He is having vast experience in diverse fields viz. design and project, management of chemicals, petrochemicals and fertilizer plants. Has served Hindustan Unilever Ltd. in a Senior position as also Managing Director of CEAT Tyres Ltd.
List of outside Directorships held	None	Birla Corporation Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Member - Audit Committee	Member - Audit Committee - Share Transfer-cum-Investor Grievance Committee
Chairman/Member of the Committee of the Board of Directors of other Public Company	None	Member - Audit Committee and Share Transfer and Shareholders'/ Investors' Grievance Committee of Birla Corporation 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

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, 2011.

ACCOUNTS & FINANCIAL MATTERS

	2010-11 Rs. in lacs	2009-10 Rs. in lacs
Turnover (Gross)	20314.26	20908.34
Other Income	1218.51	846.61
	<u>21532.77</u>	<u>21754.95</u>
The year's working shows a Gross Profit (after Interest) of –	843.37	1577.63
Less : Depreciation/Amortisation	462.12	421.23
Profit before Tax	381.25	1156.40
Income Tax and Fringe Benefit Tax credit of earlier years	(0.79)	(2.09)
Net Profit for the year	382.04	1158.49
Credit Balance brought forward	1158.49	–
Surplus carried to Balance Sheet	<u>1540.53</u>	<u>1158.49</u>

Your Directors regret their inability to recommend any equity dividend for the year in order to conserve cash resources for future business requirements.

GENERAL & CORPORATE MATTERS

During the year under review, telecom cable industry in general has been adversely impacted as a consequence of ambiguity on policy and regulatory framework in the telecom sector of the Government as an aftermath of the 2G spectrum episode. This has significantly affected the financial performance of your Company. Amidst the challenging operating environment during the year, one of the Company's major customers, BSNL, did not place any order for Jelly Filled Telephone Cables and gave a counter offer for supplying optical fibre cables at economically unviable price levels, which your Company declined. The network expansion plans of telecom operators were also put on hold due to an unclear roadmap for future business and liquidity constraints. The lower sales in the domestic market were somewhat offset by the Company's push for higher exports of telecommunication cables and increased revenue from EPC Division, thus the total turnover was only marginally lower by 2.84% at Rs.203.14 crores as compared to previous year. However, prevailing sluggish market conditions and further erosion in prices of telecommunication cables due to lower demand and internecine competition negatively impacted the profitability during the year under review.

Domestic turnover from Jelly Filled Telephone Cables was significantly down both in volume and value terms during the year, and the Company is carrying out business transformation to realign increased sales from exports and manufacture of specialty cables, while defocusing from a single dominant client.

Despite the domestic telecommunication cables market having shrunk and a general decline in the prices of Optical Fibre Cables, the Company believes that in the long term the proposed new National Telecom Policy and National Broadband Policy will lay the foundation for a massive rollout of Optical Fibre Cable network across the country.

To exploit such a huge business opportunity the Company has already invested in areas of new revenue streams by upgrading and modernizing the production facilities besides knowledge updation of human talent to sustain superior and consistent product quality and flexible production capacity.

The EPC Division sales increased from Rs.8985.93 lacs to Rs.10762.16 lacs an increase of 19.77% compared to the previous year. The current business verticals of the EPC Division viz. Telecom, Power and Gas distribution pipelines are comfortable with a backlog of orders and your Board is confident that the Division's positive business momentum will continue in future. As an additional revenue stream, the Company has embarked on roll out of OFC Networks under Infrastructure Provider (IP-1) License. This allows operators to use readymade networks and reduce their capex expenditure, while providing your Company with a steady revenue growth. Your Company has also added another vertical in EPC Division to offer end-to-end LED lighting solutions and related projects. The LED lighting solutions are environmental friendly, help reduce operational costs, improve productivity and alleviate the world's most pressing environmental challenges. With a strategy in place to expand the business verticals and markets, gradual strengthening of the ability to provide superior customer services and excellence in project delivery through project management capabilities, knowledge management and robust quality system, the EPC Division is poised to achieve a reasonable growth in the years to come.



The year under report could have been a transformative year for the EPC Division, as the Company along with its consortium partners expended sizeable time and managerial resources to successfully bid for two prestigious projects to establish a state-of-the-art dedicated OFC network for the Defence and Navy. Although your Company was declared the lowest bidders in August, 2010 for two packages of Network For Spectrum (NFS) project for Defence and also for the Navy OFC Network project being executed through BSNL, the respective tenders have not yet been decided.

With the Company following a very disciplined and focused globalization approach by aggressively targeting pockets where external copper telecom cable network are still being laid and with a mission of becoming an important key player in the EPC Division with a global footprint, the Company is strategically and operationally building for a bright future.

Your Company completed 25 years in March, 2011. It is a matter of great pride and reflective of the indomitable spirit driven by values and powered by internal vitality. Your Board and all employees look forward to the future with confidence and stand committed to creating a brighter future for all stakeholders.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis, Report on Corporate Governance and a Certificate by the Managing 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, 2011, the applicable accounting standards have been followed;
- the Company has selected such accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2010-11 and of the profit for the year ended March 31, 2011;
- proper and sufficient care has 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, 2011 have been prepared on a 'going concern' basis.

JOINT VENTURE

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

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year. The Board wishes to place on record its sincere appreciation for the contribution made by the employees to the significant improvement in operational performance of the Company, their commitment and dedicated efforts 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 ongoing process at the Company's plant and facilities.

RECOGNITION

The Company's manufacturing facilities continue to remain certified by independent and reputed external agency as being compliant as well as aligned with the external standards for Quality Management System IS/ISO 9001:2008 and Environmental Management System IS/ISO 14001:2004. During the year, the audits for these Certifications established continuous improvement in performance against these standards.

DIRECTORS

Shri Harsh V.Lodha was appointed as Chairman of the Board of Directors of the Company with effect from December 22, 2010.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri S.K.Misra and Shri Pracheta Majumdar, 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 Meeting which is being sent to the shareholders along with Annual Report.

**AUDITORS**

Messrs V. Sankar Aiyar & 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

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, as approved by their respective Board of Directors.

SUBSIDIARY COMPANIES

The statement pursuant to Section 212 of the Companies Act, 1956 containing details of subsidiaries of the Company, forms part of the Annual Report.

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 available hard copies of these documents, upon written demand by any member of the Company interested in obtaining the same at any point of time. These documents will also be kept at the Registered Office of the Company as well as respective subsidiary companies for inspection by any member of the Company. The consolidated financial statements presented by the Company include audited financial statements of its all subsidiaries, which are non-listed Indian companies. None of the subsidiary company is a material non-listed Indian Subsidiary company as defined under Clause 49 of the Listing Agreement(s) with stock exchanges.

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.

The Directors appreciate and value the contributions made by every member of the VTL family.

Yours faithfully,

Harsh V. Lodha	}	Chairman
J. Veeraghavan		Directors
S.K. Misra		
R.C. Tapuriah		
D.R. Bansal		
Pracheta Majumdar	}	Managing Director
Y.S. Lodha		

New Delhi, July 14, 2011



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, 2011.

(A) CONSERVATION OF ENERGY

The Company continuously reviews energy usage to track and replace energy inefficient equipments, invests in installing processes that reduces energy losses, modifies processes to reduce energy need and proactively carry out energy audits when considered appropriate. Some of the steps taken in this direction during the year are described below:

- Energy saving by continuously maintaining unity Power Factor.
- Putting off one Transformer by load optimization.
- Installation of energy efficient submersible and water circulation pumps with variable frequency drive (VFD).
- Replacement of 250W HPMV lamps with 95W CFL's for plant lighting.
- Use of self powered turbo ventilators in compressor room.
- Realignment of UPS network to drastically reduce use of DG sets.

(B) TECHNOLOGY ABSORPTION

I. Research and Development (R&D)

- | | |
|--|---|
| <p>1. Specific areas in which R&D carried out by the Company</p> | <p>(a) Improvement of manufacturing process capability to attain global benchmarks and cost optimization.</p> <p>(b) Developments of Fiber to the Antenna cable for Mobile Towers.</p> <p>(c) Development of Drop Cables for Outdoor/ Indoor application in FTTH Networks.</p> <p>(d) Development of Intrusion Proof Optical Fibre Cables.</p> <p>(e) Development of Tactical Optical Fiber Cables.</p> <p>(f) Review and revision of design/ process parameters for improved products, based on end use requirement of the customer.</p> |
| <p>2. Benefits derived as a result of the above R&D</p> | <p>(a) Cost reduction, import substitution, flexible production facilities and strategic resource management.</p> <p>(b) Enhanced products range to address emerging market opportunities.</p> <p>(c) Improvement in operational efficiency, consistency and stability in products.</p> |
| <p>3. Future plan of action</p> | <p>Continuous focus on becoming globally competitive based on evolving industry standards, further cost reduction, improved products quality with safety and ecology.</p> |
| <p>4. Expenditure on R&D</p> | <p>R & D expenditure has not been accounted for separately.</p> |

II. Technology absorption, adaptation and innovation

- | | |
|---|--|
| <p>1. Efforts, in brief, made towards technology absorption, adaptation and innovation.</p> | <p>(a) The technologies being used for manufacture of Jelly Filled Telephone Cables and Optical Fibre Cables have been fully absorbed. Innovation in process control, products development, cost reduction and quality improvement are being made on continuous basis looking to the market requirements.</p> <p>(b) In novation in manufacturing and engineering technologies through in-house capabilities and indigenous interventions.</p> |
| <p>2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.</p> | <p>(a) World class quality and differentiated products.</p> <p>(b) New product launches.</p> <p>(c) Improved productivity and process controls.</p> <p>(d) Import substitution and overall cost reduction.</p> |

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo are contained in Schedule 23 [19.2, 19.3 & 19.4] respectively annexed to and forming part of the Accounts.

Harsh V. Lodha	}	Chairman
J. Veeraraghavan		Directors
S.K. Misra		
R.C. Tapuriah		
D.R. Bansal		
Pracheta Majumdar		
Y.S. Lodha		Managing Director

New Delhi, July 14, 2011



Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is presently engaged in the business of manufacturing and sale of Cables comprising of primarily Jelly Filled Telephone Cables (JFTC), Optical Fibre Cables (OFC) including Fibre Ribbon, Aerial Bunched Cables and turnkey business through Engineering, Procurement and Construction (EPC Division).

The Indian market for copper telecom cable viz. JFTC has been passing through a very difficult phase in the last few years. The number of fixed line telephone subscribers in India is witnessing stagnant or declining trend whereas wireless services continue to grow at a phenomenal pace leading to anemic demand coupled with unremunerative prices for JFTC.

Transmission in the networks is becoming more and more digital and the need for broadband access has resulted in OFC increasingly becoming the transmission medium of choice. The advent of 3G and LTE will make it more important for telecom operators to roll out optic fibre based transmission networks, which have high bandwidth capabilities necessary to support 3G applications. India is envisaged to become one of the fastest growing OFC market in the world.

The EPC Division of the Company currently concentrates on three business verticals viz. Telecom, Power and Gas distribution Pipeline and provides solutions in trenching and laying of optical fibre cables, installation and commissioning of telecom equipments, FTTH installation, civil work and foundation of towers and maintenance of network. In the power domain the services are offered to the power transmission and distribution sector with a focus primarily in the power distribution networks including those in rural India, renovation and augmentation of existing distribution systems, underground transmission, feeder segregation, installation of High Voltage Distribution System (HVDS) and Low Voltage Distribution Systems (LVDS), distribution lines, substation and transmission lines, capacitor banks, lighting projects and end to end LED solutions, etc.

There is no material change in the industry structure as was reported last year.

OVERALL REVIEW

Business Review and Outlook

The Indian telecommunications industry, which has become second largest in the world in terms of total number of subscribers, boasts of impressive developments in the last decade. With more than 850 million telecom subscribers and a teledensity of over 70%, India is ready to launch Information and Communication Technologies (ICT) services for the masses on this platform.

The year gone by made the country and the whole world notice the enormity of the Indian telecommunication industry. 2010 also saw the 2G spectrum allocation becoming controversial issue, leading to huge loss in credibility and leaving citizens yearning for greater transparency and accountability. This has also negatively impacted the overall size of the telecom cable industry during the year as majority of telecom operators deferred their network expansion plans due to an unclear roadmap for future business and lack of clarity on regulatory and policy framework. Despite the Indian telecom cable market being currently depressed, the driving force for future growth will emanate from the proposed new National Broadband Policy, which envisages a massive rollout of nationwide OFC network down to the village level. The Company sees the broadband networks as a new frontier of growth in optical fibre cable business in which it is confident of taking leadership position by providing world-class products to be in the forefront. In line with aspirations of future growth, the Company is investing its resources in this core business.

The national Telecom Policy 2011 which is expected to bring about parity and transparency in the telecom industry is poised to be released shortly. The Government has also finalized the National Broadband Plan which contemplates building a National OFC Network connecting 250,000 village panchayats across the country. This will substantially increase the demand for OFC, however, the price increase cannot be fully passed on to end consumers due to fiercely competitive market conditions.

The XIth Five Year Plan aims at a sustainable GDP growth rate of 9% but there is general consensus that infrastructure inadequacies would constitute a significant constraint in realizing this development potential. To overcome this constraint, an ambitious programme of infrastructure investment, involving both public and private sector, is being developed by the Government. To exploit the emerging opportunities, the Company's EPC Division's strategy is focused on expanding its participation in telecommunications, power and oil & gas distribution verticals given the growth potential by providing high quality services to customers and grow business by leveraging on its strength and synergies.

PRODUCT-WISE PERFORMANCE

Jelly Filled Telephone Cables (JFTC)

Domestic turnover from Jelly Filled Telephone Cables was significantly down both in volume and value terms during the year, as the Company's major customer, Bharat Sanchar Nigam Ltd. did not finalise the tender floated during the first quarter of the year under review, wherein the company was eligible to obtain reasonable volume of the business. The demand from other private operators also remained subdued and is unlikely to increase substantially in the ensuing year. However, lower volumes in domestic market were offset, somewhat, by higher exports by adding new customers. During the year under report, the Company achieved an export turnover of Rs.2858.39 lacs in JFTC as compared to Rs.1344.11 lacs during the previous year. The sale of Quad Cables, Signaling Cables and other cables also registered a declining trend due to lower offtake by Railways and unremunerative price levels.



Optical Fibre Cables (OFC)

The overall turnover from Optical Fibre Cables decreased to Rs.2541.43 lacs during the year as compared to Rs.4200.38 lacs during the previous year due to non-floatation of tender for Ribbon type OFC by BSNL/MTNL, refusal by the Company to a counter offer given by BSNL for supplying 24F OFC due to economically unviable prices and lower offtake of other types of optical fibre cables by the Company's major customers.

Despite telecommunication cables market having temporarily shrunk, the Company believes that in the longer term the proposed new National Telecom Policy and National Broadband plan will lay a foundation for massive rollout of Optical Fibre Cable network across the country boosting demand for your company's product. The biggest challenge for broadband growth in India has been last mile access, i.e. the high-speed connection required between the nearest broadband access Point-of-Presence (PoP) to the home. So far, wireless access technologies have been far more successful in connecting customers in India compared to wireline or fixed access technologies. However, since a large chunk (70% or more) of Internet bandwidth globally is consumed by peer-to-peer file sharing applications, used mainly for downloads of music, games and video content, the volume of data requires a judicious mix of both wireless and last mile fibre technologies.

EPC Contracting/Turnkey Services

The EPC Division revenue increased from Rs. 8985.93 lacs in the previous year to Rs.10762.16 lacs, an increase of 19.77% as compared to the previous year. Also, the EPC Division earned profit before interest, tax and unallocable portions of expenditure of Rs.846.82 lacs during the year under review.

During the year, the Telecom vertical successfully marketed the Built & Transfer model for OFC rollout and executed first ever such project for one of our prime customer. The EPC Division has also successfully executed OFC laying projects in difficult and challenging terrain and weather conditions in the states of Sikkim, West Bengal, Himachal Pradesh, Orissa, Jammu & Kashmir, Andhra Pradesh, Rajasthan, Chattisgarh, etc. as well as in Nepal. In the Power vertical, the completion of low tension lines with AB Cables for more than 1500 Kms, BPL connections for more than 52000 numbers, HVDS projects, etc. adds to the success story of the EPC Division during a short span of time. The Gas Pipeline vertical has bagged a prestigious gas distribution pipeline project in A.P., which is under execution. The city gas project at Gujarat is also being executed and more such orders are expected in near future. Realizing tremendous potential, the EPC Division has added another vertical, offering end-to-end solutions for LED lighting, besides the three existing business verticals, which is expected to gain momentum in the ensuing year.

The biggest achievements of EPC Division during the year were getting positioned as the lowest bidders alongwith its consortium partners in the two tenders floated by BSNL for an alternative optical fibre cables network exclusively for the use of defence forces to vacate spectrum allocated to them for communication. The final outcome of these major tenders is still awaited.

As the number of projects in EPC division grows, the attention shifts more on project management. Well experienced employees within the organization have been deployed to ensure effective monitoring over web enabled software systems. Also your Company has identified the acute shortage of trained manpower for both the roll out and subsequent operation and maintenance of the OFC/ FTTx networks as a business opportunity and has established a Telecom Training Academy to provide a regular source of trained personnel for the Company's future projects and also for the telecom industry. The Institute has been established in the last quarter of the financial year 2010-11 and is imparting residential courses for the rollout of Optical Fibre Cable networks and organization management of optical fibre cable networks.

OVERALL REVIEW

In the year 2010-11 your Company's performance has been mixed. Despite no major business from BSNL for both the traditional JFTC and Optical Fibre Cables, the Company managed to retain the traditional customers and grew in the export market.

