



## ANNUAL REPORT & ACCOUNTS 2011-12



**Vindhya Telelinks Ltd.**



**Syt. Madhav Prasadji Birla**  
(1918-1990)



**Smt. Priyamvadaji Birla**  
(1928-2004)



**Syt. Rajendra Singhji Lodha**  
(1942-2008)

*Our source of Inspiration*

# VINDHYA TELELINKS LIMITED

## ANNUAL REPORT 2011-12

### BOARD OF DIRECTORS

SHRI HARSH V.LODHA

*Chairman*

SHRI J.VEERARAGHAVAN

SHRI S.K.MISRA

SHRI R.C.TAPURIAH

SHRI D.R. BANSAL

SHRI PRACHETA MAJUMDAR

SHRI Y.S.LODHA

*Managing Director*

### AUDIT COMMITTEE

SHRI R.C.TAPURIAH

*Chairman*

SHRI J.VEERARAGHAVAN

SHRI S.K.MISRA

SHRI PRACHETA MAJUMDAR

### PRESIDENT (COMMERCIAL) & SECRETARY

SHRI R.RADHAKRISHNAN

### AUDITORS

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

### **CONTENTS**

### **PAGE NO.**

Notice	1 - 11
Directors' Report	1 - 4
Management Discussion & Analysis	5 - 8
Report on Corporate Governance	9 - 16
Auditors' Report	17 - 19
Balance Sheet	20
Statement of Profit and Loss	21
Cash Flow Statement	22 - 23
Notes to Financial Statements	24 - 42
Auditors' Report on Consolidated Financial Statements	43
Consolidated Balance Sheet	44
Consolidated Statement of Profit and Loss	45
Consolidated Cash Flow Statement	46 - 47
Notes to Consolidated Financial Statements	48 - 69
Financial information of Subsidiary Companies	70





## NOTICE

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NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at Udyog Vihar, P.O.Chorhata, Rewa (M.P.) on Friday, the June 29, 2012 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, 2012, the Statement of Profit & Loss for the year ended on that date and Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri R.C.Tapuriah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri D.R.Bansal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration and reimbursement of out-of-pocket expenses as the Board may decide, based on the recommendation of the Audit Committee.

Registered Office:  
Udyog Vihar,  
P.O. Chorhata,  
Rewa - 486 006 (M.P.)  
May 16, 2012

By order of the Board

R. Radhakrishnan  
President (Commercial) & Secretary

### NOTES FOR MEMBERS' ATTENTION

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF SUCH MEMBER, A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
- (b) The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the June 22, 2012 to Friday, the June 29, 2012 (both days inclusive).
- (c) 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.
- (d) 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.
- (e) The Ministry of Corporate Affairs has taken a green initiative by permitting companies to send various documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. to its Members through electronic mode. Keeping in spirit with the said initiative, we request all esteemed Members to register/update email addresses with their respective Depository Participants in case of shares held in dematerialized form and with Registrar & Share Transfer Agent Messrs Link Intime India Pvt. Ltd. in case of shares held in physical form. Your Company supports this green initiative and has decided to send all permitted communications electronically to the preferred email addresses of the Members.
- (f) 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.
- (g) Members/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 Members 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, on a poll, to vote on their behalf at the Annual General Meeting. Members who hold shares in dematerialised 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

## Details of Directors seeking re-appointment in ensuing Annual General Meeting scheduled to be held on June 29, 2012

<b>Name</b>	Shri R.C. Tapuriah	Shri D.R. Bansal
<b>Date of Birth</b>	15.06.1942	01.08.1939
<b>Date of Appointment</b>	19.08.1985	06.11.1987
<b>Expertise in specific functional areas</b>	Industrialist with wide experience in Business and Industry,	Company executive having rich and varied experience of over 49 years in various facets of cable and other industries including in the field of administration, production and marketing. His strength also includes strong relationship management, international alliances/ tie ups and business development. He is actively associated with various cable industry forums in India & abroad and also served at the helm of all renowned power & telecommunication cables industry association(s) in India for several years
<b>List of outside Directorships held</b>	<ol style="list-style-type: none"><li>1. Alfred Herbert (India) Ltd.</li><li>2. Adorn Investments Ltd.</li><li>3. Birla Ericsson Optical Ltd.</li><li>4. Maxworth Industrial Services Ltd.</li><li>5. Mohta Carbide &amp; Chemicals Ltd.</li><li>6. New India Retailing &amp; Investment Ltd.</li><li>7. The Bhagwati Pressing Co. Ltd.</li><li>8. The Calcutta Investment Co. Ltd.</li><li>9. The United Investment Co. Ltd.</li></ol>	<ol style="list-style-type: none"><li>1. Birla Ericsson Optical Ltd.</li><li>2. Birla Furukawa Fibre Optics Ltd.</li><li>3. Hindustan Gum &amp; Chemicals Ltd.</li><li>4. Universal Cables Ltd.</li></ol>
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Chairman - Audit Committee	Member - Share Transfer-cum-Investor Grievance Committee
<b>Chairman/Member of the Committee of the Board of Directors of other Public Company</b>	Chairman - Audit Committee & Investor Grievance Committee of New India Retailing & Investment Ltd. - Audit Committee of Birla Ericsson Optical Ltd. Member - Audit Committee & Investor Grievance Committee of Alfred Herbert (India) Ltd. - Share Transfer-cum - Investor Grievance Committee of Birla Ericsson Optical Ltd.	Member - Audit Committee of Birla Furukawa Fibre Optics Ltd. - Share Transfer-cum-Investor Grievance Committee of Birla Ericsson Optical Ltd.
<b>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.</b>	Nil	Nil
<b>Relationship between Directors of the Company</b>	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, 2012.

### ACCOUNTS & FINANCIAL MATTERS

	<b>2011-12</b>	2010-11
	<b>Rs. in lacs</b>	Rs. in lacs
Revenue from operations (gross)	<b>26277.30</b>	20451.26
Other income	<b>681.96</b>	1081.51
	<b>26959.26</b>	21532.77
The year's working shows a		
Gross Profit/(Loss) (after Interest) of -	<b>(824.52)</b>	843.37
Less : Depreciation and Amortisation expense	<b>475.76</b>	462.12
Profit/(Loss) before Tax	<b>(1300.28)</b>	381.25
Income tax and fringe benefit tax credit of earlier years	<b>3.18</b>	(0.79)
Net Profit/(Loss) for the year	<b>(1303.46)</b>	382.04

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, your Company's revenue from operations was higher than the previous year by 28.49%. This is appreciable given the fact that telecommunications sector in India has been facing considerable uncertainty in the recent past due to unfavourable regulatory environment, which has slowed down the domestic capex cycle of the telecom operators. As a consequence telecommunications cables manufacturers have had to struggle for business with lower volumes and longer credit periods. Despite this major but temporary aberration leading to reduced telecommunications cables consumption during the year under review, pent-up demand is expected to remain strong. However the magnitude and timing will depend upon clarity on major policy issues and consequent resource allocations by the Government and the telecom operators. In addition to this, the liquidity constraints and slow decision making process in the power and telecommunications infrastructure sectors in India where huge upfront investment commitment is a pre-requisite, have led to uninspiring performance by Company's EPC Division as the anticipated growth did not materialize.

The gross revenue from operations for the year under review increased to Rs. 26277.30 lacs as compared to Rs. 20451.26 lacs during the previous year mainly due to increased revenue from cables business by 55.39% (Rs.14100.29 lacs vs. Rs.9074.26 lacs in the previous year) and a modest increase of Rs. 736.08 lacs in EPC Division (Rs.11498.24 lacs vs. Rs. 10762.16 lacs of previous year). Your Company's consciously pursued strategy of de-risking the infrastructure of traditional PIJF Cables business by scaling up the production facilities for Quad, Railway Signaling and other speciality copper cables has yielded positive results in terms of increased market share, margin expansions and sustainability. The Company will continue to focus on delivering outstanding and differentiated products and developing customers' loyalty for these products which are witnessing expanding volumes.