FINANCIAL REVIEW

- The overall gross turnover of the Company decreased by approx. 2.84% to Rs.20314.26 lacs in 2010-11 as compared to Rs.20908.34 lacs in the previous year.
- The aggregate other income increased to Rs.1218.51 lacs as against Rs. 846.61 lacs compared to the previous year mainly due to higher dividend income on investments and write back of sundry balances, unspent liabilities, etc.
- The Company achieved gross profit before depreciation of Rs.843.37 lacs as against a gross profit before depreciation of Rs.1577.63 lacs mainly due to lower contribution from both the Divisions, despite higher dividend income and other miscellaneous income.
- The financial expenses are higher at Rs.742.79 lacs (previous year Rs.505.87 lacs) due to higher utilization of working capital limits.
- There was no change in the capital structure during the year. However, the increase in Reserves & Surplus by Rs.382.04 lacs is because of the net profit in the current year. (Profit & Loss Account balance Rs.1540.53 lacs) (Previous year Rs.1158.49 lacs).
- The additions to the fixed assets of Rs.615.23 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.1855.71 lacs as on March 31, 2011 from Rs.2317.22 lacs as at the end of the previous year due to decrease in raw material inventory and lower work-in-progress of finished goods.
- The Debtors level at Rs.11308.80 lacs as on March 31, 2011 as compared to Rs.10386.92 lacs as on March 31, 2010 has increased due to extended credit to customers and retention money withheld by the customers of EPC Division as per the governing terms of the contracts awarding to the Company and/or as per evolving industry norms.
- 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

The year 2010-11 would have gone down as the watershed year for Indian telecommunication cable industry, with the expectation of two major contracts to be awarded from BSNL for Defence and Navy OFC Networks, but due to a multitude of reasons, the concerned tenders have not yet been decided.

Broadband connectivity is increasingly being seen as an integral driver of improved socio-economic performances. The Government of India strongly believes that all citizens of India should have access to broadband and the transformative opportunities it offers. It has recently finalized the National Broadband Plan to develop a National Optic Fibre Network (NOFN) for providing connectivity to hinterland which will take high speed internet to rural areas. The capital expenditure for the project will be met from Universal Service Obligation Fund. Further an institutional mechanism for management and operation of the NOFN is proposed to be created for ensuring non-discriminatory access to all service providers. This will step up demand for Optical Fibre Cables. In addition to this, 3G Network services have been introduced by the telecom operators and are expected to cover new applications and services as more operators join the fray. This will require installation of optical fibre cables networks to support capacity requirements, which augurs well for the Company.

FTTH deployment in the country will also provide a thrust to OFC market for last mile connectivity. Several prominent Pan-India service providers, open access infrastructure service providers and realty developers are evaluating the techno-commercial benefits of deploying FTTH technology.

The overall trend of the technologies is focused on data and converged services, and making the solutions more robust. This is bolstered by the fact that there has been a constant rise in Copper prices in the last few years driven primarily due to the shortage of the supply, thereby shifting the focus of the market to Optical Fibre Cables. Bandwidth is a major constraint in the Indian market which has further fuelled the increase in demand for Optical Fibre Cables.

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 and MTNL. The Company has, however, been able to retain and expand customers in Private Sector and is striving hard to expand its footprint in the lucrative export market.

RISKS AND CONCERNS

The risks that may affect the functioning of the Company include, but are not limited to:

- Economic conditions;
- Dependence on limited number of major clients;
- Increasing cost of raw materials and logistics;
- Technology challenges;
- Competitive market conditions;
- Inverted duty structure;
- Compliance and regulatory pressures including changes to tax laws.

Your Company has a defined risk management strategy with senior management identifying potential risk, evolving mitigation responses and monitoring the occurrence of risk.

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.

During the year under review, the Company has successfully implemented the new Enterprise Resource Planning (ERP) SAP-R3 in the areas of finance, purchase and logistics. Earnest efforts are being made to significantly implement the remaining modules of SAP-R3 despite peculiar sales business model of the Company requiring customization of software.



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 ongoing processes at the Company's plant and facilities. As a recognition of these objectives, the entire range of products of the Company continue to remain certified to the requirement of international standard ISO 14001:2004 by the Det Norske Veritas (DNV).

INDUSTRIAL RELATIONS, HUMAN RESOURCE DEVELOPMENT AND CORPORATE 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 434 number of permanent employees on its Roll as on March 31, 2011.

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 nationwide.

The Training Institute, M.P.Birla Telecom Academy has been opened at Manesar, near Gurgaon (Haryana) in February, 2011 and is currently running two residential courses on rollout of OFC networks and O&M OFC networks. The training levels are at three levels viz. Activity level, Supervisory level & Engineer level. The Company believes that as a part of the M.P.Birla Group, which is actively associated with various social and philanthropic activities across India, the opening of the above training institute and imparting of such training will benefit the industry and also improve the quality of workmanship in the industry.

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 cannot 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 Company has a Non-Executive Chairman. 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 on the Board 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 on March 31, 2011, five Board Meetings were held on May 11, 2010, July 27, 2010, October 28, 2010, December 22, 2010 and January 31, 2011. 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 Harsh V. Lodha (Chairman with effect from December 22, 2010)	Non-Executive	5	No	9	2	3
Shri J. Veeraraghavan	Independent Non-Executive	5	No	None	None	None
Shri S.K. Misra	Independent Non-Executive	5	No	None	None	None
Shri R.C. Tapuriah	Independent Non-Executive	5	Yes	9	3	3
Shri D.R. Bansal	Non-Executive	5	Yes	3	2	None
Shri Pracheta Majumdar	Independent Non-Executive	4	No	1	2	None
Shri Y.S. Lodha (Managing Director)	Executive	3	No	2	1	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 Agreement(s) and reflects the Membership/Chairmanship of the Audit Committee and Shareholders'/Investors' Grievance Committee alone of all other public limited companies.
- (ii) None of the Non-Executive Directors hold any Equity Shares of the Company as per the declarations received from them.
- (iii) 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 and eligible for re-appointment at the ensuing Annual General Meeting (AGM) are given in the Notice of AGM of the Company, annexed to this Annual Report.

3. AUDIT COMMITTEE

The Audit Committee was formed during the financial year 2000-01 and has been re-constituted over the years as per legal requirements from time to time. The existing Audit Committee consists of four Independent Non-Executive Directors as specified below:

- | | | | | |
|-----|------------------------|---|----------|--------------------------------------|
| (a) | Shri R.C. Tapuriah | : | 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 Pracheta Majumdar | : | Member | (Independent Non-Executive Director) |

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 information -
 - 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 10, 10	July 26, 10	October 27, 10	January 30, 11
Shri R.C. Tapuriah	Yes	Yes	No	Yes
Shri J. Veeraraghavan	Yes	Yes	Yes	Yes
Shri S.K. Misra	Yes	Yes	Yes	Yes
Shri Pracheta Majumdar	Yes	Yes	Yes	No

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 were present in all meetings, the Internal Auditors and the Cost Auditors of the Company attended three and one meeting respectively. The Managing 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 directors of the Board. During the financial year ended on March 31, 2011, the Remuneration Committee met only once on May 10, 2010 which was attended by all the members. As per terms of reference, the Remuneration Committee recommended the Annual Increment of Shri Y.S. Lodha, Managing Director in the basic salary together with consequential increase in all other perquisites, allowances and benefits payable with effect from April 1, 2010.

At present, the Company does not have any policy for payment of remuneration to Non-Executive Directors including Non-Executive Independent Director except by way of sitting fees at the rate of Rs.15000/-, Rs.5000/-, Rs.5000/- and Rs.2000/- for each meeting of the Board, Audit, Remuneration and Share Transfer-Cum-Investors' Grievance Committee(s) respectively attended by any such Director. The details of remuneration paid to Directors/Managing Director for the financial year ended March 31, 2011, are set out below:-

(a) Non-Executive Directors:

Name of the Director	Sitting Fees (Rs. in lacs)
Shri Harsh V. Lodha	0.75
Shri J. Veeraraghavan	1.04
Shri S.K. Misra	1.00
Shri R.C. Tapuriah	0.90
Shri D.R. Bansal	0.79
Shri Pracheta Majumdar	0.84

(b) Managing Director:

(Rs. in lacs)

Name	Salary	Perquisites, etc.	Sitting Fees	Total
Shri Y.S. Lodha	14.40	9.92	0.45	24.77

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

- (2) All appointments are non-contractual except that of the Managing Director which is for three years with effect from November 4, 2009. The re-appointment of the Managing Director is conditional upon and subject to termination by either party (the Company or the Managing Director) by giving to other party six calendar month's prior notice in writing of such termination or the Company paying six month's remuneration in lieu of the notice.
- (3) As the liability of gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Managing Director is not included in the Remuneration shown above.
- (4) As per the terms of agreement, for the purpose of gratuity, pension/superannuation or deferred annuity policy and leave encashment benefits, the services of the Managing Director will be considered continuous service with the Company from the date he joined the services of sister concern(s) or this Company in any capacity from time to time.
- (5) The Company does not have any scheme for grant of Stock Options to its Directors, Managing Director or other employees.
- (6) None of the employees is related to any of the Directors of the Company.

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, inter alia, 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 rematerialisation, 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	2
Shri D.R. Bansal	Non-Executive	2
Shri Pracheta Majumdar	Independent Non-Executive	2

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, 2011, two Meetings of the Committee were held on May 10, 2010 and October 27, 2010.



During the year under review, 31 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, 2011.

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
2007-08	Registered Office of the Company - Udyog Vihar, P.O. Chorhata, Rewa - 486 006 (M.P.)	AGM	August 14, 2008	11 a.m.
2008-09	Same as above	AGM EGM	August 6, 2009 December 21, 2009	11 a.m. 11 a.m.
2009-10	Same as above	AGM	June 25, 2010	9 a.m.

All the resolutions set out in the respective notices of the above meetings were passed by the members as ordinary resolutions except one Special Resolution concerning re-appointment of Shri Y.S.Lodha as the Managing Director which was passed by the requisite majority at the EGM of the Company held on December 21, 2009. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting requires passing a special resolution through Postal Ballot.

Resolution through Postal Ballot:

During the year 2010-11, the Company have taken shareholders approval by way of Special Resolution through postal ballot to make loans, give guarantees, provide securities and make investments beyond the limits specified under Section 372A of the Companies Act, 1956. The result of the postal ballot was announced at the registered office of the Company on April 11, 2011. The voting pattern was as follows:-

Description	No. of Valid Votes Cast	Percentage of Votes Cast
Votes cast in favour	8245214	99.96
Votes cast against	3309	0.04
Total	8248523	100.00

The above resolution passed with the requisite and overwhelming majority. The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the postal ballot conducted for the special resolution mentioned above and Shri Rajesh Kumar Mishra, B.Sc., LLB., FCS, Practising Company Secretary was appointed as Scrutinizer for conducting the postal ballot exercise for the aforesaid matter.

7. DISCLOSURES

- 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 13 of Schedule 23 to the accounts in the Annual Report.
- 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.
- 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.
- None of the subsidiary companies of the Company is a material non-listed Indian subsidiary as defined in Clause 49 and hence is not required to nominate an independent director of the Company on the Board of any subsidiary. 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 before the Board Meeting(s) of the Company.
- 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 23 forming part of the accounts in the Annual Report.
- 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 entered into 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 (Managing Director) and the CFO [President (Commercial) & Secretary] have furnished a duly signed Certificate to the Board for the year ended March 31, 2011 in accordance with the provisions of revised Clause 49.V of the Listing Agreement(s) and the same has been placed in the Board Meeting held on July 14, 2011.
- (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

(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 : September 7, 2011 at 10.00 A.M.
- Venue : Registered Office of the Company at Udyog Vihar, P.O. Chorhata, Rewa – 486 006 (M.P.)

9.2 Financial Calendar (2011-12) :

(tentative)

Quarterly Results :

- Ending June 30, 2011 : Last week of July, 2011
- Ending September 30, 2011 : Last week of October, 2011
- Ending December 31, 2011 : Last week of January, 2012
- Ending March 31, 2012 : Second week of May, 2012

9.3 Book Closure date(s) :

Thursday, September 1, 2011 to Wednesday, September 7, 2011 (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





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, 2011:**

No. of Equity Shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 500	5589	91.89	736914	6.22
501 - 1000	256	4.21	187091	1.58
1001 - 2000	111	1.82	167416	1.41
2001 - 3000	26	0.43	67534	0.57
3001 - 4000	15	0.25	53710	0.45
4001 - 5000	12	0.20	55433	0.47
5001 - 10000	23	0.38	176571	1.49
10001 and above	50	0.82	10406194	87.81
GRAND TOTAL	6082	100.00	11850863	100.00
Physical Mode	2523	41.48	6431108	54.27
Electronic Mode	3559	58.52	5419755	45.73

(b) **Category of Shareholders as on March 31, 2011:**

Category	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Promoter and Promoter Group*	14	0.23	5157405	43.52
Resident Individuals & Corporates	5713	93.93	4122529	34.79
Financial Institutions/Banks/Mutual Funds	19	0.31	99890	0.84
NRIs/FIIs/Foreign Bank	297	4.89	1207449	10.19
Societies**	6	0.10	1253886	10.58
Clearing Member	33	0.54	9704	0.08
GRAND TOTAL	6082	100.00	11850863	100.00

* For definitions of "Promoter Shareholding" and "Promoter Group" refer to Clause 40A of Listing Agreement(s) with the stock exchanges.

** Includes 1257586 equity shares (10.61%) continued to be held by certain Companies, Societies, etc. earlier shown as a part of the Promoter Group but now shown under Public Shareholding as per amended Clause 35 of the Listing Agreement.

9.12 **Dematerialisation of Shares and liquidity:** 5419755 Equity Shares representing 45.73% 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, 2011.

Company's shares are reasonably liquid and are 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 2010-11 is given below :

BSE	NSE	BSE+NSE
10384	16846	27230

[Source: This information is compiled from the data available from the websites of BSE and NSE]

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.
C-13, Pannalal Silk Mills Compound
L.B.S. Marg , Bhandup (West)
Mumbai – 400 078
Phone : +91-22-25946970
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 2010-11.

For Vindhya Telelinks Limited

Place : Rewa
Date : July 2, 2011

Y.S. Lodha
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Shareholders of Vindhya Telelinks Limited

1. We have examined the compliance of conditions of Corporate Governance by Vindhya Telelinks Limited ("the Company") for the year ended on 31st March, 2011, as stipulated in Clause 49 of the listing agreement of the said Company with stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of 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.
3. 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.
4. 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 V. Sankar Aiyar & Co.
Firm registration number : 109208W
Chartered Accountants

Place : New Delhi
Date : July 14, 2011

R.Raghuraman
Partner
Membership No. 081350



Auditors' Report

TO THE SHAREHOLDERS OF VINDHYA TELELINKS LIMITED

1. We have audited the attached Balance Sheet of Vindhya Telelinks Limited ('the Company') as at March 31, 2011 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. Without qualifying our report, we draw attention to Note 6 of schedule 23 of the attached financial statements in respect of utilization of cenvat credit balances.
 - vii. In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2011;
 - (b) in the case of the profit and loss account, of the profit 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 V. Sankar Aiyar & Co.
Firm Registration No. 109208W
Chartered Accountants

R.Raghuraman
Partner
Membership no. 081350

Place : New Delhi
Date : July 14, 2011



Annexure referred to in paragraph 3 of the Auditors' report to the shareholders of Vindhya Telelinks Limited for the year ended 31st March 2011

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The management has physically verified the fixed assets at the year end, the frequency of which, in our opinion is adequate. No material discrepancies were noticed on such verification.
- (c) Since there is no substantial disposal of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
- ii. (a) As explained to us, the inventories comprising of raw material, store & spares, traded goods, work in progress, finished goods and scrap except stock in transit, have been physically verified by the management at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (b), (c), and (d) of the Order are not applicable to Company.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (f) and (g) of the Order are not applicable to Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- v. According to the information given to us, there are no contracts or arrangements during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (v) of the Order are not applicable to the Company.
- vi. The Company has not accepted any deposits from the public in terms of sections 58A and 58AA or any other relevant provisions of the Act and the rules made there under.
- vii. A firm of Chartered Accountants has carried out internal audit during the year. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
- viii. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- ix. (a) The Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities, though there has been slight delay in a few cases. We are informed that there is no liability towards Employee State Insurance for the year under audit. No undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
- (b) There are no amounts in respect of sales-tax, income-tax, customs duty, wealth-tax, service-tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- x. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year.



- xvi. The Company did not have any term loan 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 funds raised on short-term basis have not been used for long term investment.
- xviii. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix. The Company has neither issued nor had any outstanding debenture during the year.
- xx. Since there were no public issue of securities during the year, verification of the end use of money does not arise.
- xxi. Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under audit.

For V. Sankar Aiyar & Co.
Firm Registration No. 109208W
Chartered Accountants

R.Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : July 14, 2011

**BALANCE SHEET AND PROFIT AND LOSS ACCOUNT****BALANCE SHEET AS AT MARCH 31, 2011**

	Schedule	As at March 31, 2011 Rs. in lacs	As at March 31, 2010 Rs. in lacs
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share capital	1	1183.97	1182.22
Reserves and surplus	2	<u>22087.05</u>	<u>21698.34</u>
		<u>23271.02</u>	<u>22880.56</u>
LOAN FUNDS			
Secured loans	3	3872.47	3605.08
Unsecured loans	4	<u>1700.00</u>	<u>1500.00</u>
		<u>5572.47</u>	<u>5105.08</u>
Total		<u>28843.49</u>	<u>27985.64</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	5	14824.45	14665.04
Less: Accumulated depreciation/amortisation		<u>10095.88</u>	<u>10075.87</u>
Net block		4728.57	4589.17
Capital work-in-progress		<u>124.18</u>	<u>142.57</u>
		<u>4852.75</u>	<u>4731.74</u>
INVESTMENTS	6	<u>11768.37</u>	<u>11768.37</u>
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	1855.71	2317.22
Sundry debtors	8	11308.80	10386.92
Cash and bank balances	9	1456.51	927.68
Other current assets	10	24.36	43.37
Loans and advances	11	<u>1925.89</u>	<u>1697.69</u>
		<u>16571.27</u>	<u>15372.88</u>
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	12	4084.44	3639.95
Provisions	13	<u>264.46</u>	<u>247.40</u>
		<u>4348.90</u>	<u>3887.35</u>
NET CURRENT ASSETS		<u>12222.37</u>	<u>11485.53</u>
Total		<u>28843.49</u>	<u>27985.64</u>
NOTES TO THE ACCOUNTS	23		
The Schedules referred to above form an integral part of the Balance Sheet.			