However, despite the increase in the overall revenue, the Company suffered a gross loss of Rs.824.52 lacs for the year as against the gross profit of Rs.843.37 lacs during the previous year mainly on account of lower than anticipated volume of business, intense competition leading to compromise on margins, longer working capital cycle due to financial strife faced by the ultimate customers in Power & Telecom sectors, higher finance costs and negative foreign exchange rate fluctuation.

Your Directors believe that Government shall decide the final framework of the new telecom policy which will eventually pave the way for speedy implementation of broadband infrastructure projects including laying of a nationwide OFC network to bring more than one million villages into high speed internet. Your Company is already geared up to exploit such a huge business opportunity.

The EPC Division sales increased from Rs.10762.16 lacs to Rs.11498.24 lacs, an increase of 6.84% compared to the previous year. During the year under review the EPC Division's operating performance came under stress due to lower margins, liquidity constraints with the customers and general depression in the business segment it operates. However, the current business verticals of the EPC Division viz. Telecom, Power and Gas distribution pipelines are now geared up for improved performance with change in backlog order composition with enhanced EBITDA margins. Your Company also awaits the final outcome of tenders floated by BSNL for supply and laying of a dedicated nationwide alternate communication network for Defence forces in which your Company alongwith consortium members had emerged as the lowest bidders for two of the packages and also for the Navy OFC Network project where your Company emerged as the lowest bidder.



In view of fast changing trends in the industry, your Company continues to accord priority to control operating costs by deploying contemporary technologies and practices including outsourcing, to keep the business humming. Additionally, planned sourcing of materials and resource optimization across different verticals of EPC Division will eventually ensure higher operating margins. Your Company would continue to accord thrust on development of new products as per evolving industry standards, which will further strengthen its competitive abilities in domestic and overseas market places and improve upon operational performance.

#### **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, 2012, 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 2011-12 and of the loss for the year ended March 31, 2012;
- 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, 2012 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 Cables AB, Sweden has unfortunately shown a downturn in financial performance during the year under review.

Your directors are pleased to inform that your Company has entered into a joint venture agreement for setting up a project in the Kingdom of Saudi Arabia for, inter alia, manufacturing and sale of Optical Fibre Cables, FTTx, connectivity products & accessories, etc. in order to exploit the emerging business opportunities in Middle East and North Africa regions. Your company also envisages to provide technical support to the new joint venture company for manufacturing Optical Fibre Cables through a technical collaboration agreement.

#### **INDUSTRIAL RELATIONS**

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincere and hard work, loyalty, dedicated efforts and contribution of all the employees in most difficult and challenging business 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 ISO 9001:2008 and Environmental Management System ISO 14001:2004. During the year, the audits for these Certifications established continuous improvement in performance against these standards.

#### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri R.C.Tapuriah and Shri D.R.Bansal, the Directors are due to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. Details about Directors seeking re-appointment are given in the Notice of the ensuing Annual General 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 the Cost Auditors of the Company for audit of cost accounts relating to Cables.

**AUDITORS' REPORT**

Notes to the Financial Statements 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**

A statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies is attached and forms part of the Annual Report. In terms of the general exemption granted by the Ministry of Corporate Affairs vide its circular no.02/2011 dated February 8, 2011, the audited Accounts and Reports of Board of Directors and Auditors of the Company's subsidiaries have not been annexed to this Annual Report. The Company has complied with the requirements as prescribed under the said circular. The consolidated financial statements prepared in accordance with Accounting Standard (AS)-21 read with Accounting Standard (AS)-23 forming part of this Annual Report include the financial information of the subsidiary companies. None of the subsidiary companies 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

J. Veeraraghavan

S.K. Misra

R.C. Tapuriah

D.R. Bansal

Y.S. Lodha

Chairman

} Directors

Managing Director

New Delhi, May 16, 2012





**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, 2012.**

**(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.
- Modification and Tandemization of manufacturing processes for optimum energy consumption.
- Redesigning of ducting for air conditioning system.
- Use of Self (ambient) curing compound in Aerial Bunch Cables, eliminating the power consumption for Hot water Curing.
- Replacement of 250W HPMV lamps with 95W CFL's for plant lighting.

**(B) TECHNOLOGY ABSORPTION**

**I. Research and Development (R&D)**

- |   |  |
|---|--|
| 1. Specific areas in which R&D carried out by the Company | (a) Improvement of manufacturing process capability to attain global benchmarks and cost optimization.<br>(b) Development of Dry Core Quad cables for Telecom application.<br>(c) Development of 12-48 Fiber Breakout Cables for Indoor applications.<br>(d) Development of Hybrid Cables (Power + Fiber).<br>(e) Development of Armoured and Unarmoured Tactical Optical Fiber Cables for Defence applications.<br>(f) Review and revision of design/ proprocess parameters for improved proproducts, based on end use requirement of the customer. |
| 2. Benefits derived as a result of the above R&D          | (a) Cost reduction, import substitution, flexible production facilities and strategic resource management.<br>(b) Enhanced products range to address emerging market opportunities.<br>(c) Improvement in operational efficiency, consistency and stability in products.   |

Continuous focus on becoming globally competitive based on evolving industry standards, further cost reduction, improved products quality with safety and ecology.

R & D expenditure has not been accounted for separately.

**II. Technology absorption, adaptation and innovation**

- |  |  |
|--|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation.   | (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.<br>(b) Innovation in manufacturing and engineering technologies through in-house capabilities and indigenous interventions. |
| 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. | (a) World class quality and differentiated products.<br>(b) New product launches.<br>(c) Improved productivity and process controls.<br>(d) Import substitution and overall cost reduction.  |

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Details of foreign exchange earnings and outgo are contained in Schedule Note no. 44(a), 44(b) & 44(d) respectively of the notes to the Financial Statements.

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

New Delhi, May 16, 2012



# Management Discussion and Analysis

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## INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is engaged in the business of manufacturing and sale of Telecommunication cables, other types of wires & cables, FRP rods/ Glass rovings, etc. and Engineering, Procurement and Construction (EPC) business.

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. The fluctuation in the price of copper and the volatile exchange rate are the other challenges faced by the vendors in the industry. The volatility of copper pricing has been escalating consistently in the last three years. Keeping a steady price for copper products has become a challenge for every cabling vendor.

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. Year 2011 witnessed drafting and introduction of various new policies such as National Telecom Policy 2011 (NTP-11), the Spectrum Act, merger and acquisition guidelines, national broadband plan, and national optical fiber network (NOFN). Year 2012 will witness rollout of massive broadband networks, national optical fibre network, and strengthening of network particularly in rural and tier-B areas. India is envisaged to become one of the fastest growing OFC market in the world.

The EPC Division of the Company currently concentrates on four business verticals viz. Telecom, Power, Gas distribution Pipeline and Sewage Projects. In Telecom it 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. In Gas the Company provides last mile connectivity for city domestic gas distribution projects. The Company has also recently forayed in City Sewage Projects which are proposed to be executed through trenchless technology.

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

## BUSINESS REVIEW AND OUTLOOK

The Indian telecom industry witnessed unprecedented growth for several years. Of late, however, the sector has been losing its sheen. Telecom operators who have been battling cut-throat competition, dwindling margins, falling net profits and spectrum scarcity since 2009, have had to bear the brunt of the 2G spectrum controversy. Moreover, 3G services did not take off as expected.

At the end of the financial year 2011-12, the government has ensured their interest to settle the controversies surrounding the telecom sector. The draft National Telecom Policy lays down an inclusive market oriented agenda for the growth of telecommunications services in India over the next decade. The proposed changes to the licensing framework reflect the government's intention to propel the Indian telecomm sector to new growth horizons.

On the backdrop of the government's initiatives of bringing broadband to every Indian household, and a target of 175 million broadband users by 2017, the telecom cable segment is at the point of inflexion.

The XI<sup>th</sup> 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

### Telecommunication Cables

The Company's sales turnover on account of Telecommunication cables, comprising of JFTC, OFC, Quad cables etc. increased from Rs.8106.93 lacs in the previous year to Rs.9586.44 lacs, during the year under review, mainly due to increase in demand from private operators and supplies to Railways.