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Firm Registration No.109208W
Chartered Accountants

R.Raghuraman
Partner
Membership No.081350

Harsh V.Lodha	}	Chairman
J. Veeraraghavan		
S.K. Misra	}	Director
R.C. Tapuriah		
D.R. Bansal		
Pracheta Majumdar		
Y.S. Lodha		Managing Director
R. Radhakrishnan		President (Commercial) & Secretary

New Delhi, July 14, 2011

New Delhi, July 14, 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	Schedule	For the Year ended March 31, 2011 Rs. in lacs	For the Year ended March 31, 2010 Rs. in lacs
INCOME			
Turnover (Gross)	14	20314.26	20908.34
Less: Excise duty		616.72	822.18
Turnover (Net)		19697.54	20086.16
Other income	15	1218.51	846.61
Total		20916.05	20932.77
EXPENDITURE			
Raw materials consumed	16	7337.06	8371.11
(Increase)/Decrease in inventories	17	205.84	343.78
Cost of traded goods sold		1.20	2.73
Materials purchased/Subcontract expenses	18	7332.51	6391.99
Personnel expenses	19	1716.94	1297.72
Operating and other expenses	20	2736.34	2441.94
Financial expenses	21	742.79	505.87
Total		20072.68	19355.14
PROFIT BEFORE DEPRECIATION / AMORTISATION AND TAX		843.37	1577.63
Depreciation/amortisation	22	462.12	421.23
PROFIT BEFORE TAX		381.25	1156.40
Income tax and fringe benefit tax credit of earlier years		(0.79)	(2.09)
NET PROFIT FOR THE YEAR		382.04	1158.49
Credit balance brought forward		1158.49	-
Surplus carried to Balance Sheet		1540.53	1158.49
Earnings per share (EPS)			
Weighted average number of equity shares in calculating basic and diluted EPS		11850863	11850863
Basic and diluted EPS (Nominal value of shares Rs.10/- each)		3.23	9.80

NOTES TO THE ACCOUNTS

23

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Firm Registration No.109208W
Chartered Accountants

R.Raghuraman
Partner
Membership No.081350

Harsh V.Lodha	}	Chairman
J. Veeraraghavan		
S.K. Misra	}	Director
R.C. Tapuriah		
D.R. Bansal		
Pracheta Majumdar		
Y.S. Lodha		Managing Director
R. Radhakrishnan		President (Commercial) & Secretary

New Delhi, July 14, 2011

New Delhi, July 14, 2011



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

		For the Year ended March 31, 2011		For the Year ended March 31, 2010
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
NetProfit/(Loss) before tax		381.25		1156.40
Adjustments for :				
Depreciation	462.12		421.23	
(Profit)/loss on disposal of fixed assets (Net)	(1.84)		–	
(Gain)/loss on Unrealised foreign exchange	11.69		(0.86)	
Provision for doubtful debts (Net)	30.00		17.00	
Interest income	(74.79)		(58.14)	
Dividend income	(730.07)		(495.02)	
Interest expense	512.53	209.64	388.00	272.21
Operating Profit before working capital changes		590.89		1428.61
Movement in working capital:				
(Increase) in sundry debtors	(983.48)		(3647.93)	
Decrease/(increase) in inventories	461.51		688.97	
(Increase) in loans and advances	(40.57)		258.52	
Increase in current liabilities and provisions	465.24	(97.30)	548.59	(2151.85)
Cash generated from/(used in) operations :		493.59		(723.24)
Direct taxes (paid)/refund received		(186.84)		(151.60)
Net cash generated from/(used in) operating activities		306.75		(874.84)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(615.23)		(799.07)	
Proceeds from sale of fixed assets	51.69		5.95	
Interest received	75.51		67.33	
Dividend received	730.07		495.02	
Fixed deposits with banks placed	(863.21)		(165.22)	
Fixed deposits with banks encashed	801.26		19.70	
Net cash generated from/(used in) from investing activities		180.09		(376.29)



	For the Year ended March 31, 2011		For the Year ended March 31, 2010	
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011 (Contd.)**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from share capital	1.75		0.03	
Proceeds from securities premium	7.21		0.14	
Proceeds/(Repayment) of short term borrowings	486.70		1485.15	
Interest paid	(515.62)		(384.76)	
Dividend paid	—		(3.97)	
Net cash generated from/(used in) financing activities		(19.96)		1096.59
Net (decrease) /Increase in cash and cash equivalents		466.88		(154.54)
Cash and cash equivalents at the beginning of the year		262.58		417.12
Cash and cash equivalents at the end of the year		729.46		262.58
Components of cash and cash equivalents as at 31st March*				
Cash and cheques on hand		45.83		142.21
With scheduled banks- on current accounts/dividend accounts/ cash credit accounts (see note(a) below)		637.55		67.84
- in deposits accounts *		20.00		—
With other banks- in current accounts		26.08		52.53
		729.46		262.58

- (a) Difference of Rs. 727.05 lacs (Rs. 665.10 lacs) compared with 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 (AS-3) on Cash Flow Statements.
- (c) Negative figures have been shown in brackets.

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Firm Registration No.109208W
Chartered Accountants

R.Raghuraman
Partner
Membership No.081350

Harsh V.Lodha	Chairman
J. Veeraraghavan	} Director
S.K. Misra	
R.C. Tapuriah	
D.R. Bansal	
Pracheta Majumdar	
Y.S. Lodha	Managing Director
R. Radhakrishnan	President (Commercial) & Secretary

New Delhi, July 14, 2011

New Delhi, July 14, 2011

**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	1.12	2.87
		1183.97	1182.22

SCHEDULE 2 : RESERVES AND SURPLUS**Capital Reserve**

On revaluation of plant and machinery			
Balance as per last account		3.62	4.26
Less: Transferred to Profit and Loss Account being difference of depreciation			



SCHEDULE 5 : FIXED ASSETS

Rs. in lacs

Nature of fixed assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2010	Additions during the year	Deductions/ Adjustments	As at 31.03.2011	As at 01.04.2010	Provided during the year	Deductions/ Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
LAND										
Freehold	113.18	—	—	113.18	—	—	—	—	113.18	113.18
Leasehold	44.68	—	—	44.68	7.22	0.68	—	7.90	36.78	37.46
Buildings	2050.90	4.92	—	2055.82	1068.26	47.21	—	1115.47	940.35	982.64
Plant & Machinery	11963.66	496.92	447.66	12012.92	8717.66	357.14	424.31	8650.49	3362.43	3246.00
Furniture & Office Equipment	352.19	40.61	26.55	366.25	233.34	31.55	18.34	246.55	119.70	118.85
Vehicles	115.33	7.43	—	122.76	38.52	8.95	—	47.47	75.29	76.81
Intangibles (Software)	25.10	44.19	—	69.29	10.87	9.22	—	20.09	49.20	14.23
Leasehold Improvements	—	39.55	—	39.55	—	7.91	—	7.91	31.64	—
Total	<u>14665.04</u>	<u>633.62</u>	<u>474.21</u>	<u>14824.45</u>	<u>10075.87</u>	<u>462.66</u>	<u>442.65</u>	<u>10095.88</u>	4728.57	4589.17
Capital Work-in-progress [Including Rs.71.80 lacs (Rs. Nil) in transit] - At cost									124.18	142.57
									4852.75	4731.74
Previous Year	14505.58	662.51	503.05	14665.04	10132.81	421.87	478.81	10075.87	4589.17	

Notes: (1) Freehold Land and Buildings include Rs.5.47 lacs (Rs.5.47 lacs) and Rs.112.79 lacs (Rs.112.79 lacs) respectively given on operating lease. The aggregate written down value of these buildings as on March 31, 2011 is Rs.37.29 lacs (Rs.39.25 lacs) and depreciation charged during the year is Rs.1.96 lacs (Rs.2.07 lacs).
(2) Gross Block of Plant & Machinery includes Rs.762.78 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. The method used for revaluation was then prevailing reinstatement cost/RBI price indices.

	As at March 31, 2011 Rs. in lacs	As at March 31, 2010 Rs. in lacs
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SCHEDULE 6 : 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 book value of quoted investments	6011.34	6011.34
Aggregate market value of quoted investments	25952.86	30025.72
Aggregate book value of quoted investments	5757.03	5757.03

Note: No investment was purchased/sold during the current year.



	As at March 31, 2011 Rs. in lacs	As at March 31, 2010 Rs. in lacs
SCHEDULE 7 : INVENTORIES (At lower of cost and net realisable value)		
Raw materials [including in transit Rs.86.04 lacs (Rs.175.15 lacs)]	815.82	1103.87
Stores, spares and packing material	280.23	254.04
Traded goods	35.12	28.93
Work-in-progress	717.59	923.06
Finished goods	-	2.41
Scrap	6.95	4.91
	<u>1855.71</u>	<u>2317.22</u>

SCHEDULE 8 : SUNDRY DEBTORS (Unsecured)**For Sales on deferred payment terms**

Debts outstanding for a period exceeding six months- Considered good	-	10.73
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For other sales

Debts outstanding for a period exceeding six months- Considered good	2819.98	3084.59
Considered doubtful	144.83	114.83
Other debts Considered good	8488.82	7291.60
	<u>11453.63</u>	<u>10501.75</u>
Less: Provision for doubtful debts	144.83	114.83
	<u>11308.80</u>	<u>10386.92</u>

SCHEDULE 9 : CASH AND BANK BALANCES

Cash on hand [including cheques/drafts in hand Rs.40.61 lacs (Rs.137.06 lacs)]	45.83	142.21
Balance with scheduled banks		
In current/collection accounts	633.93	64.56
" cash credit account	3.62	3.28
" term deposit accounts (term deposit receipts pledged with banks and others)	747.05	665.10
Balance with other bank In current account (with Nepal SBI Bank Limited, maximum balance at any time during the year Rs. 355.38 lacs)	26.08	52.53
	<u>1456.51</u>	<u>927.68</u>

SCHEDULE 10 : OTHER CURRENT ASSETS

Interest accrued on deposits and others	24.36	25.08
Assets held for disposal (at lower of written down value and net realisable value)	-	18.29
	<u>24.36</u>	<u>43.27</u>



	As at March 31, 2011 Rs. in lacs	As at March 31, 2010 Rs. in lacs
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SCHEDULE 11 : LOANS AND ADVANCES (Unsecured and Considered good)

Loans to employees	17.69	14.27
Advances recoverable in cash or kind or for value to be received	547.95	492.72
VAT credit (Input) receivable	84.27	3.41
Deposits (Others)	244.45	348.31
Balance with Customs, Central Excise, etc. [(net of service tax payable Rs.222.88 lacs (Rs.347.06 lacs))]	558.49	628.54
Advance Income Tax (net of provision Rs. 21.65 lacs)	381.73	194.10
Claims, refunds, etc. receivable	91.31	16.34
	<u>1925.89</u>	<u>1697.69</u>

SCHEDULE 12 : CURRENT LIABILITIES

Acceptances	7.70	265.46
Sundry creditors		
Due to Micro and Small Enterprises (Refer Note No. 18 of Schedule 23)	282.84	78.83
Others	3721.16	3183.99
Mobilisation and other advances from customers	16.56	52.40
Sundry deposits	52.79	52.79
Interest accrued but not due on loans	3.39	6.48
	<u>4084.44</u>	<u>3639.95</u>

SCHEDULE 13 : PROVISIONS

For Gratuity	76.53	86.61
For Compensated Absences	150.52	121.85
For Pension	37.41	38.94
	<u>264.46</u>	<u>247.40</u>

	For the year ended March 31, 2011 Rs. in lacs	For the year ended March 31, 2010 Rs. in lacs
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SCHEDULE 14 : TURNOVER

Finished Goods	8981.48	11552.15
Contract Revenue	10762.16	8985.93
Others	570.62	370.26
	<u>20314.26</u>	<u>20908.34</u>



	For the year ended March 31, 2011 Rs. in lacs	For the year ended March 31, 2010 Rs. in lacs
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SCHEDULE 15 : OTHER INCOME

Interest:

-on bank deposits [Tax deducted at source Rs. 3.99 lacs (Rs.7.75 lacs)]	47.84	50.41
-on other deposits, etc. [Tax deducted at source Rs. 0.20 lac (Rs. 0.47 lac)]	26.95	7.73
Dividend on long term trade investments	730.07	495.02
Rent	85.95	82.28
Unspent liabilities/sundry balances written back (Net)	24.54	48.93
Provision for doubtful debts written back	—	13.51
Profit on disposal of fixed assets (Net)	1.84	—
Processing charges	34.58	99.82
Exchange rate fluctuation (Net)	40.95	23.05
Miscellaneous income	225.79	25.86
	<u>1218.51</u>	<u>846.61</u>

SCHEDULE 16: RAW MATERIALS CONSUMED

Opening stock	1103.87	1432.41
Add: Purchases [Less : Sales and claims Rs.107.90 lacs (Rs. 192.98 lacs)]	7049.01	8042.57
	<u>8152.88</u>	<u>9474.98</u>
Less: Closing stock	815.82	1103.87
	<u>7337.06</u>	<u>8371.11</u>

SCHEDULE 17 : (INCREASE)/DECREASE IN INVENTORIES

Closing Inventories		
Work-in-progress	717.59	923.06
Finished goods	—	2.41
Scrap	6.95	4.91
	<u>724.54</u>	<u>930.38</u>
Opening Inventories		
Work-in-progress	923.06	1160.91
Finished goods	2.41	90.67
Scrap	4.91	22.58
	<u>930.38</u>	<u>1274.16</u>
	<u>205.84</u>	<u>343.78</u>

SCHEDULE 18: MATERIALS PURCHASED/SUBCONTRACT EXPENSES

Cost of materials purchased	4233.59	4001.08
Other engineering & construction expenses	3098.92	2390.91
	<u>7332.51</u>	<u>6391.99</u>

SCHEDULE 19 : PERSONNEL EXPENSES

Salaries, wages, bonus and benefits, etc.	1455.84	1099.30
Contribution to provident and other funds, etc.	130.65	102.12
Welfare expenses	130.45	96.30
	<u>1716.94</u>	<u>1297.72</u>



	For the year ended March 31, 2011 Rs. in lacs	For the year ended March 31, 2010 Rs. in lacs
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SCHEDULE 20 : OPERATING AND OTHER EXPENSES

Consumption of stores and spares	226.39	208.74
Packing materials	221.50	261.56
Power and fuel	313.26	310.16
Sales commission (other than sole selling agent)	322.02	404.87
Freight and transportation (Net)	172.47	88.53
Processing/job work and testing charges	34.48	44.89
Excise duty on Increase/(Decrease) in stocks	(0.03)	(7.98)
Rent	153.34	107.65
Rates & taxes	161.54	137.79
Insurance	71.38	39.80
Repair & maintenance		
- Plant & machinery	95.15	37.12
- Buildings	28.37	31.36
- Others	17.76	15.33
Travelling and conveyance	335.24	283.57
Directors' sitting fees	5.77	4.25
Auditors' remuneration		
Statutory auditors		
As auditors		
- Audit fees	6.00	6.00
- Tax audit fee	0.75	0.75
- Quarterly reviews	3.00	4.50
As others		
- Certification etc.	2.40	3.85
- Reimbursement of expenses	0.18	0.99
Cost auditors		
- Audit fees	0.40	0.35
Legal and professional	177.56	140.92
Provision for doubtful debts	30.00	80.88
Charity & donation	1.43	1.02
Miscellaneous expenses	355.98	235.04
	<u>2736.34</u>	<u>2441.94</u>



	For the year ended March 31, 2011 Rs. in lacs	For the year ended March 31, 2010 Rs. in lacs
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SCHEDULE 21 : FINANCIAL EXPENSES

Interest to banks and others	512.53	388.00
Bank and financial charges	<u>230.26</u>	<u>117.87</u>
	<u>742.79</u>	<u>505.87</u>

SCHEDULE 22 : DEPRECIATION/AMORTISATION

On fixed assets	462.66	421.87
Less: Transfer from capital reserve	<u>0.54</u>	<u>0.64</u>
	<u>462.12</u>	<u>421.23</u>

SCHEDULE 23 : NOTES TO THE ACCOUNTS

1. NATURE OF OPERATIONS

Vindhya Telelinks Limited is engaged in the business of manufacturing and sale of "Cables" including Jelly Filled Telephone Cables, Optic Fibre Telephone Cables, Aerial Bunched Cable and Fibre Ribbon, etc. and Engineering, Procurement and Construction ("EPC") 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 the Companies (Accounting Standard) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention except for certain fixed assets which are revalued, 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 (or revalued amounts, as the case may be), 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 ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. When fixed assets are revalued, any surplus on revaluation is credited to assets revaluation reserve.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Software

Cost relating to purchased software/developed is capitalized and is amortized on a straight-line basis over their estimated useful lives of five years.

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

(d) Depreciation

- (i) Premium on leasehold land and cost of leasehold improvements are amortized on straight line basis over the period of lease.
- (ii) Depreciation on certain second hand Plant and Machinery purchased 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 such estimated lower residual life, using the straight line method.
- (iii) Depreciation on Fixed Assets of Unit No.1 and Computer Systems 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 which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual useful life of the respective assets.

(e) Leases

Where the Company 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 Company 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 and Stores & Spares	:	Lower of cost and net realizable value. However, raw 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.
Traded Goods	:	Lower of cost and net realizable value. Cost is determined on a transaction moving weighted average cost basis.
Work-in-progress and Finished Goods (Own manufactured)	:	Lower of cost and net realizable value. Cost includes direct materials (determined on a transaction moving weighted average cost basis), labour and 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 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. The stage of completion of the project is determined by the proportion to the contract cost incurred for work performed upto the Balance Sheet date bear to the estimated total contract cost.

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.

Export Benefits

Duty drawback and Duty Scrips, etc. are accounted for in the year of export.

(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.

(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.

(v) Translation of Integral foreign operations

In respect of a Branch, which is having integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rate.

(j) Employee Benefits:

The Company makes regular contributions to recognised Provident Fund/Family Pension Fund and also to duly constituted and approved Superannuation Fund as per Company's scheme, which are charged to Profit and Loss Account when the contributions to the respective funds are due. Gratuity, Pension and Leave Encashment benefits payable as per Company's schemes are charged to Profit and Loss Account on the basis of actuarial valuation made at the end of each financial year by independent actuaries. Ex-gratia or other amount disbursed on account of selective employees separation scheme are charged to Profit and Loss Account. Actuarial gains and losses comprise experience adjustments and effects of changes in actuarial assumptions are recognized in the Profit and Loss Account in the year in which they arise.

(k) Income Taxes

Tax expense comprises current and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between taxable and accounting income is accounted for using the tax rules and laws that are enacted or substantively enacted as on 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 deferred tax assets can be realized. However,



Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only



limit for utilization of these balances and based on the alternative mechanism already devised and keeping in view the reduction of cenvat credit balances on a year on year basis, in the opinion of the management there will not be any impact on the profit of the reporting period.