As a strategy, the Company is concentrating more on export markets, for which the necessary platform and credentials have already been established in the last few years and the company is confident of increasing its export sales in the next year.

The increase in revenue from OFC business at Rs.2809.01 lacs as compared to Rs.2542.54 lacs in the previous year is not very significant. The Company has been constantly looking for export opportunities in this area.

There may not be any significant improvement in the domestic OFC prices as the bargaining power of buyers and the existence of overcapacity will constrain the ability of domestic players to resort to any considerable price hikes in the near future.



Keeping this in view, the Company has taken a strategic decision to participate in turnkey projects which eventually will lead to additional revenue opportunities by cross-marketing its business to the customers besides helping in retention of the customers under the changed business environment.

The draft National Telecom Policy when approved should open huge opportunity in the deployment, operations and maintenance of optical fiber infrastructure which is expected to increase the OFC requirement.

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.

#### **Other Wires & Cables**

Also, there was a significant increase in other wires & cables sales from Rs.967.33 lacs to Rs.4513.85 lacs in this year, mainly on account of supply of Signaling cables to Railways. With reasonable order backlog at the end of financial year under review, for supply of Signaling cables, your company's immediate sales prospects appears to be bright in this business.

#### *EPC Contracting/Turnkey Services*

Pending the finalization of a new Telecom policy and due to the gloomy business environment in the Telecom sector, there was a dearth of orders for the Company's Telecom division during the year under review. The company has been timely executing all the pending projects and is also venturing into other opportunities with better profitability. The company has initiated its first IP1 project for which ground work has been completed and the network rollout will begin by the middle of First quarter of next financial year. More such rollouts are being planned as the Telecom companies are showing considerable interest in this model. Various government telecom projects like NOFA, Defence project, 4G rollout by private operators are likely to generate big business opportunities in the coming 3 - 5 years. The company has also ventured into Sewage projects to be laid through trenchless technology (HDD method) and expect good volumes through this line also. In the Power division, the company has a reasonably good order book. Most of the projects which were targeted and won last year at low margins in order to build credentials for the company, are nearing completion and are likely to be over by the First quarter. This would give the EPC Division a bigger platform to participate in a number of forthcoming projects adding to its topline with improved profitability.

Well experienced employees within the organization have been deployed to ensure effective monitoring over web enabled software systems. Also the 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.

#### **OVERALL REVIEW**

In the year 2011-12 your Company's performance has been inadequate. Despite a higher turnover in cables division, the division suffered losses on account of un-remunerative prices, increased material cost, interest and foreign exchange losses. Also the EPC division could not sustain the momentum, as the projects in power sector did not fetch the desired margins and in the telecom sector no major tenders were opened due to the situation prevailing in the telecom sector.

#### **FINANCIAL REVIEW**

- The revenue from operations (gross) increased by approx. 28.49% to Rs.26277.30 lacs in 2011-12 as compared to Rs.20451.26 lacs in the previous year.
- The aggregate other income decreased to Rs.681.96 lacs as against Rs.1081.51 lacs compared from the previous year mainly due to lower dividend income on investments and lower non operating income.
- The Company suffered loss before depreciation of Rs.824.52 lacs as against profit before depreciation of Rs.843.37 lacs as compared to previous year mainly due to lower contribution from both the Divisions, lower dividend income and higher finance costs and foreign exchange losses.
- The finance costs are higher at Rs.1201.58 lacs (previous year Rs.735.91 lacs) due to higher utilization of working capital limits, and foreign exchange rate fluctuation.
- There was no change in the capital structure during the year. However, the decrease in Reserves & Surplus by Rs.1303.46 lacs is because of the net loss in the current year.

The additions to the fixed assets of Rs.133.71 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, office equipment/ vehicles.