7. In the opinion of the management, the decline in the market value of a quoted long term investment (trade) (carrying cost Rs.900.01 lacs) by Rs.192.79 lacs at the year end is temporary, in view of the strategic long term nature of the investment and asset base of the investee company and hence, does not call for any provision there against. However, there is no diminution in the value of long term quoted investments, if market value of all investments is taken together.
8. Information pursuant to Accounting Standard (AS-7) (Revised) on "Construction Contracts":

Particulars	2010-11 Rs. in lacs	2009-10 Rs. in lacs
(i) Contract Revenue recognized for the year	10762.16	8985.93
(ii) The relevant information relating to Contracts in progress at the reporting date are given below:		
(a) Aggregate amount of cost incurred	14290.57	8897.45
(b) Recognized profit upto the reporting date	850.65	1092.73
(c) Amount of advance received	323.07	Nil
(d) Amount of outstanding/retentions	6897.08	6141.23
(e) Long term contracts in progress	290.02	365.82
(f) Advance billing to customers	Nil	Nil

9. As there is no taxable income for the year both under regular and as per Section 115JB (MAT) of the Income Tax Act, 1961, no provision for taxation has been made.

10. (a) Particulars of Hedged Foreign Currency Exposure (Forward Contracts) as at the Balance Sheet date

Particulars	Currency	As at	As at
		March 31, 2011	March 31, 2010
Secured loans	USD	758194	1165555
Acceptances	USD	–	232812
Debtors	USD	1902000	–
Interest accrued but not due	USD	4815	2118

- (b) Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date

Particulars	Currency	As at	As at
		March 31, 2011	March 31, 2010
Acceptances	USD	17014	337236
	EURO	–	8335
Secured loans	USD	1965454	928048
	USD	20001	57317
Sundry Creditors	EURO	35000	–
	NPR	4395896	7581835
Advances given	USD	–	100000
	EURO	–	4658
Cash in hand	CHF	–	4933
	NPR	344234	3438824
Balance with Banks	NPR	1648	11459
	USD	8194	7337
Sundry Debtors	NPR	4172280	8405504
	USD	327481	464691
Advance from customer	EURO	156791	189032
	NPR	125650632	68706232
Interest accrued but not due	EURO	–	17515
	USD	10564	4993

- (c) A sum of Rs.3.40 lacs (Rs.3.92 lacs premium) on account of unamortized foreign exchange discount on outstanding forward contracts is being carried forward to be credited to Profit & Loss Account of the subsequent period.



11. Employee Benefits:

- (a) The Company's defined benefit plans include the approved funded Gratuity scheme which is administered through Group Gratuity scheme with Life Insurance Corporation of India and non-funded schemes viz. Pension (applicable only to certain categories of employees). Such defined benefits are provided for in the Profit and Loss Account based on valuations, as at the Balance Sheet date, made by independent actuaries.

Disclosures for defined benefit plans based on actuarial reports as on March 31, 2011 are summarised below :

- (i) Net employee benefit expense (recognized in Personal expenses for the year)

	Gratuity		Pension	
	2010-11	2009-10	2010-11	2009-10
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Current service cost	26.72	20.51	–	–
Interest cost on benefit obligation	15.37	12.76	2.66	2.77
Expected return on plan assets	(12.48)	(9.18)	–	–
Net Actuarial (Gain)/Loss recognized in the year	3.95	(1.22)	0.25	(0.69)
Add : Impact of variation in actual and expected return on plan assets	(0.78)	(0.22)	–	–
Add : Insurance cost borne by the Company	1.32	0.71	–	–
Add : Movement of short term liability of employee	–	–	–	4.44
Net Benefit Expense	34.10	23.36	2.91	6.52
Actual return on plan assets	(13.26)	(9.40)	–	–

- (ii) Amount recognized in the Balance Sheet

	Gratuity		Pension	
	2010-11	2009-10	2010-11	2009-10
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Defined benefit obligation	243.39	202.86	37.41	38.94
Fair value of the plan assets	166.86	116.25	–	–
Net Asset(liability)	(76.53)	(86.61)	(37.41)	(38.94)

- (iii) Changes in present value of the Defined Benefit Obligation are as follows

	Gratuity		Pension	
	2010-11	2009-10	2010-11	2009-10
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Opening defined benefit obligation	202.86	171.79	38.94	41.30
Interest Cost	15.37	12.76	2.66	2.77
Current Service Cost	26.72	20.51	–	–
Benefits paid	(5.51)	(0.98)	(4.44)	(4.44)
Actuarial (Gain)/Loss on obligations	3.95	(1.22)	0.25	(0.69)
Closing defined benefit obligation	243.39	202.86	37.41	38.94

- (iv) Changes in the fair value of plan assets are as follows

	Gratuity	
	2010-11	2009-10
	Rs. in lacs	Rs. in lacs
Opening Fair value of Plan Assets	116.25	93.85
Expected Return	12.48	9.18
Contributions by employer	38.68	13.80
Benefits paid	(1.33)	(0.80)
Actuarial Gain	0.78	0.22
Closing Fair Value of Plan Assets	166.86	116.25



- (v) 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	
	2010-11	2009-10
	(%)	(%)
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 Company expects to contribute Rs.20.00 lacs to Gratuity Fund during the year 2011-12.

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

	Gratuity		Pension	
	2010-11	2009-10	2010-11	2009-10
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	8.25% p.a	8.00% p.a.	8.25% p.a	8.00% p.a.
Salary rise	7.50% p.a	7.50% p.a.	N.A.	N.A.
Expected Return on plan assets	9.25%	9.15%	N.A.	N.A.
Remaining working life	17.85 Years	17.55 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.

Note:

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.

- b. Company's contribution to defined contribution schemes such as Government administered Provident/Family Pension Fund and approved Superannuation Fund are charged to the Profit and Loss Account as incurred, the Company has no further obligations beyond its contributions. The Company has recognised the following contributions to Provident/Family Pension and Superannuation Funds as an expense and included in Personnel expenses (refer Schedule 19) in the Profit and Loss Account

Defined Contribution Plan	2010-11 Rs. in lacs	2009-10 Rs. in lacs
Contribution to Provident and Family Pension Funds	76.12	61.18
Contribution to Superannuation Fund	20.42	17.58

12. 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:

"Cables"- The Company manufactures and markets various types of cables including Jelly Filled Telephone Cables, Optical Fibre Cables, Aerial Bunched Cable and Fibre Ribbon and others, etc.

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

- (i) Primary Segment Information (by business segments):

The following table presents revenue and profit/(loss) information regarding business segments for the year(s) ended March 31, 2011 and March 31, 2010 and certain liabilities information regarding business segments as at March 31, 2011 and March 31, 2010.



Business Segments	Year ended March 31, 2011			Year ended March 31, 2010		
	Cables Rs. in lacs	EPC Rs. in lacs	Total Rs. in lacs	Cables Rs. in lacs	EPC Rs. in lacs	Total Rs. in lacs
Revenue						
External Sales (Net)	8935.38	10762.16	19697.54	11100.23	8985.93	20086.16
Other Income*	325.54	2.16	327.70	218.60	0.95	219.55
Total Revenue	9260.92	10764.32	20025.24	11318.83	8986.88	20305.71
Results						
Segment result (PBIT)	(836.65)	846.82	10.17	(162.34)	1076.57	914.23
Unallocable Income/ (Expenses) (Net)			808.82			572.03
Operating Profit			818.99			1486.26
Interest (Net)			(437.74)			(329.86)
Tax Credit (Net)			0.79			2.09
Profit after tax			382.04			1158.49
Other Information						
Segment Assets	10054.81	10987.48	21042.29	10621.35	9289.17	19910.52
Unallocable Assets			12150.10			11962.47
Total Assets			33192.39			31872.99
Segment Liabilities	1213.21	3135.69	4348.90	1638.10	2249.28	3887.38
Unallocable Liabilities			5572.47			5105.08
Total Liabilities			9921.37			8992.46
Capital Expenditure	427.50	187.73	615.23	399.84	399.23	799.07
Depreciation	364.36	97.76	462.12	354.60	66.63	421.23
Other Non Cash Expenditure	30.00	–	30.00	3.76	85.50	89.26

*Excludes Rs.890.81 lacs (Rs.635.44 lacs) netted off from Unallocated Expenses and Interest Expense.

(ii) Geographical Segments:

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

Geographical Segments	2010-11	2009-10
	Rs. in lacs	Rs. in lacs
Domestic Market (Sales within India)	15359.89	17448.33
Overseas Markets (Sales to other countries)	4337.65	2637.83
Total	19697.54	20086.16

Notes:

- (a) All the assets of the Company, except the carrying amount of assets aggregating to Rs.1939.18 lacs (Rs.831.60 lacs) are within India.
- (b) 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.

13. 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 (Managing Director)

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 (AS-18)- "Related Party Disclosure" and accordingly, has not considered the above investees as related parties under (AS-18).



(i) Nature of transactions with subsidiaries and joint venture:

Particulars	Subsidiaries		Joint Venture	
	2010-11 Rs. in lacs	2009-10 Rs. in lacs	2010-11 Rs. in lacs	2009-10 Rs. in lacs
(a) Purchases of Finished Goods, Traded items, Raw Materials, Stores, Spares and Packing Materials	–	–	207.86	500.63
(b) Sale of Raw-Materials, Stores, Finished Goods Spares and Packing Materials	–	–	275.57	584.99
(c) Other Service Charges/Lease Rent Received	–	–	28.70	64.80
(d) Other Service Charges Paid	–	–	6.70	4.84
(e) Inter-Corporate Deposits taken	700.00	–	3915.00	3250.00
(f) Inter-Corporate Deposits repaid	–	–	3915.00	3250.00
(g) Interest on Inter-Corporate Deposits paid	19.54	–	94.88	46.15
(h) Dividend received	226.25	–	–	–
Balance outstanding at the year end – Outstanding payable	700.00	–	–	–

(ii) Key Management Personnel- Shri Y.S. Lodha, Managing Director

	2010-11 Rs. in lacs	2009-10 Rs. in lacs
Salary & Benefits	24.77	17.10

Notes:

- 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.
- Transactions and balances relating to reimbursement of expenses to/from the above related parties have not been considered.
- Transactions with related parties are done at arm's length basis.

14. The Company has taken certain office premises under operating lease agreements. The lease agreements generally have an escalation clause and are not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements. The aggregate lease rental of Rs.71.12 lacs (Rs.51.59 lacs) are charged to the Profit and Loss Account.

15. (i) Pursuant to Accounting Standard (AS-22) "Accounting for Taxes on Income", the Component and classification of deferred tax liability and deferred tax assets on account of timing differences are given below:

	As at March 31, 2011 Rs. In lacs	As at March 31, 2010 Rs. In lacs
(a) Deferred Tax Liability		
- Depreciation on fixed Assets	579.52	599.10
Total (a)	579.52	599.10
(b) Deferred Tax Assets		
- Unabsorbed Depreciation		
- Expenses allowable for tax purpose when paid	478.41	512.65
Total (b)	101.11	86.45
Net Deferred Tax Liability (a-b)	Nil	Nil

(ii) The Deferred Tax Assets amounting to Rs 478.41 lacs (Rs. 512.65 lacs) in respect of carry forward unabsorbed depreciation has been recognised considering the possible reversal of deferred tax liabilities in future years.



16. Interest in Joint Venture Company

Pursuant to Accounting Standard (AS-27) "Financial Reporting of Interest in Joint Ventures" the relevant information relating to a Joint Venture Company (JV) 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 Optical 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, 2011 and March 31, 2010 in the above company as per its audited financial statements are as under:

Name of Joint Venture	As at/year ended March 31, 2011 Rs. in lacs	As at/year ended March 31, 2010 Rs. in lacs
	BEOL	BEOL
Assets		
– Fixed Assets (Net Block)	470.74	438.17
– Investments	187.45	187.45
– Inventories	196.95	212.40
– Sundry Debtors	216.27	312.50
– Cash and Bank Balances	74.07	121.62
– Other Current Assets	2.46	3.60
– Loans and Advances	91.05	86.10
	<u>1238.99</u>	<u>1361.84</u>
Liabilities		
– Secured Loans	130.92	74.07
– Unsecured Loans	165.41	246.99
– Current Liabilities and Provisions	124.46	164.24
	<u>420.79</u>	<u>485.30</u>
Income		
– Income from Operations	885.23	1315.21
– Other Income	49.48	24.30
Expenses		
– Manufacturing and Other Expenses	915.65	1242.01
– Interest and Financial Charges	28.81	19.31
– Depreciation	48.62	47.82
– Provision for Tax/(Tax Credit)	(0.04)	(0.05)
– Contingent Liabilities	2.24	1.85
– Capital Commitments	1.07	44.73

17. There is no impairment of assets during the year.



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

Sl. No.	Particular	As at March 31, 2011 Rs. in lacs	As at March 31, 2010 Rs. in lacs
(i)	the principal amount and interest due thereon remaining unpaid to any supplier		
	- Principal amount	277.42	Nil
	- Interest thereon	5.42	0.40
(ii)	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
(iii)	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
(iv)	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
(v)	the amount of interest accrued and remaining unpaid.	5.42	0.40
(vi)	the amount of further interest remaining due and payable in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil

19. Supplementary Statutory Information

19.1 Managerial Remuneration:

	2010-11 Rs. in lacs	2009-10 Rs. in lacs
(a) Salary	14.40	10.80
(b) House Rent Allowance	5.76	1.76
(c) Contribution to Provident Fund	1.73	1.30
(d) Sitting Fees	0.45	0.50
(e) Perquisites (Actual and/or evaluated as per Income Tax Rules, 1962)	2.43	2.74
Total	24.77*	17.10*

*As the liability of gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the managing director is not included above.

19.2 Earnings in Foreign Exchange (on accrual basis):

Exports of goods on FOB basis	2862.68	1500.34
Contract revenue	1416.42	1101.47

19.3 Expenditure in Foreign Currency (on cash basis):

Interest	27.20	7.23
Travelling	21.56	19.31
Commission	115.53	2.38
Others	1128.44	815.85

19.4 Value of imports on CIF basis (on accrual basis):

Raw Materials	3518.20	2717.03
Spare Parts	55.56	12.30
Traded Goods	5.13	1.59
Capital Goods	320.23	202.38



20. 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		Installed Capacity (as certified by the management)		Actual Production	
		March 31		March 31		March 31	
		2011	2010	2011	2010	2011	2010
(a) Jelly Filled Telephone Cable	CKMs	10700000	10700000	7026000	7026000	686077	577786
(b) Optical Fibre Cable	KMs	34272	34272	34272	34272	14368	14269
(c) Fibre Ribbon	KMs	75000	75000	75000	75000	–	–
(d) Quad Jelly Filled Telephone Cable	KMs	1800	1800	1800	1800	36	986
(e) FRP Rod	KMs	20000	20000	20000	20000	19070	14957
(f) E-Glass Roving	MTs	25	25	25	25	4	0.36
(g) Tinned Copper Wire	MTs	1036	1036	1036	1036	13	18.26
(h) Signalling Cable	KMs	2000	2000	2000	2000	221	260
(i) Aerial Bunched Cable	KMs	12000	12000	12000	12000	599	420

(ii) Sales (Gross)

Product	Unit	2010-11		2009-10	
		Quantity	Value	Quantity	Value
			Rs. in lacs		Rs. in lacs
(a) Jelly Filled Telephone Cable	CKMs	686075	5501.47	579511	4445.92
(b) Optical Fibre Cable	KMs	14306	2542.54	14427	4200.37
(c) Quad Jelly Filled Telephone Cable	KMs	36	62.92	988	1544.61
(d) FRP Rod	KMs	19070	129.02	14957	142.85
(e) E - Glass Roving	MTs	4	4.31	0.36	0.37
(f) Tinned Copper Wire	MTs	13	59.44	18	80.08
(g) Signalling Cable	KMs	121	260.23	259	362.51
(h) Aerial Bunched Cable	KMs	599	421.55	420	775.44
(i) Contract Revenue			10762.16		8985.93
(j) Others			570.62		370.26
Total			20314.26		20908.34

*Including sale of traded goods Rs.2.46 lacs (Rs.3.34 lacs).

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

(b) Consumption of Raw Materials

	Unit	Quantity		Value (Rs. in lacs)	
		2010-11	2009-10	2010-11	2009-10
(i) Copper	MTs	1005	997	3756.52	2942.95
(ii) Polyethylene	MTs	1379	1518	963.06	1081.69
(iii) Single Mode Optical Fibre	KMs	254431	384784	924.62	1644.50
(iv) Others*				1692.86	2701.97
Total				7337.06	8371.11

* None of these individually account for more than 10% of total consumption.



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

	2010-11		2009-10	
	Value Rs. in lacs	% to Total	Value Rs. in lacs	% to Total
(i) Raw Materials				
Imported	3952.08	53.86	2712.71	32.41
Indigenous	3384.98	46.14	5658.40	67.59
Total	<u>7337.06</u>	<u>100.00</u>	<u>8371.11</u>	<u>100.00</u>
(ii) Stores and Spares				
Imported	27.43	9.55	9.74	4.67
Indigenous	260.04	90.45	199.01	95.33
Total	<u>287.47</u>	<u>100.00</u>	<u>208.75</u>	<u>100.00</u>

*Included under stores consumption and repairs and maintenance of plant & machinery.

(d) Stock of Finished Goods

Product	Unit	2010-11				2009-10			
		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	-	-	-	-	1736	6.29	-	-
Optical Fibre Cable	KMs	10.09	2.41	26	-	181	84.38	10.09	2.41
Total			<u>2.41</u>				<u>90.67</u>		<u>2.41</u>

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

Signatures to Schedules 1 to 23

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Firm Registration No.109208W
Chartered Accountants

R.Raghuraman
Partner
Membership No.081350

New Delhi, July 14, 2011

Harsh V.Lodha	Chairman
J. Veeraraghavan	} Director
S.K. Misra	
R.C. Tapuriah	
D.R. Bansal	
Pracheta Majumdar	
Y.S. Lodha	Managing Director
R. Radhakrishnan	President (Commercial) & Secretary

New Delhi, July 14, 2011



STATEMENT UNDER SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES AS AT MARCH 31, 2011

(Rs.in lacs)

1	Name of the Subsidiary	August Agents Ltd.	Insilco Agents Ltd.	Laneseda Agents Ltd.
2	Date of becoming Subsidiary	22.09.1999	22.09.1999	22.09.1999
3	The Financial Year of the Subsidiary ended on	31.03.2011	31.03.2011	31.03.2011
4	Holding Company's Interest in the Equity Share Capital of Subsidiary	100%	100%	100%
5	Net aggregate amount of the Subsidiaries' profit so far as it concerns the members of the Holding Company			
	(i) Not dealt with in the Holding Company's Accounts	42702	403.41	419.18
	(a) For the current Financial Year	1222.09	1243.55	1259.73
	(b) For the previous Financial Years since they became Holding Company's Subsidiary			
	(ii) Dealt with in the Holding Company's Accounts	76.25	75.00	75.00
	(a) For the current Financial Year	Nil	Nil	Nil
	(b) For the previous Financial Years since they became Holding Company's Subsidiary			

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(Rs.in lacs)

Sl. No.	Name of the Subsidiary Company	As at March 31, 2011					For the year ended March 31, 2011					
		Share Capital	Reserves & Surplus	Total Assets*	Total Liabilities	Details of Investments (Other than Trade)**		Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
						Long Term	Current					
1	August Agents Ltd.	1525.02	1572.86	3097.88	3097.88	2698.14	-	2698.14	453.66	13.98	439.68	-
2	Insilco Agents Ltd.	1500.02	1571.96	3071.98	3071.98	2780.90	-	2780.90	425.37	9.50	415.87	-
3	Laneseda Agents Ltd.	1500.02	1603.91	3103.93	3103.93	2763.94	-	2763.94	445.29	13.65	431.64	-

* Total Assets comprise of net current assets (total current assets, loans and advances less total current liabilities & provisions).

** For break-up of details of investments please refer Schedule '6' of Investments annexed to and forming a part of consolidated Balance Sheet as at March 31, 2011.

Harsh V. Lodha Chairman

J. Veeraraghavan

S.K. Misra

R.C. Tapuriah

D.R. Bansal

Pracheta Majumdar

Y.S. Lodha

R. Radhakrishnan

Managing Director

President (Commercial) & Secretary

New Delhi, July 14, 2011



Auditors' Report

TO THE BOARD OF DIRECTORS OF VINDHYA TELELINKS LIMITED

1. We have audited the attached consolidated balance sheet of Vindhya Telelinks Limited and its subsidiaries and Joint Venture (the Vindhya Telelinks Group), as at 31st March 2011, 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.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of all subsidiaries, whose financial statements reflect total assets of Rs. 9327.45 lacs as at 31st March 2011, the total revenue of Rs.1278.78 and cash flows amounting to Rs.16.38 lacs for the year then ended. 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.
4. Read *with Note no. 1 (v) of 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 Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006.
5. Without qualifying our report, we draw attention to Note 6 of schedule 25 of the attached consolidated financial statement in respect of utilisation of cenvat credit balances.
6. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Vindhya Telelinks Group as at 31st March 2011;
 - (b) in the case of the consolidated profit and loss account, of the profit of the Vindhya Telelinks Group for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows of Vindhya Telelinks Group for the year ended on that date.

For V. Sankar Aiyar & Co
Firm Registration No. 109208W
Chartered Accountants

R.Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : July 14, 2011



CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	As at March 31, 2011 Rs. in lacs	As at March 31, 2010 Rs. in lacs
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share capital	1	1183.97	1182.22
Reserves and surplus	2	26729.97	25375.28
		27913.94	26557.50
LOAN FUNDS			
Secured loans	3	4003.40	3679.15
Unsecured loans	4	1165.41	1746.99
		5168.81	5426.14
	Total	33082.75	31983.64
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	5	16387.29	16157.97
Less: Accumulated depreciation/amortisation		11189.93	11141.93
Net block		5197.36	5016.04
Capital Work-in-progress		125.02	152.76
		5322.38	5168.80
INVESTMENTS	6	14750.86	14745.51
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	2052.65	2529.61
Sundry debtors	8	11525.07	10699.42
Cash and bank balances	9	1548.81	1051.15
Other current assets	10	34.86	50.47
Loans and advances	11	2323.68	1788.59
		17485.07	16119.24
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	12	4185.74	3783.96
Provisions	13	289.82	265.95
		4475.56	4049.91
NET CURRENT ASSETS		13009.51	12069.33
	Total	33082.75	31983.64
NOTES TO ACCOUNTS	25		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Firm Registration No.109208W
Chartered Accountants

R.Raghuraman
Partner
Membership No.081350

Harsh V.Lodha	}	Chairman
J. Veeraraghavan		
S.K. Misra	}	Director
R.C. Tapuriah		
D.R. Bansal		
Pracheta Majumdar		
Y.S. Lodha		Managing Director
R. Radhakrishnan		President (Commercial) & Secretary

New Delhi, July 14, 2011

New Delhi, July 14, 2011

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011**

	Schedule	For the Year ended March 31, 2011 Rs. in lacs	For the Year ended March 31, 2010 Rs. in lacs
INCOME			
Turnover (Gross)	14	21229.65	22273.39
Less:- Excise duty		669.62	905.97
Turnover (Net)		20560.03	21367.42
Other income	15	2334.70	2283.97
Total		22894.73	23651.39
EXPENDITURE			
Raw materials consumed	16	7987.03	9258.33
Decrease in inventories	17	206.32	357.15
Cost of traded goods sold	18	33.01	83.56
Materials purchased/Subcontract Expenses	19	7332.51	6391.99
Personnel expenses	20	1810.13	1381.97
Operating and other expenses	21	2853.70	2592.54
Financial expenses	22	739.41	519.03
Total		20962.11	20584.57
PROFIT BEFORE DEPRECIATION/ AMORTISATION AND TAX		1932.62	3066.82
Depreciation/Amortisation	23	510.73	469.05
PROFIT BEFORE TAX		1421.89	2597.77
Taxes	24	36.29	17.86
NET PROFIT FOR THE YEAR		1385.60	2579.91
Credit Balance brought forward		4374.87	2074.53
Amount available for appropriation		5760.47	4654.44
APPROPRIATIONS			
Transferred to Reserve Fund (Under RBI Act, 1934)		257.45	279.57
Tax on Dividend		37.58	-
Transfer to General Reserve		3000.00	-
Surplus carried to Balance Sheet		2465.44	4374.87
		5760.47	4654.44
Earnings per share (EPS)			
Weighted average number of equity shares in calculating basic and diluted EPS		11850863	11850863
Basic and diluted EPS (Nominal value of shares Rs.10 each)		11.69	21.77
NOTES TO ACCOUNTS	25		
The schedules referred to above form an integral part of the Profit and Loss Account.			

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Firm Registration No.109208W
Chartered Accountants

R.Raghuraman
Partner
Membership No.081350

Harsh V.Lodha	}	Chairman
J. Veeraraghavan		
S.K. Misra	}	Director
R.C. Tapuriah		
D.R. Bansal		
Pracheta Majumdar		
Y.S. Lodha		Managing Director
R. Radhakrishnan		President (Commercial) & Secretary

New Delhi, July 14, 2011

New Delhi, July 14, 2011



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

	For the Year ended March 31, 2011		For the Year ended March 31, 2010	
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before taxes		1421.89		2597.77
Adjustments for :				
Depreciation/Amortisation	510.73		469.05	
Loss/(Profit) on disposal of fixed assets (net)	(1.77)		0.27	
(Gain)/loss on Unrealised foreign exchange	8.83		0.07	
Provision for doubtful debt (net)	30.00		17.00	
(Profit) on sale of current investments	(165.78)		(119.48)	
Provision for diminution in the value of current investments	-		6.82	
Interest income	(89.04)		(64.35)	
Dividend income	(1642.42)		(1797.57)	
Interest expense	498.62	(850.83)	391.76	(1096.43)
Operating Profit before working capital changes		571.06		1501.34
Movement in working capital:				
(Increase) in sundry debtors	(887.42)		(3678.42)	
Decrease/(increase) in inventories	476.96		754.96	
(Increase) in loans and advances	(369.47)		258.44	
Increase in current liabilities and provisions	426.35	(353.58)	495.13	(2169.89)
Net Cash (used in) /generated from operations :		217.48		(668.55)
Direct taxes (paid)		(239.49)		(173.23)
Net cash generated from/(used in) operating activities		(22.01)		(841.78)
B. Cash flows from investing activities				
Purchase of fixed assets	(698.17)		(848.63)	
Proceeds from sale of fixed assets	54.63		6.16	
Purchase of investments	-		(2892.85)	
Sale of investments	160.43		1614.46	
Interest received	81.61		75.72	
Dividend received	1645.92		1794.07	
Fixed deposits with banks placed	(81.74)		(165.43)	
Fixed deposits with banks encashed	-		19.70	
Net cash generated from/(used in) investing activities		1162.68		(396.80)



	For the Year ended March 31, 2011		For the Year ended March 31, 2010	
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011 (Contd.)**C. Cash flow from financing activities**

Proceeds from share capital	1.75		0.03	
Proceeds from securities premium	7.21		0.14	
(Repayment of)/Proceeds from bank borrowings	346.49		1513.15	
Repayment of long term borrowings	(581.58)		(63.41)	
Interest paid	(498.62)		(391.76)	
Dividend paid	-		(4.89)	
Net cash generated from/(used in) financing activities		(724.75)		1053.26
Net Increase/(decrease) in cash and cash equivalents		415.92		(185.32)
Cash and cash equivalents at the beginning of the year		321.84		507.16
Cash and cash equivalents at the end of the year		737.76		321.84
Components of cash and cash equivalents as at March 31*				
Cash and cheques on hand		54.48		185.58
With scheduled banks - in current/collection accounts		653.58		80.45
- in cash credit accounts		3.62		3.28
With Other banks - in current accounts		26.08		52.53
		737.76		321.84

- (a) *Difference of Rs.811.05 lacs (Rs.729.31 lacs) from Schedule 9 represents short term investments with an original maturity of three months or more and deposits pledged with banks and others.
- (b) The Cash Flow Statement has been prepared under the 'Indirect method' as set out in Accounting Standard (AS-3) on Cash Flow Statements.
- (c) Negative figures have been shown in brackets.

As per our attached report of even date.

For V.Sankar Aiyar & Co.
Firm Registration No.109208W
Chartered Accountants

R.Raghuraman
Partner
Membership No.081350

New Delhi, July 14, 2011

Harsh V.Lodha	Chairman
J. Veeraraghavan	} Director
S.K. Misra	
R.C. Tapuriah	
D.R. Bansal	
Pracheta Majumdar	
Y.S. Lodha	Managing Director
R. Radhakrishnan	President (Commercial) & Secretary

New Delhi, July 14, 2011



SCHEDULES ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011 AND CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

	As at March 31, 2011			As at March 31, 2010			
	Company and its subsidiaries	Joint Venture	Total	Company and its subsidiaries	Joint Venture	Total	
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	
SCHEDULE 1 : SHARE CAPITAL							
Authorised							
150,00,000	Equity shares of Rs. 10 each	<u>1500.00</u>	—	<u>1500.00</u>	<u>1500.00</u>	—	<u>1500.00</u>
Issued							
118,52,014	Equity shares of Rs. 10 each	<u>1185.20</u>	—	<u>1185.20</u>	<u>1185.20</u>	—	<u>1185.20</u>
Subscribed and paid up							
118,50,863	Equity shares of Rs. 10 each fully paid up	<u>1185.09</u>	—	<u>1185.09</u>	<u>1185.09</u>	—	<u>1185.09</u>
	Less: Calls unpaid	<u>1.12</u>	—	<u>1.12</u>	<u>2.87</u>	—	<u>2.87</u>
		<u>1183.97</u>	—	<u>1183.97</u>	<u>1182.22</u>	—	<u>1182.22</u>
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	<u>0.03</u>	—	<u>0.03</u>	<u>0.03</u>	—	<u>0.03</u>
	On revaluation of plant & machinery						
	Balance as per last account	<u>3.62</u>	—	<u>3.62</u>	<u>4.26</u>	—	<u>4.26</u>
	Less : Adjustment in respect of disposal of fixed assets	<u>—</u>	—	<u>—</u>	<u>—</u>	—	<u>—</u>
	Less: Transferred to Profit and Loss Account being difference of depreciation on revalued cost of assets and that on the original cost	<u>0.54</u>	—	<u>0.54</u>	<u>0.64</u>	—	<u>0.64</u>
		<u>3.08</u>	—	<u>3.08</u>	<u>3.62</u>	—	<u>3.62</u>
Securities Premium Account							
	As per last account	<u>3877.38</u>	<u>184.34</u>	<u>4061.72</u>	<u>3877.24</u>	<u>184.34</u>	<u>4061.58</u>
	Add : Received during the year	<u>7.21</u>	—	<u>7.21</u>	<u>0.14</u>	—	<u>0.14</u>
		<u>3884.59</u>	<u>184.34</u>	<u>4068.93</u>	<u>3877.38</u>	<u>184.34</u>	<u>4061.72</u>
Reserve Fund (Under the Reserve Bank of India Act, 1934)							
	As per last account	<u>749.25</u>	—	<u>749.25</u>	<u>469.68</u>	—	<u>469.68</u>
	Add: Created during the year	<u>257.45</u>	—	<u>257.45</u>	<u>279.57</u>	—	<u>279.57</u>
		<u>1006.70</u>	—	<u>1006.70</u>	<u>749.25</u>	—	<u>749.25</u>
General Reserve							
	Balance as per last account	<u>15983.77</u>	<u>202.02</u>	<u>16185.79</u>	<u>15983.77</u>	<u>202.02</u>	<u>16185.79</u>
	Add: Transferred from Profit and Loss Account	<u>3000.00</u>	—	<u>3000.00</u>	<u>—</u>	—	<u>—</u>
		<u>18983.77</u>	<u>202.02</u>	<u>19185.79</u>	<u>15983.77</u>	<u>202.02</u>	<u>16185.79</u>
Profit and Loss Account							
	Surplus as per Profit and Loss Account	<u>2529.54</u>	<u>(64.10)</u>	<u>2465.44</u>	<u>4370.91</u>	<u>3.96</u>	<u>4374.87</u>
		<u>26407.71</u>	<u>322.26</u>	<u>26729.97</u>	<u>24984.96</u>	<u>390.32</u>	<u>25375.28</u>



	As at March 31, 2011			As at March 31, 2010		
	Company and its subsidiaries	Joint Venture	Total	Company and its subsidiaries	Joint Venture	Total
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs

SCHEDULE 3 : SECURED LOANS**Working Capital Loans/Trade credits from banks**

Cash credit facilities	1735.52	18.22	1753.74	1719.32	14.33	1733.65
Export packing credit	907.50	19.94	927.44	906.88	38.47	945.35
Buyer's credit	1229.45	92.77	1322.22	978.88	21.27	1000.15
	<u>3872.47</u>	<u>130.93</u>	<u>4003.40</u>	<u>3605.08</u>	<u>74.07</u>	<u>3679.15</u>

Note:

Fund and non fund based Working Capital credit facilities (including Buyers' credit) 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 and all machinery, present and future, etc. These credit 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.

SCHEDULE 4 : UNSECURED LOANS

Short term loans from Bodies Corporate	1000.00	–	1000.00	1500.00	–	1500.00
Sales Tax Loans (Refer note below) (Due within next 12 months Rs.163.73 lacs (Rs.81.58 lacs)	–	165.41	165.41	–	246.99	246.99
	<u>1000.00</u>	<u>165.41</u>	<u>1165.41</u>	<u>1500.00</u>	<u>246.99</u>	<u>1746.99</u>

Note:

Sales Tax Loans are as per scheme of State Government and for administration of these Loans, Madhya Pradesh State Industrial Development Corporation Limited (MPSIDC Ltd.) has been specified by the State Government as the Implementing Agency. As per the governing scheme for conversion of deferred sales tax into loan, the final Sales Tax loan liability subsists upto a period of ten years, commencing from the expiry of each financial year covered by the period of eligibility and is payable thereafter within 30 days in one instalment subject to compliance with the terms and conditions as specified in the scheme.



SCHEDULE 5: FIXED ASSETS (Company and its Subsidiaries)

Rs. in lacs

Nature of fixed assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2010	Additions during the Year	Deductions/ Adjustments	As at 31.03.2011	As at 01.04.2010	Provided during the Year	Deductions/ Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land										
Free Hold	113.18	–	–	113.18	–	–	–	–	113.18	113.18
Lease Hold	44.68	–	–	44.68	7.22	0.68	–	7.90	36.78	37.46
Buildings	2050.90	4.92	–	2055.82	1068.26	47.21	–	1115.47	940.35	982.64
Plant & Machinery	11968.58	496.92	447.66	12017.84	8721.02	357.14	424.31	8653.85	3363.99	3247.56
Furniture & Office										
Equipment	351.94	40.61	26.55	366.00	233.34	31.55	18.34	246.55	119.45	118.60
Vehicles	115.33	7.43	–	122.76	38.52	8.95	–	47.47	75.29	76.81
Intangibles (Software)	25.10	44.19	–	69.29	10.87	9.22	–	20.09	49.20	14.23
Leasehold Improvements	–	39.55	–	39.55	–	7.91	–	7.91	31.64	–
Total	<u>14669.71</u>	<u>633.62</u>	<u>474.21</u>	<u>14829.12</u>	<u>10079.23</u>	<u>462.66</u>	<u>442.65</u>	<u>10099.24</u>	4729.88	4590.48
Capital work-in-progress (at cost)									124.18	142.57
									<u>4854.06</u>	<u>4733.05</u>
Previous Year	14510.25	662.51	503.05	14669.71	10136.17	421.87	478.81	10079.23	4590.48	

- Notes:** (1) Freehold Land and Buildings include Rs.5.47 lacs (Rs.5.47 lacs) and Rs.112.79 lacs (Rs.112.79 lacs) respectively given on operating lease. The aggregate written down value of these Buildings as on March 31, 2011 is Rs.37.29 lacs (Rs.39.25 lacs) and depreciation charged during the year is Rs. 1.96 lacs (Rs.2.07 lacs).
- (2) Gross Block of Plant & Machinery includes Rs.762.78 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. The method used for revaluation was then prevailing reinstatement cost/ RBI price indices.