- The inventory has increased to Rs.3234.68 lacs as on March 31, 2012 from Rs.1855.71 lacs as at the end of the previous year mainly due to increase in work-in-progress.
- The trade receivables level at Rs.17578.22 lacs as on March 31, 2012 as compared to Rs.10247.55 lacs as on March 31, 2011 has increased due to higher sales in the telecommunication cables division in the last quarter and 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**

India's telecom sector has been the centerpiece of its growth story, contributing significantly to the economy. From less than one million subscribers in 1998, the industry has grown exponentially to connect over 900 million subscribers as of January 2012. This rapid growth has been achieved through entrepreneurship, dynamic strategies and expert talent. However, some of that sheen seems to be wearing off now. Last year's 2G scam is taking a serious toll on the sector, which has been battling dwindling margins, declining revenues and falling quarter-on-quarter profits since 2009.

Moreover, the operator's heavy investments in acquiring 3G licences are yet to pay off with service uptake still slow, contrary to operator expectations. The operators also face the prospect of having to pay heavy penalties for allegedly violating various regulatory directives. Clearly, all's not well with the Indian telecom sector. This started becoming apparent by mid-2011.

In the wake of the 2G controversy and the resultant uncertainty, the country's telecom sector remained subdued over the past year. Only a handful of managed services contracts and equipment deals were finalized in 2011. Most operators, not surprisingly, were hesitant to enter into any major partnerships. However, 2012 seems to have started on a better note.

With the revised National Telecom Policy expected to be announced shortly, the sector expects greater clarity on the policy and regulatory fronts going forward.

The Government's ambitious plan to lay a nationwide OFC network to bring the country's 1,20,000 villages into the high-speed Internet fold will result in an explosive growth of OFC business. Optical backhaul networks can support robust access connectivity and track rising bandwidth demands. This proves to be true for a country like India, where there are clusters of DSL, deployments that need to be connected by fiber backhaul. Hence, the next level of demand for bandwidth for data and video can only be met by fiber.

Fiber to the home (FTTH) is finally emerging into the mainstream and is set to transform the telecom environment worldwide over the next decade. FTTH represents the first major upgrade to the access network since the deployment of cellular infrastructure in the 1980s and 1990s, and like cellular, it is likely to have a deep impact on the entire supply chain, including technology vendors and network operators.

In access networks, fiber-to-the x (FTTx) network is poised to play a major role till the subscribers replace copper altogether, thereby, driving the fiber demand to higher levels. This should be a positive sign for telecom cable industry. Over the next 15-20 years, copper access networks worldwide are expected to be largely replaced by a fibre access network, creating massive opportunities for vendors, network builders, and service providers.

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;
- Volatile forex fluctuations;
- 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 FRAMEWORK**

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 management is committed to ensuring an effective internal control environment, commensurate with the size and complexity of the business, which provides assurance on the efficiency of the Company's operations and safety/security of its assets besides orderly and legitimate conduct of Company's business in the circumstances which may reasonably be foreseen. The Company has a defined organization structure, authority levels delegated powers, internal procedures, rules and guidelines for conducting business transactions.

The Company 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 occupational health and safety, quality and environmental protection measures and these are ongoing processes at the Company's plant and facilities. Various proactive measures have also been adopted and implemented which, inter alia, include adoption of cleaner technologies wherever feasible, conservation of resources through waste reduction and training of employees with a focus on sustainable development by improving standards on safety and environment protection. 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.

Your Company believes that the competence and commitment of the people are the principle drivers of competitive advantage which enhances competitive strength by differentiating it from competitors. The industrial relation climate of your Company continues to remain harmonious with focus on improving productivity, quality and safety. Efforts are being made to strengthen organisational culture in order to attract and retain the best talent in the industry. Training needs are identified in systematic manner and regular training programmes are organised both in house and external. The Board records its appreciation of the commitment and support of the employees. The Company employed 398 number of permanent employees on its Roll as on March 31, 2012.