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

Rs. in lacs

Nature of fixed assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2010	Additions during the Year	Deductions/ Adjustments	As at 31.03.2011	As at 01.04.2010	Provided during the Year	Deductions/ Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Lease hold Land	3.25	–	–	3.25	0.88	0.05	–	0.93	2.32	2.37
Buildings	137.40	–	–	137.40	55.13	3.83	–	58.96	78.44	82.27
Plant & Machinery	1327.20	90.75	22.07	1395.88	996.89	42.89	20.35	1019.43	376.45	330.31
Furniture & Office										
Equipment	11.26	0.97	0.31	11.92	6.17	0.73	0.27	6.63	5.29	5.09
Vehicles	6.07	0.57	–	6.64	2.25	0.50	–	2.75	3.89	3.82
Intangibles (Software)	3.08	–	–	3.08	1.38	0.61	–	1.99	1.09	1.70
Total	<u>1488.26</u>	<u>92.29</u>	<u>22.38</u>	<u>1558.17</u>	<u>1062.70</u>	<u>48.61</u>	<u>20.62</u>	<u>1090.69</u>	467.48	425.56
Capital Work-in-progress (at cost)									0.84	10.19
									<u>468.32</u>	<u>435.75</u>
Previous Year	1388.87	126.09	26.70	1488.26	1039.85	47.82	24.97	1062.70	425.56	

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, 2011 is Rs.7.27 lacs (Rs.7.40 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 01.04.2010	Additions during the Year	Deductions/ Adjustments	As at 31.03.2011	As at 01.04.2010	Provided during the Year	Deductions/ Adjustments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land										
Freehold	113.18	–	–	113.18	–	–	–	–	113.18	113.18
Leasehold	47.93	–	–	47.93	8.10	0.73	–	8.83	39.10	39.83
Buildings	2188.30	4.92	–	2193.22	1123.39	51.04	–	1174.43	1018.79	1064.91
Plant & Machinery	13295.78	587.67	469.73	13413.72	9717.91	400.03	444.66	9673.28	3740.44	3577.87
Furniture & Office										
Equipment	363.20	41.58	26.86	377.92	239.51	32.28	18.61	253.18	124.74	123.69
Vehicles	121.40	8.00	–	129.40	40.77	9.45	–	50.22	79.18	80.63
Intangibles (Software)	28.18	44.19	–	72.37	12.25	9.83	–	22.08	50.29	15.93
Leasehold										
Improvements	–	39.55	–	39.55	–	7.91	–	7.91	31.64	–
Total	<u>16157.97</u>	<u>725.91</u>	<u>496.59</u>	<u>16387.29</u>	<u>11141.93</u>	<u>511.27</u>	<u>463.27</u>	<u>11189.93</u>	<u>5197.36</u>	<u>5016.04</u>
Capital work-in-progress (at cost)									125.02	152.76
									5322.38	<u>5168.80</u>
Previous Year	15899.12	788.60	529.75	16157.97	11176.02	469.69	503.78	11141.93	5016.04	

- Notes:** (1) Freehold Land and Buildings includes Rs.4.74 lacs (Rs.4.74 lacs) and Rs.121.32 lacs (Rs.121.32 lacs) respectively given on operating lease. The aggregate written down value of these Buildings as on March 31, 2011 is Rs.44.56 lacs (Rs.46.66 lacs) and depreciation charged during the year is Rs.2.10 lacs (Rs.2.21 lacs).
- (2) Gross Block of Plant & Machinery includes Rs.762.78 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. The method used for revaluation was then prevailing current reinstatement cost/RBI price indices.



	As at March 31, 2011			As at March 31, 2010		
	Company and its subsidiaries	Joint Venture	Total	Company and its subsidiaries	Joint Venture	Total
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	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 trades

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
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Redeemable Non Convertible Secured Debenture (Unquoted)

–	(150)	HDFC Debenture Series –II (Under PMS)	–	–	–	150.00	–	150.00
1	(1)	Kotak Securities – NDPMS Structured Opportunities	10.20	–	10.20	10.20	–	10.20

Current Investments–Trade (at lower of cost and net asset value)

Unquoted – Fully paid up units of Mutual Funds of Rs.10 each

4,08,748	(4,08,748)	Birla Sun Life Frontline Equity Fund Plan A Dividend (NAV as on 31.3.11 – Rs.88.33 lacs)	95.42	–	95.42	95.42	–	95.42
–	(3,82,923)	Birla Sun life Dynamic Bond Fund Growth	–	–	–	58.00	–	58.00
85,193	(85,193)	Birla Sun Life Midcap Fund Plan A Dividend (NAV as on 31.3.11 – Rs.18.21 lacs)	22.60	–	22.60	22.60	–	22.60
–	(357,193)	Birla Sun Life Saving Fund Retail Growth	–	–	–	60.13	–	60.13
–	(576,490)	Birla Sun Life Interval Income Fund Institutional Quarterly Series – 1 – Growth	–	–	–	57.65	–	57.65
6,32,017	(–)	Birla Sun Life Fixed Term Plan Series CH – Growth (NAV as on 31.3.11 – Rs.65.26 lacs)	63.20	–	63.20	–	–	–
2,96,880	(–)	BNP Paribas Short Term Income Fund Growth (NAV as on 31.3.11 – Rs.33.31 lacs)	33.00	–	33.00	–	–	–
3,87,630	(387,630)	Canara Robeco Short Term Fund Growth (NAV as on 31.3.11 – Rs.43.57 lacs)	40.00	–	40.00	40.00	–	40.00
1,68,313	(–)	Canara Roboco Monthly Income Plan(Growth) (NAV as on 31.3.11 – Rs.49.62 lacs)	49.00	–	49.00	–	–	–
–	(339,427)	DWS Ultra Short Term Fund – Growth	–	–	–	50.00	–	50.00
–	(121,842)	DWS Short Maturity Fund – Growth	–	–	–	15.82	–	15.82
–	(709,168)	DSP Black Rock Floating Rate Fund – Regular – Growth	–	–	–	103.18	–	103.18



		As at March 31, 2011			As at March 31, 2010		
		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.)

(48,176)	(48,176)	DSP Black Rock equity Fund – Regular Plan – Dividend (NAV as on 31.3.11 – Rs.23.45 lacs)	25.10	–	25.10	25.10	–	25.10
2,600,000	(–)	DSP Black Rock FMP –3M–Series 30 (Growth) (NAV as on 31.3.11 – Rs.262.42 lacs)	260.00	–	260.00	–	–	–
1,082,820	(–)	DSP Black Rock FMP 12–Month–Series 9 (Growth) (NAV as on 31.3.11 – Rs.110.56 lacs)	108.27	–	108.27	–	–	–
–	(1,199,232)	Fortis Money Plus Fund – Growth of Institutional Plan	–	–	–	165.00	–	165.00
–	(500,383)	Fortis Overnight Fund – FTP Series 15 Plan A Regular	–	–	–	50.04	–	50.04
530,809	(–)	Fidelity FMP Series 5– Plan B (Growth) (NAV as on 31.3.11 – Rs.53.52 lacs)	53.08	–	53.08	–	–	–
250,000	(–)	Fidelity FMP Series III– Plan F of Fidelity Mutual Fund (NAV as on 31.3.11 – Rs.25.78 lacs)	25.00	–	25.00	–	–	–
109,146	(–)	Franklin India Prima Plus–Dividend Re–investment (NAV as on 31.3.11 – Rs.29.38 lacs)	32.78	–	32.78	–	–	–
10,00,000	(–)	Fidelity FMP Series V– Plan D Growth (NAV as on 31.3.11 – Rs.100.55 lacs)	100.00	–	100.00	–	–	–
3,27,730	(327,730)	HDFC Equity Fund – Dividend payout (NAV as on 31.3.11 – Rs.156.83 lacs)	150.75	–	150.75	150.75	–	150.75
–	(1,209,430)	HDFC Cash Management Treasury Advantage Fund Wholesale Plan Growth	–	–	–	240.00	–	240.00
8,07,666	(807,666)	HDFC High Interest Fund Short Plan – Growth (NAV as on 31.3.11 – Rs.156.27 lacs)	119.04	–	119.04	119.04	–	119.04
1,63,563	(163,563)	HDFC Top 200 Fund – Dividend Payout (NAV as on 31.3.11 – Rs.76.22 lacs)	75.34	–	75.34	75.34	–	75.34
998870	(930,206)	HDFC Short Term Plan Growth of HDFC Mutual Fund (NAV as on 31.3.11 – Rs.189.41 lacs)	174.00	–	174.00	161.00	–	161.00
831299	(612,973)	HDFC Monthly Income Plan – Long Term Plan – Growth (NAV as on 31.3.11 – Rs.191.41 lacs)	172.00	–	172.00	122.00	–	122.00
–	(961,367)	IDFC SSIF Short Term Plan B – Growth of IDFC Mutual Fund	–	–	–	101.24	–	101.24
–	(726,534)	IDFC Money manager Fund Investment – B – Growth	–	–	–	103.00	–	103.00
–	(24,371)	ICICI Prudential Liquid Plus – Growth	–	–	–	53.35	–	53.35
402883	(402,883)	ICICI Prudential Income Multiplier – Growth (NAV as on 31.3.11 – Rs.78.69 lacs)	71.00	–	71.00	71.00	–	71.00
467459	(–)	ICICI Interval Fund II Qtrly. Interval Plan Fund Retail – Growth (NAV as on 31.3.11 – Rs.57.78 lacs)	54.81	–	54.81	–	–	–



		As at March 31, 2011			As at March 31, 2010		
		Company and its subsidiaries	Joint Venture	Total	Company and its subsidiaries	Joint Venture	Total
		Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
SCHEDULE 6 : INVESTMENTS (Contd.)							
625000	(-)	ICICI Prudential FMP Series 52-1 Year Plan B (Growth) (NAV as on 31.3.11 – Rs.65.71 lacs)	62.50	-	62.50	-	-
21,38,883	(-)	ICICI Prudential FMP Series 53-1 Year Plan B (Growth) (NAV as on 31.3.11 – Rs.219.64 lacs)	213.89	-	213.89	-	-
8,40,000	(-)	ICICI Prudential FMP Series 55-1 Year Plan B (Growth) (NAV as on 31.3.11 – Rs.85.37 lacs)	84.00	-	84.00	-	-
1128744	(-)	ICICI Prudential Qtrly. Interval Plan 1 (Growth) (NAV as on 31.3.11 – Rs.118.07 lacs)	117.00	-	117.00	-	-
-	(1,313,721)	JM Fixed Maturity Fund Series XVI Yearly Plan Institutional – Growth	-	-	-	131.37	-
5,00,000	(-)	Kotak FMP 15M Series 7 (Growth) (NAV as on 31.3.11 – Rs.51.13 lacs)	50.00	-	50.00	-	-
10,00,000	(-)	Kotak FMP Series 35-1 Yr (Growth) (NAV as on 31.3.11 – Rs.101.10 lacs)	100.00	-	100.00	-	-
79,569	(-)	Kotak Quarterly Interval Plan Series 10 (NAV as on 31.3.11 – Rs.9.17 lacs)	9.00	-	9.00	-	-
17,44,220	(-)	Kotak Quarterly Plan Series 6 (Growth) (NAV as on 31.3.11 – Rs.219.23 lacs)	212.32	-	212.32	-	-
12,70,000	(-)	Principal PNB FMP 91 Days Series XXVIII (NAV as on 31.3.11 – Rs.128.40 lacs)	127.00	-	127.00	-	-
67,181	(67,181)	Optimix Active Debt Multi Manager FOF Scheme of ING (NAV as on 31.3.11 – Rs.9.07 lacs)	7.50	-	7.50	7.50	-
4,99,307	(499,307)	Prudential ICICI Income Multiplier Regular-Growth (NAV as on 31.3.11 – Rs.97.51 lacs)	76.50	-	76.50	76.50	-
93,359	(93,359)	Reliance Growth Fund Retail Plan – Dividend (NAV as on 31.3.11 – Rs.48.72 lacs)	50.22	-	50.22	50.22	-
6,10,055	(610,055)	Reliance Monthly Income Plan – Growth (NAV as on 31.3.11 – Rs.132.14 lacs)	120.00	-	120.00	120.00	-
-	(594,374)	Reliance Medium Term Fund Retail Plan Growth	-	-	-	107.00	-
3,08,685	(308,685)	Reliance Short erm Fund (NAV as on 31.3.11 – Rs.56.65 lacs)	49.03	-	49.03	49.03	-
57141	(54,961)	Reliance Diversified Power Sector Fund – Retail – Dividend (NAV as on 31.3.11 – Rs.23.18 lacs)	27.25	-	27.25	26.43	-
-	(8,045)	Reliance Money Manager Fund Institutional – Growth	-	-	-	100.00	-
-	(6,184)	Reliance Money Manager Retail – Growth	-	-	-	75.48	-
10,00,000	(-)	Reliance Fixed Horizon Fund –XVIII – Series 6 Growth (NAV as on 31.3.11 – Rs.100.40 lacs)	100.00	-	100.00	-	-



			As at March 31, 2011			As at March 31, 2010		
			Company and its subsidiaries	Joint Venture	Total	Company and its subsidiaries	Joint Venture	Total
			Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
SCHEDULE 6 : INVESTMENTS (Contd.)								
46,702	(46,702)	Reliance Growth Fund Retail – Growth (NAV as on 31.3.11 – Rs.24.37 lacs)	25.12	–	25.12	25.12	–	25.12
2,31,648	(–)	Reliance Monthly Income Plan (NAV as on 31.3.11 – Rs.50.17 lacs)	50.00	–	50.00	–	–	–
–	(317,457)	Tata Short Term Bond Fund Growth	–	–	–	53.00	–	53.00
–	(648,924)	Templeton Ultra Short Bond Fund – Growth	–	–	–	75.00	–	75.00
–	(906,051)	Templeton India Floating Rate Income Fund – Long Term Plan – Growth	–	–	–	150.00	–	150.00
5,962	(5,962)	Templeton India Short Term Income Retail Fund – Growth (NAV as on 31.3.11 – Rs.116.65 lacs)	107.43	–	107.43	107.43	–	107.43
–	(4,796)	UTI Liquid – Cash Plan Regular – Growth	–	–	–	70.00	–	70.00
9,63,772	(–)	UTI Fixed Income Interval Fund – Qrtly. Plan V (Growth) (NAV as on 31.3.11 – Rs.101.05 lacs)	100.00	–	100.00	–	–	–
4,33,539	(–)	UTI Fixed Income Interval Fund – Qrtly. Plan G (Growth) (NAV as on 31.3.11 – Rs.56.62 lacs)	55.00	–	55.00	–	–	–
–	(6,507)	UTI Treasury Advantage Fund – Growth of UTI Mutual Fund	–	–	–	150.00	–	150.00
			<u>14586.28</u>	<u>187.43</u>	<u>14773.71</u>	<u>14581.87</u>	<u>187.43</u>	<u>14769.30</u>
		Less Provision for Diminution in the value of current investments	<u>22.85</u>	<u>–</u>	<u>22.85</u>	<u>23.79</u>	<u>–</u>	<u>23.79</u>
			<u>14563.43</u>	<u>187.43</u>	<u>14750.86</u>	<u>14558.08</u>	<u>187.43</u>	<u>14745.51</u>
		Aggregate book value of quoted investments	9875.96	187.17	10063.13	9875.96	187.17	10063.13
		Aggregate market value of quoted investments	86574.76	109.35	86684.11	101277.00	52.83	101329.83
		Aggregate book value of mutual funds units	3468.15	–	3468.15	3313.74	–	3313.74
		Repurchase price of mutual funds units, represented by Net Asset Value	3624.83	–	3624.83	3403.80	–	3403.80
		Aggregate book value of unquoted investments	<u>1242.17</u>	<u>0.26</u>	<u>1242.43</u>	<u>1392.17</u>	<u>0.26</u>	<u>1392.43</u>



	As at March 31, 2011			As at March 31, 2010		
	Company and its subsidiaries	Joint Venture	Total	Company and its subsidiaries	Joint Venture	Total
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
SCHEDULE 7 : INVENTORIES (At lower of cost and net realisable value)						
Raw Raw materials [including in transit Rs.98.81 lacs (Rs. 188.72 lacs) {Rs.12.77 lacs (Rs.13.57 lacs) of joint venture}]	815.82	91.93	907.75	1103.87	108.40	1212.27
Stores, spares and packing material	280.23	36.39	316.62	254.04	34.91	288.95
Traded goods	35.12	0.21	35.33	28.93	0.19	29.12
Work- in- progress	717.59	56.24	773.83	923.06	54.97	978.03
Finished goods	–	8.42	8.42	2.41	11.45	13.86
Scrap	6.95	3.75	10.70	4.91	2.47	7.38
	<u>1855.71</u>	<u>196.94</u>	<u>2052.65</u>	<u>2317.22</u>	<u>212.39</u>	<u>2529.61</u>

SCHEDULE 8 : SUNDRY DEBTORS (Unsecured)

For Sales on deferred payment terms

Debts outstanding for a period exceeding six months –

Considered good	–	–	–	10.73	–	10.73
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For other sales

Debts outstanding for a period exceeding six months –

Considered good	2819.98	23.88	2843.86	3084.58	26.66	3111.24
Considered doubtful	144.83	–	144.83	114.83	–	114.83
Other debts						
Considered good	8488.82	192.39	8681.21	7291.61	285.84	7577.45
Considered doubtful	–	–	–	–	–	–
	<u>11453.63</u>	<u>216.27</u>	<u>11669.90</u>	<u>10501.75</u>	<u>312.50</u>	<u>10814.25</u>
Less: Provision for doubtful debts	144.83	–	144.83	114.83	–	114.83
	<u>11308.80</u>	<u>216.27</u>	<u>11525.07</u>	<u>10386.92</u>	<u>312.50</u>	<u>10699.42</u>

SCHEDULE 9 : CASH AND BANK BALANCES

Cash on hand [including cheques/drafts in hand
Rs.48.92 lacs (Rs.179.72 lacs) (including Rs.8.31
lacs (Rs.42.66 lacs) of joint venture)]

Balance with scheduled banks	45.89	8.59	54.48	142.50	43.08	185.58
In current/collection accounts	652.10	1.48	653.58	66.13	14.32	80.45
“ cash credit accounts	3.62	–	3.62	3.28	–	3.28
“ fixed deposit accounts (pledged with banks and others)	747.05	64.00	811.05	665.10	64.21	729.31
Balance with other banks						
In current account	26.08	–	26.08	52.53	–	52.53
(with Nepal SBI Bank Limited, maximum balance at any time during the year Rs.355.38 lacs)	<u>1474.74</u>	<u>74.07</u>	<u>1548.81</u>	<u>929.54</u>	<u>121.61</u>	<u>1051.15</u>

SCHEDULE 10 : OTHER CURRENT ASSETS

Interest accrued on deposits and others	32.40	2.46	34.86	25.08	2.35	27.43
Assets held for disposal (at lower of written down value and net realisable value)	–	–	–	18.29	1.25	19.54
Dividend receivable	–	–	–	–	–	–
	<u>32.40</u>	<u>2.46</u>	<u>34.86</u>	<u>46.87</u>	<u>3.60</u>	<u>50.47</u>



	As at March 31, 2011			As at March 31, 2010		
	Company and its subsidiaries	Joint Venture	Total	Company and its subsidiaries	Joint Venture	Total
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
SCHEDULE 11 : LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)						
Loans to employees	17.69	4.31	22.00	14.27	4.18	18.45
Advances recoverable in cash or kind or for value to be received	547.95	9.97	557.92	492.72	13.73	506.45
VAT credit (Input) receivable	84.27	–	84.27	3.41	–	3.41
Deposits						
– Financial Institution	300.00	–	300.00	–	–	–
– Others	268.45	5.43	273.88	348.31	8.36	356.67
Balance with Customs, Central Excise, etc. [net of service tax payable Rs.222.88 lacs (Rs.347.06 lacs)]	558.49	37.71	596.20	628.54	41.76	670.30
Advance Income Tax and Income tax deducted at source (net of provisions)	364.46	5.17	369.63	200.86	3.15	204.01
Claims, refunds, etc. receivable	91.31	28.47	119.78	16.34	12.96	29.30
	<u>2232.62</u>	<u>91.06</u>	<u>2323.68</u>	<u>1704.45</u>	<u>84.14</u>	<u>1788.59</u>

SCHEDULE 12 : CURRENT LIABILITIES

Acceptances	7.70	8.79	16.49	265.46	28.37	293.83
Sundry creditors						
Dues to Micro and Small Enterprises (Refer note No. 15 of Schedule 25)	282.84	1.70	284.54	0.40	–	0.40
Creditors other than Micro and Small Enterprises	3721.61	78.04	3799.65	3265.93	113.49	3379.42
Advance from customers	16.56	12.01	28.57	52.40	1.88	54.28
Sundry deposits	52.79	–	52.79	52.79	–	52.79
Interest accrued but not due	3.39	0.31	3.70	3.24	–	3.24
	<u>4084.89</u>	<u>100.85</u>	<u>4185.74</u>	<u>3640.22</u>	<u>143.74</u>	<u>3783.96</u>

SCHEDULE 13 : PROVISIONS

For Gratuity	76.53	–	76.53	86.61	(1.96)	84.65
For Compensated absences	150.52	13.02	163.54	121.85	11.27	133.12
For Pension	37.41	10.59	48.00	38.94	9.24	48.18
For Contingent Provision against Standard Assets {(Under the Provision of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions,2007)}	1.75	–	1.75	–	–	–
	<u>266.21</u>	<u>23.61</u>	<u>289.82</u>	<u>247.40</u>	<u>18.55</u>	<u>265.95</u>



	For the year ended March 31, 2011			For the year ended March 31, 2010		
	Company and its subsidiaries	Joint Venture	Total	Company and its subsidiaries	Joint Venture	Total
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
SCHEDULE 14 : TURNOVER						
Finished goods	8962.80	852.93	9815.73	11515.05	1256.55	12771.60
Contract revenue	10762.16	–	10762.16	8985.93	–	8985.93
Others	570.62	81.14	651.76	370.26	145.60	515.86
	<u>20295.58</u>	<u>934.07</u>	<u>21229.65</u>	<u>20871.24</u>	<u>1402.15</u>	<u>22273.39</u>
SCHEDULE 15 : OTHER INCOME						
Interest:						
–on bank deposits						
[(Tax deducted at source Rs.4.38 lacs (Rs.8.64 lacs) (including Rs.0.39 lac (Rs.0.89 lac) of joint venture)]	47.84	4.35	52.19	50.41	5.88	56.29
–on inter corporate loans, etc. (gross)						
[Tax deducted at source Rs.0.23 lac (Rs.1.87 lacs) (including Rs. 0.03 lac (Rs.1.40 lacs) of joint venture)]	36.59	0.26	36.85	7.73	0.33	8.06
Dividend income						
–On Investments (Long term) (Trade)	1638.73	3.69	1642.42	1758.21	1.48	1759.69
–On Investments (Current) (Trade)	–	–	–	37.88	–	37.88
Unspent liabilities/sundry balances written back (net)	24.54	1.74	26.28	57.31	1.14	58.45
Provision for doubtful debts written back	–	–	–	13.51	–	13.51
Profit on sale of current investments (Trade) (net)	165.78	–	165.78	119.48	–	119.48
Profit on disposal of fixed assets (net)	1.84	–	1.84	–	–	–
Rent received	85.82	0.64	86.46	82.15	0.64	82.79
Exchange rate fluctuation (net)	40.95	6.30	47.25	23.05	0.77	23.82
Processing charges received	30.89	–	30.89	91.32	0.01	91.33
Miscellaneous income	225.79	18.95	244.74	25.86	6.81	32.67
	<u>2298.77</u>	<u>35.93</u>	<u>2334.70</u>	<u>2266.91</u>	<u>17.06</u>	<u>2283.97</u>
SCHEDULE 16 : RAW MATERIALS CONSUMED						
Opening stock	1103.87	108.40	1212.27	1432.41	160.01	1592.42
Add: Purchases [Less : sales and claims Rs.93.86 lacs (Rs.158.26 lacs) (including Rs.0.17 lac (Rs. Nil) of joint venture)]						
	7032.07	650.44	7682.51	8008.62	869.56	8878.18
	<u>8135.94</u>	<u>758.84</u>	<u>8894.78</u>	<u>9441.03</u>	<u>1029.57</u>	<u>10470.60</u>
Less: Closing stock						
	815.82	91.93	907.75	1103.87	108.40	1212.27
	<u>7320.12</u>	<u>666.91</u>	<u>7987.03</u>	<u>8337.16</u>	<u>921.17</u>	<u>9258.33</u>
SCHEDULE 17 : (INCREASE) / DECREASE IN INVENTORIES						
Closing ventories						
Work– in–progress	717.59	56.24	773.83	923.06	54.97	978.03
Finished goods	–	8.42	8.42	2.41	11.45	13.86
Scrap	6.95	3.75	10.70	4.91	2.47	7.38
	<u>724.54</u>	<u>68.41</u>	<u>792.95</u>	<u>930.38</u>	<u>68.89</u>	<u>999.27</u>
Opening Inventories						
Work– in–progress	923.06	54.97	978.03	1160.91	68.89	1229.80
Finished goods	2.41	11.45	13.86	90.67	10.11	100.78
Scrap	4.91	2.47	7.38	22.58	3.26	25.84
	<u>930.38</u>	<u>68.89</u>	<u>999.27</u>	<u>1274.16</u>	<u>82.26</u>	<u>1356.42</u>
	<u>205.84</u>	<u>0.48</u>	<u>206.32</u>	<u>343.78</u>	<u>13.37</u>	<u>357.15</u>



	For the year ended March 31, 2011			For the year ended March 31, 2010		
	Company and its subsidiaries	Joint Venture	Total	Company and its subsidiaries	Joint Venture	Total
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
SCHEDULE 18 : COST OF TRADED GOODS SOLD						
Cost of traded goods sold	1.20	31.81	33.01	2.73	80.83	83.56
SCHEDULE 19 : MATERIALS PURCHASED/SUBCONTRACT EXPENSES						
Cost of Materials purchased.	4233.59	–	4233.59	4001.08	–	4001.08
Subcontract Expenses	<u>3098.92</u>	–	<u>3098.92</u>	<u>2390.91</u>	–	<u>2390.91</u>
	<u>7332.51</u>	–	<u>7332.51</u>	<u>6391.99</u>	–	<u>6391.99</u>
SCHEDULE 20 : PERSONNEL EXPENSES						
Salaries, wages, bonus and benefits, etc.	1456.74	77.20	1533.94	1099.78	69.92	1169.70
Contribution to provident and other funds, etc.	130.65	7.92	138.57	102.12	7.62	109.74
Welfare expenses	130.47	7.15	137.62	96.30	6.23	102.53
	<u>1717.86</u>	<u>92.27</u>	<u>1810.13</u>	<u>1298.20</u>	<u>83.77</u>	<u>1381.97</u>
SCHEDULE 21 : OPERATING AND OTHER EXPENSES						
Consumption of stores and spares	226.39	5.87	232.26	208.75	6.17	214.92
Packing materials	221.50	18.74	240.24	261.56	23.74	285.30
Power and fuel	313.26	28.08	341.34	310.16	31.78	341.94
Sales commission (other than sole selling agents)	322.02	7.13	329.15	404.87	6.85	411.72
Freight and transportation (Net)	172.47	8.46	180.93	88.53	9.79	98.32
Processing/job work and testing charges	33.59	1.99	35.58	44.25	3.08	47.33
Excise Duty on Increase/(Decrease) in stocks	(0.03)	(0.28)	(0.31)	(7.98)	(0.02)	(8.00)
Rent	153.34	0.83	154.17	107.65	0.54	108.19
Rates & taxes	161.75	1.70	163.45	138.00	1.58	139.58
Insurance charges	71.38	1.10	72.48	39.80	1.24	41.04
Repair & maintenance						
– Plant & Machinery	95.15	9.16	104.31	37.13	12.01	49.14
– Buildings	28.37	0.76	29.13	31.36	2.52	33.88
– Others	17.76	0.61	18.37	15.32	0.10	15.42
Travelling and conveyance	334.58	10.14	344.72	283.57	10.95	294.52
Directors' sitting fees	5.77	0.68	6.45	4.25	0.53	4.78
Auditors' remuneration						
Statutory auditors						
As auditors						
– Audit fees	6.24	0.53	6.77	6.18	0.53	6.71
– Tax audit fee	0.93	0.07	1.00	0.84	0.07	0.91
– Quarterly reviews	3.00	0.20	3.20	4.50	0.20	4.70
As others						
– Certification etc.	2.40	0.10	2.50	3.85	0.11	3.96
– Reimbursement of expenses	1.02	0.06	1.08	1.12	0.08	1.20
Cost Auditors						
– Audit fees	0.40	0.05	0.45	0.35	0.04	0.39
– Reimbursement of expenses	–	0.01	0.01	–	–	–
Legal and professional expenses	178.32	6.78	185.10	140.91	6.68	147.59
Donation and Contributions	1.43	0.01	1.44	1.02	0.14	1.16
Diminution in the value of current investments	–	–	–	6.82	–	6.82
Provision for doubtful debts and advances	30.00	–	30.00	80.88	–	80.88
Sundry advances/bad debts written off	–	–	–	8.38	0.54	8.92
Loss on disposal of fixed assets (Net)	–	0.07	0.07	–	0.27	0.27
Contingent Provision against standard Assets	1.75	–	1.75	–	–	–
Miscellaneous expenses	356.34	11.72	368.06	236.63	14.32	250.95
	<u>2739.13</u>	<u>114.57</u>	<u>2853.70</u>	<u>2458.70</u>	<u>133.84</u>	<u>2592.54</u>



For the year ended March 31, 2011

**SCHEDULE 25 : NOTES TO THE CONSOLIDATED ACCOUNTS**

NOTES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011, Consolidated Profit and 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, 2011.
 - (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 (AS–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. Nil (Rs. Nil) and intra group transactions Rs.40.09 lacs (Rs.49.37 lacs). Detail of joint venture 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 along with its subsidiaries holds 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 (AS–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 (AS–23).
2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

- (a) Basis of Preparation

The Financial Statements have been prepared to comply in all material respects in respects with the notified Accounting Standards issued by the Companies (Accounting Standard) Rules, 2006 and the relevant provisions of Companies Act, 1956. The Financial Statements have been prepared under the historical cost convention except for certain fixed assets which are revalued, on an accrual basis. The accounting policies have been consistently applied by the Group 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 (or revalued amounts, as the case may be), less accumulated depreciation 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. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. When fixed assets are revalued, any surplus on revaluation is credited to assets revaluation reserve.

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.



Software

Cost relating to purchased/developed software is capitalized and is amortized on a straight Line basis over their estimated useful lives of five years.

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

(d) Depreciation

- (i) Premium on leasehold land and cost of leasehold improvement are amortised on straight line basis over the period of lease.
- (ii) Depreciation on certain 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, using the straight line method.
- (iii) Depreciation on fixed assets of Unit No.1 and Computer Systems of the Parent Company 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 which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual useful life of the respective 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 and Stores & Spares	: Lower of cost and net realizable value. However, raw 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.
Traded Goods	: Lower of cost and net realizable value. Cost is determined on a transaction moving weighted average cost basis
Work–in–progress and Finished Goods (Own manufactured)	: Lower of cost and net realizable value. Cost includes, direct materials (determined on a transaction moving weighted average cost basis), 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. The stage of completion of the project is determined by the proportion to the contract cost incurred for work performed upto the Balance Sheet date bear to the estimated total contract cost.

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.

Export Benefits

Duty drawback and Duty Scrips, etc. are accounted for in the year of export.

(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.

(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.

(v) Translation of Integral foreign operations

In respect of a Branch, which is having integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Branch monetary assets and liabilities are restated at the year end rate.

(j) Employee Benefits

The Group makes regular contributions to recognised Provident Fund/Family Pension Fund and also to duly constituted and approved Superannuation Fund wherever applicable, which are charged to revenue. Gratuity, Pension and Leave Encashment benefits payable as per the respective schemes of the Parent Company, its subsidiaries and the Joint Venture are charged to Profit and Loss Account on the basis of actuarial valuation made at the end of each financial year by independent actuaries. Ex-gratia or other amount disbursed on account of selective employees separation scheme are charged to Profit and Loss Account. Actuarial gains and losses comprise experience adjustments and effects of changes in actuarial assumptions are recognized in the Profit and Loss Account in the year in which they arise.

(k) Income Taxes

Tax expense comprises current and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between taxable and accounting income is accounted for using the tax rules and laws that are enacted or substantively enacted as on 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 deferred tax assets can be realized.

However, Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty of realization of such assets backed by convincing evidence. Deferred tax assets are reviewed and assessed at the Balance Sheet date to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.



Minimum Alternate 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 severally during 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 the 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 severally 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 specific 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 services and serves different markets. The analysis of geographical segments is based on the geographical location of the customers.

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.

Segment Policies

The Group prepares its segment information in conformity with the Accounting Policies adopted for preparing and providing the Consolidated Financial Statements of the Group as a whole.

(m) Provisions, Contingent Liabilities and Contingent Assets

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

(n) 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.

3. 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 advances) Rs.44.64 lacs (Rs.196.75 lacs) which include Rs.1.07 lacs (Rs.44.73 lacs) pertaining to the joint venture.

(ii) Claims against the Group not acknowledged as debts Rs.0.69 lac (Rs.0.30 lac) which include Rs.0.69 lac (Rs.0.30 lac) pertaining to joint venture.*

(iii) Pending cases with Income-Tax Appellate authorities where Income Tax Department has preferred Appeals – liability not ascertainable, except Rs.1.56 lacs (Rs.1.56 lacs) pertaining to joint venture.

* Based on the discussions with the solicitors and interpretation of relevant provisions 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 there against is considered necessary.

4. The Parent Company and its joint venture have filed two separate law suits 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 suits. An interim application was moved by the said supplier under the said law suits which were disposed off by the competent court as well as the first appellate court. Aggrieved by the orders of the first appellate court, the said supplier as well as the Parent Company and its joint venture preferred writ petitions before the High Court of Madhya Pradesh at Jabalpur which disposed off the writ petitions but the orders of the High Court does not in any way reflect upon merits or otherwise of the claim of the overseas supplier for any recovery. The supplier in order to overreach the said law suits had initiated an arbitration inter alia claiming recovery of value of the unsupplied goods for the period from October, 2002 to September, 2006 aggregating to Rs.6994.22 lacs (value as on March 31, 2011), (including Rs.822.67 lacs of joint venture). Based on appraisal of the matter, the Parent Company and its joint venture 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.

5. Sundry Debtors (considered good) include Rs.201.51 lacs (Rs.86.73 lacs) withheld by a customer of Parent Company against various bills which has been appropriately contested by the Parent Company. Based on the relevant contract, the Parent Company does not expect any material adjustments, in the books of the account.

6. In view of excise duty tariff rates on the Parent Company's finished products being lower than cervatable customs duty on imported inputs, the Parent Company has accumulated CENVAT credits aggregating to Rs.558.49 lacs (Rs. 628.54 lacs). Since there is no time limit for utilization of these balances and based on the alternative mechanism already devised and keeping in view the reduction of cervat credit balances on a year on year basis, in the opinion of the management there will not be any impact on the profit of the reporting period.



7. Information pursuant to Accounting Standard (AS-7) (Revised) on "Construction Contracts":

Particulars	2010-11 Rs. in lacs	2009-10 Rs. in lacs
(i) Contract Revenue recognized for the year	10762.16	8985.93
(ii) The relevant information relating to Contracts in progress at the reporting date are given below:		
(a) Aggregate amount of cost incurred	14290.57	8897.45
(b) Recognized profit upto the reporting date	850.65	1092.73
(c) Amount of advance received	323.07	Nil
(d) Amount of outstanding/retentions	6897.08	6141.23
(e) Long term contracts in progress	290.02	365.82
(f) Advance billing to customers	Nil	Nil

8. (a) Particulars of Forward Contracts outstanding as at the Balance Sheet Date:

Particulars	Currency	As at March 31, 2011			As at March 31, 2010		
		Company and its Subsidiaries	Joint Venture	Total	Company and its Subsidiaries	Joint Venture	Total
Acceptances	USD	–	–	–	232812	61937	294749
Secured Loans	USD	758194	25464	783658	1165555	46367	1211922
Sundry Creditors	USD	–	–	–	–	15610	15610
Interest accrued but not due	USD	4815	163	4978	2118	–	2118
Debtors	USD	1902000	–	1902000	–	–	–

(b) Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet date:

Particulars	Currency	As at March 31, 2011			As at March 31, 2010		
		Company and its Subsidiaries	Joint Venture	Total	Company and its Subsidiaries	Joint Venture	Total
Acceptances	USD	17014	19465	36479	337236	265	337501
	EURO	–	–	–	8335	–	8335
Sundry Creditors	USD	20001	403	20404	57317	3937	61254
	EURO	35000	–	35000	–	1100	1100
	NPR	4395896	–	4395896	7581835	–	7581835
Secured Loans	USD	1965454	180045	2145499	982048	–	982048
Advances given	USD	–	8717	8717	100000	–	100000
	EURO	–	155	155	4658	–	4658
	CHF	–	–	–	4933	–	4933
	NPR	344234	–	344234	3438824	–	3438824
Sundry Debtors	USD	327481	56808	384289	189032	14060	203092
	EURO	156791	–	156791	464691	43352	508043
	NPR	125650632	–	125650632	68706232	–	68706232
Advance from Customers	EURO	–	–	–	17515	–	17515
Interest accrued but not due	USD	10564	1206	11770	4993	–	4993
Balance with Bank	USD	8194	1221	9415	–	–	–
	NPR	4172280	–	4172280	–	–	–
Cash in hand	NPR	1648	–	1648	11459	–	11459

(c) A sum of Rs.3.32 lacs on account of unamortized foreign exchange discount net of Rs.0.08 lac premium relating to forward contracts of joint venture (Rs.4.07 lacs premium including Rs.0.15 lac of joint venture) on outstanding forward contracts is being carried forward to be credited to Profit and Loss Account of the subsequent period.

9. Employee Benefit

(a) The Group's defined benefit plans include the approved funded Gratuity scheme which is administered through Group Gratuity scheme with Life Insurance Corporation of India and non-funded schemes viz. Pension (applicable only to certain categories of employees). Such defined benefits are provided for in the Profit and Loss Account based on valuations, as at the Balance Sheet date, made by independent actuaries.



Disclosures for defined benefit plans based on actuarial reports as on March 31, 2011 are summarised below :

(i) Net employee benefit expense (recognized in Personal expenses for the year)

	Year	Gratuity			Pension		
		Company and its Subsidiaries	Joint Venture	Total	Company and its Subsidiaries	Joint Venture	Total
		Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Current service cost	2011	26.72	1.36	28.08	-	-	-
	2010	20.51	1.21	21.72	-	-	-
Interest cost on benefit obligation	2011	15.37	1.46	16.83	2.66	0.72	3.38
	2010	12.76	1.29	14.05	2.77	0.81	3.58
Expected return on plan assets	2011	(12.48)	(1.62)	(14.10)	-	-	-
	2010	(9.18)	(1.42)	(10.60)	-	-	-
Net Actuarial (Gain)/Loss recognized in the year	2011	3.95	0.29	4.24	0.25	1.01	1.26
	2010	(1.22)	(0.49)	(1.71)	(0.69)	(1.95)	(2.64)
Add: Impact of variation in actual and expected return on plan assets	2011	(0.78)	-	(0.78)	-	-	-
	2010	(0.22)	0.05	(0.17)	-	-	-
Add: Amount payable on full and final settlement	2011	-	(0.09)	(0.09)	-	-	-
	2010	-	-	-	-	-	-
Add: Insurance cost borne by the Group	2011	1.32	0.14	1.46	-	-	-
	2010	0.71	0.12	0.83	-	-	-
Add: Movement of short term liability of employee	2011	-	-	-	-	-	-
	2010	-	-	-	4.44	-	4.44
Net benefit expense	2011	34.10	1.54	35.64	2.91	1.73	4.64
	2010	23.36	0.81	24.17	6.52	1.14	7.66
Actual return on plan assets	2011	(13.26)	(1.62)	(14.88)	-	-	-
	2010	(9.40)	(1.37)	(10.77)	-	-	-

(ii) Amount recognized in the Balance Sheet

	Year	Gratuity			Pension		
		Company and its Subsidiaries	Joint Venture	Total	Company and its Subsidiaries	Joint Venture	Total
		Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Defined benefit obligation	2011	243.39	20.60	263.99	37.41	10.59	48.00
	2010	202.86	17.87	220.73	38.94	9.24	48.18
Fair value of the plan assets	2011	166.86	21.29	188.15	-	-	-
	2010	116.25	19.83	136.08	-	-	-
Net Asset/(Liability)	2011	(76.53)	0.68	(75.85)	(37.41)	(10.59)	(48.00)
	2010	(86.61)	1.96	(84.65)	(38.94)	(9.24)	(48.18)



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

	Year	Gratuity			Pension		
		Company and its Subsidiaries	Joint Venture	Total	Company and its Subsidiaries	Joint Venture	Total
		Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Opening Defined Benefit Obligation	2011	202.86	17.87	220.73	38.94	9.24	48.18
	2010	171.79	16.42	188.21	41.30	10.74	52.04
Interest Cost	2011	15.37	1.46	16.83	2.66	0.72	3.38
	2010	12.76	1.29	14.05	2.77	0.81	3.58
Current Service Cost	2011	26.72	1.36	28.08	–	–	–
	2010	20.51	1.21	21.72	–	–	–
Benefit paid	2011	(5.51)	(0.38)	(5.89)	(4.44)	(0.37)	(4.81)
	2010	(0.98)	(0.56)	(1.54)	(4.44)	(0.37)	(4.81)
Actuarial (Gain)/Loss on obligations	2011	3.95	0.29	4.24	0.25	1.01	1.26
	2010	(1.22)	(0.49)	(1.71)	(0.69)	(1.95)	(2.64)
Add: Amount payable on full & final settlement	2011	–	0.09	0.09	–	–	–
	2010	–	–	–	–	–	–
Closing Defined Benefit Obligation	2011	243.39	20.69	264.08	37.41	10.59	48.00
	2010	202.86	17.87	220.73	38.94	9.24	48.18

(iv) Changes in the fair value of plan assets are as follows

	Gratuity (2010-11)			Gratuity (2009-10)		
	Company and its Subsidiaries	Joint Venture	Total	Company and its Subsidiaries	Joint Venture	Total
	Rs. In lacs	Rs. In lacs	Rs. In lacs	Rs. In lacs	Rs. In lacs	Rs. In lacs
Opening Fair value of Plan Assets	116.25	19.83	136.08	93.85	16.62	110.47
Expected Return	12.48	1.62	14.10	9.18	1.42	10.60
Contribution by employer	38.68	0.13	38.81	13.80	2.44	16.24
Benefits paid	(1.33)	(0.38)	(1.71)	(0.80)	(0.59)	(1.39)
Actuarial Gain on Plan Assets	0.78	–	–	0.22	(0.05)	0.17
Variation in return from plan assets opening balance	–	–	–	–	(0.01)	(0.01)
Amount payable on full & final settlement	–	0.09	0.09	–	–	–
Closing Fair Value of Plan Assets	166.86	21.29	188.15	116.25	19.83	136.08

(v) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

	Gratuity	
	2010-11	2009-10
	(%)	(%)
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 Parent Company, its subsidiaries and joint venture expects to contribute Rs.20.67 lacs to Gratuity Fund during the year 2011-12.



- (vi) The principal assumptions used in determining gratuity and pension obligations for the Group's plans are shown below

		Gratuity		Pension	
		Company and its Subsidiaries Rs. in lacs	Joint Venture Rs. in lacs	Company and its Subsidiaries Rs. in lacs	Joint Venture Rs. in lacs
Mortality Table	2011	LIC 1994–96 Ultimate	LIC 1994–96 Ultimate	LIC 1994–96 Ultimate	LIC 1994–96 Ultimate
	2010	LIC 1994–96 Ultimate	LIC 1994–96 Ultimate	LIC 1994–96 Ultimate	LIC 1994–96 Ultimate
Attrition Rate	2011	5.00% p.a	5.00% p.a	N.A.	N.A.
	2010	5.00% p.a.	5.00% p.a.	N.A.	N.A.
Imputed rate of interest	2011	8.25% p.a	8.25% p.a	8.25% p.a	8.25% p.a
	2010	8.00% p.a.	8.00% p.a.	8.00% p.a.	7.50% p.a.
Salary rise	2011	7.50% p.a	7.50% p.a	N.A.	N.A.
	2010	7.50% p.a.	7.50% p.a.	N.A.	N.A.
Return on plan assets	2011	9.25%	9.25%	N.A.	N.A.
	2010	9.15%	9.25%	N.A.	N.A.
Remaining working life	2011	17.85 Years	16.47 Years	N.A.	N.A.
	2010	17.55 Years	17.84 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.

Note: Information relating to experience adjustments to plan assets and liabilities as required by Para 120(n)(ii) of the Accounting Standard (AS–15) (revised) on Employee benefits is not available with the Group. The impact of the same is not material.

- (b) Group's contribution to defined contribution schemes such as Government administered Provident/Family Pension Fund and approved Superannuation Fund are charged to the Consolidated Profit and Loss Account as incurred, the Group has no further obligations beyond its contributions. The Group has recognised the following contributions to Provident/Family Pension and Superannuation Funds as an expense and included in Personnel expenses (refer Schedule 20) in the Consolidated Profit and Loss Account.

	2010–11			2009–10		
	Company and its Subsidiaries	Joint Ventures	Total	Company and its Subsidiaries	Joint Venture	Total
Contribution to Provident and Family Pension Funds	76.12	5.28	81.40	61.18	4.91	66.09
Contribution to Superannuation Fund	20.42	1.09	21.51	17.58	1.90	19.48

10. **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:

"Cables" – The Group manufactures and markets various types of cables including Jelly Filled Telephone Cables, Optical Fibre Cables, Aerial Bunched Cable and Fibre Ribbon and others, etc.

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



(i) **Primary Segment Information (by business segments)**

The following table presents revenue and profit/(loss) information regarding business segments for the year(s) ended March 31, 2011 and March 31, 2010 and certain assets and liabilities information relating to business segments at March 31, 2011 and March 31, 2010.

Business Segments	Year Ended March 31, 2011			Year ended March 31, 2010		
	Cables	EPC	Total	Cables	EPC	Total
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
Revenue						
External Sales (Net)	9797.87	10762.16	20560.03	12381.49	8985.93	21367.42
Other Income*	348.84	2.16	351.00	218.83	0.95	219.78
Total Revenue	10146.71	10764.32	20911.03	12600.32	8986.88	21587.20
Results						
Segment result (PBIT)	(903.75)	848.45	(55.30)	(145.29)	1076.57	931.28
Unallocable Income/ Expenses (Net)			1886.77			1993.90
Operating Profit			1831.47			2925.18
Interest (Net)			(409.58)			(327.41)
Provision for Tax (Net)			(36.29)			(17.86)
Profit after Tax			1385.60			2579.91
Other Information						
Segment Assets	11450.37	10987.45	22437.82	11794.86	9289.17	21084.03
Unallocable Assets			15120.49			14949.52
Total Assets			37558.31			36033.55
Segment Liabilities	1341.53	3134.03	4475.56	1800.63	2249.28	4049.91
Unallocable Liabilities			5168.81			5426.14
Total Liabilities			9644.37			9476.05
Capital Expenditure	427.49	187.74	615.23	449.40	399.23	848.63
Depreciation	412.97	97.76	510.73	402.42	66.63	469.05
Other Non Cash Expenditure	30.00	-	30.00	4.30	85.50	89.80

* Excludes Rs.1983.70 lacs (Rs.2064.19 lacs) netted off from unallocated expenses and interest expense.

(b) **Geographical Segments**

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

Geographical Market Segment	2010-11	2009-10
	Rs. in lacs	Rs. in lacs
(i) Domestic Market (Sales within India)	15870.37	18419.45
(ii) Overseas Market (Sales to other countries)	4689.66	2947.97
Total	20560.03	21367.42

Notes:

- (a) All the assets of the Group, except the carrying amount of assets aggregating to Rs.1974.85 lacs (Rs.880.11 lacs) (including Rs.35.67 lacs (Rs.48.51 lacs) of joint venture), are within India.
- (b) The Parent Company and its Joint Venture have 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.

11. **Related Party Disclosure**

Joint Venture	: Birla Ericsson Optical Ltd.
Key Management Personnel	: Shri Y.S. Lodha (Managing 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 Parent Company (either individually or with others)	: Ericsson Cables AB, Sweden and its holding Companies (ECA) being Associate of Joint Venture. Universal Cables Limited (UCL) being Associate of Joint Venture



(i) Nature of transactions:

Particulars	Parent Company and its Subsidiaries with their Joint Venture		Joint Venture with its Associates			
			UCL		ECA	
	2010-11 Rs. in lacs	2009-10 Rs. in lacs	2010-11 Rs. in lacs	2009-10 Rs. in lacs	2010-11 Rs. in lacs	2009-10 Rs. in lacs
(a) Purchase of Raw Materials, Stores, Spares and Packing Materials	136.56	433.90	61.73	271.97	-	0.06
(b) Sale of Raw Materials, Stores, Spares and Packing Materials	238.83	254.12	0.14	0.67	-	-
(c) Sale of finished goods	43.60	252.90	-	-	-	22.79
(d) Other Service Charges/ Lease Rent Received	24.87	56.17	0.64	0.64	-	-
(e) Other Service Charges Paid	5.81	4.19	-	-	0.35	-
(f) Sale of Fixed Assets	-	-	0.01	-	-	-
(g) Purchase of Fixed Assets	-	-	-	-	1.52	-
(h) Interest on Inter-Corporate Deposits paid	82.33	40.00	-	-	-	-
(i) Inter-Corporate Deposits taken	3393.13	2816.78	-	-	-	-
(j) Inter-Corporate Deposits repaid	3393.13	2816.78	-	-	-	-
(k) Dividend Received	-	-	3.69	-	-	-
Balance Outstanding at the year end						
Payable	-	-	-	49.67	-	-
Receivable	-	-	-	0.09	-	3.12

(ii) Remuneration to Managing Director and Whole-time Director

Name of the Managing Director/Whole-time Director	2010-11 Rs. in lacs	2009-10 Rs. in lacs
Shri Y.S. Lodha	24.77	17.10
Shri D.R. Bansal	2.15	2.05
Shri S.K. Daga	0.12	0.12
Shri D.L. Rathi	0.12	0.12
Shri K. Damani	0.12	0.12
Total	27.28	19.51

Notes:

- (a) 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 party.
- (b) Transactions and balances relating to reimbursement of expenses to/from the above related party have not been considered.
- (c) Transactions with related parties are done at arm's length basis.
12. The Parent Company and its joint venture have taken certain office premises under operating lease agreements. The lease agreements generally have an escalation clause and are not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements. The aggregate lease rental of Rs.71.68 lacs (Rs.51.84 lacs) including Rs. 0.56 lac (Rs. 0.25 lac) of joint venture are charged to the Consolidated Profit and Loss Account.
13. (i) Pursuant to Accounting Standard (AS-22) "Accounting for axes on Income", the Component and classification of deferred tax liability and deferred tax assets on account of timing differences are given below:

	As at March 31, 2011 Rs. In lacs	As at March 31, 2010 Rs. In lacs
(a) Deferred Tax Liability		
- Depreciation on fixed Assets [including Rs. 51.23 lacs (Rs. 51.36 lacs) of Joint Venture]	630.75	650.46
Total (a)	630.75	650.46
(b) Deferred Tax Assets		
- Unabsorbed Depreciation [including Rs. 44.70 lacs (Rs. 48.83 lacs) of Joint Venture]	523.10	561.47
- Expenses allowable for tax purpose when paid [including Rs. 6.54 lacs (Rs. 2.54 lacs) of Joint venture]	107.65	88.99
Total (b)	630.75	650.46
Net Deferred Tax Liability (a-b)	Nil	Nil



- (ii) The Deferred Tax Assets amounting to Rs 523.10 lacs (Rs. 561.47 lacs) in respect of carry forward unabsorbed depreciation has been recognised considering the possible reversal of deferred tax liabilities in future years.

14. There is no impairment of assets during the year.

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

Sl. No.	Particulars	As at March 31, 2011 Rs. in lacs	As at March 31, 2010 Rs. in lacs
(i)	the principal amount and interest due thereon remaining unpaid to any supplier – Principal amount (including Rs.1.70 lacs (Rs.Nil) of joint venture)	279.03	Nil
	– Interest thereon (including Rs.0.10 lac (Rs.Nil) of joint venture)	5.52	0.40
(ii)	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
(iii)	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
(iv)	the amount of interest accrued and remaining unpaid (including Rs.0.10 lac (Rs.Nil) of joint venture).	5.52	0.40
(v)	the amount of further interest remaining due and payable in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil

16. Supplementary Statutory Information (Managerial Remuneration):

	2010-11			2009-10		
	Parent Company and its Subsidiaries	Joint Venture	Total	Parent Company and its Subsidiaries	Joint Venture	Total
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
(a) Salary	14.76	1.60	16.36	11.16	1.44	12.60
(b) House Rent Allowance	5.76	–	5.76	1.76	–	1.76
(c) Commission*	–	–	–	–	–	–
(d) Contribution to Provident Fund	1.73	0.19	1.92	1.30	0.17	1.47
(e) Sitting Fees	0.45	0.09	0.54	0.50	0.07	0.57
(f) Perquisites (Actual and/or evaluated as per Income Tax Rules, 1962)	2.43	0.27	2.70	2.74	0.36	3.10
Total**	25.13	2.15	27.28	17.46	2.04	19.50

* 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.

** As the liability of gratuity and compensated absences is provided on an actuarial basis for the Group as a whole, the amount pertaining to the director is not included above.

17. 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 V.Sankar Aiyar & Co.
Firm Registration No.109208W
Chartered Accountants

R.Raghuraman
Partner
Membership No.081350

Harsh V.Lodha	}	Chairman
J. Veeraraghavan		
S.K. Misra	}	Director
R.C. Tapuriah		
D.R. Bansal		
Pracheta Majumdar		
Y.S. Lodha		Managing Director
R. Radhakrishnan		President (Commercial) & Secretary

New Delhi, July 14, 2011

New Delhi, July 14, 2011

FORM OF PROXY
VINDHYA TELELINKS LIMITED

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

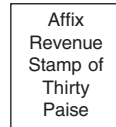
DP ID*	
Client ID*	

Registered Folio No.	
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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 Eighth Annual General Meeting of the Company to be
held on Wednesday, the September 7, 2011, and at any adjournment thereof.

Signed this _____ day of _____, 2011

Signature _____



* 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 EIGHTH ANNUAL GENERAL MEETING being held at the Registered Office of the Company on Wednesday, the September 7, 2011.

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.



"SHRI BALAJI TEMPLE" IN THE COMPANY'S TOWNSHIP AT REWA, MADHYA PRADESH



Participated in LED Expo in December 2010 at Pragati Maidan, New Delhi, under the brand name "Birla Optiled- Lighting Solutions".



Participated in 6th Annual FTTH Council Asia-Pacific Conference & Expo 2011 at New Delhi and Honourable Union Minister for Communication & IT - Shri Kapil Sibal, visited our booth.