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) last year 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, 2012, five Board Meetings were held on May 14, 2011, July 14, 2011, July 30, 2011, November 11, 2011 and February 14, 2012. 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)	Non-Executive	5	No	8	2	2
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	4	Yes	4	2	None
Shri Pracheta Majumdar	Independent Non-Executive	5	No	1	2	None
Shri Y.S. Lodha (Managing Director)	Executive	5	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 13, 11	July 14, 11	July, 29, 11	November 10, 11	February 13, 12
Shri R.C. Tapuriah	Yes	Yes	Yes	Yes	Yes
Shri J. Veeraraghavan	Yes	Yes	Yes	Yes	Yes
Shri S.K. Misra	Yes	Yes	Yes	Yes	No
Shri Pracheta Majumdar	Yes	Yes	Yes	Yes	Yes

The meeting of the Audit Committee attended by the Secretary of the Committee and the necessary quorum was present at all the above meetings. While the Statutory Auditors were present in all meetings, the Internal Auditors and the Cost Auditors of the Company attended two 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, 2012, the Remuneration Committee met only once on May 14, 2011 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, 2011.

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/- and Rs.2000/- for each meeting of the Board and Share Transfer-Cum-Investors' Grievance Committee respectively attended by any such Director. The sitting fees payable for attending the Audit and Remuneration Committee(s) was increased from Rs.5000/- per meeting to Rs.15,000/- per Meeting(s) by the Board of Directors in their Meeting held on May 14, 2011 with effect from next Audit and Remuneration Committee(s) Meeting(s). The details of remuneration paid to Directors/Managing Director for the financial year ended March 31, 2012, 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	1.49
Shri S.K. Misra	1.30
Shri R.C. Tapuriah	1.40
Shri D.R. Bansal	0.64
Shri Pracheta Majumdar	1.49

## (b) Managing Director:

(Rs. in lacs)

Name	Salary	Perquisites, etc.	Sitting Fees	Total
Shri Y.S. Lodha	31.01	6.22	0.75	37.98

**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, 2012, two Meetings of the Committee were held on May 14, 2011 and February 13, 2012.





During the year under review, 32 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, 2012.

## 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
2008-09	Registered Office of the Company - Udyog Vihar, P.O. Chorhata, Rewa - 486 006 (M.P.)	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.
2010-11	Same as above	AGM	September 7, 2011	10 a.m.

All the resolutions set out in the respective notices of the above meetings were passed by the members as ordinary resolutions except a Special Resolutions concerning re-appointment of Shri Y.S.Lodha as the Managing Director which was passed by the requisite majority. None of the Business 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 has taken shareholders approval by way of Special Resolution through Postal Ballot to make loan, give guarantees, provide securities and make investments beyond the limits specified under Section 372A of the Companies Act, 1956 by which the approval of the shareholders was sought as required under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 for which a separate ballot paper and other communication were circulated to the shareholders. The above resolution was passed with requisite and overwhelming majority.

## 7. DISCLOSURES

- (a) There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with the related parties during the year in the ordinary course of business is disclosed in Note No.38 of Notes to financial statements in the Annual Report.
- (b) The Company has complied with the requirements of Stock Exchanges, Securities and Exchange Board of India and other statutory authorities on matter relating to capital markets during the last three years and consequently no penalties or strictures have been imposed on the Company by these authorities.
- (c) The Company has generally complied with all the mandatory requirements as stipulated under revised Clause 49 of the Listing Agreement with the Stock Exchanges to the extent these apply and extend to the Company.
- (d) None of the subsidiary companies of the Company is a material non-listed Indian subsidiary as defined in Clause 49 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.
- (e) While preparation of the financial statements during the year under review, no accounting treatment which was different from that prescribed in the Accounting Standards was followed. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Note No.2 of Notes to financial statements in the Annual Report.
- (f) The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures covering the entire gamut of business operations of the Company. These procedures are periodically reviewed to ensure that executive management controls risks by means of a properly defined framework.
- (g) The designated senior management personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been 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, 2012 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 May 16, 2012.
- (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 : June 29, 2012 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 (2012-13) : (tentative)

Quarterly Results :

- Ending June 30, 2012 : Last week of July, 2012  
Ending September 30, 2012 : Last week of October, 2012  
Ending December 31, 2012 : Last week of January, 2013  
Ending March 31, 2013 : Second week of May, 2013

### 9.3 Book Closure date(s) : Friday, June 22, 2012 to Friday, June 29, 2012 (both days inclusive)

### 9.4 Dividend Payment date : Not Applicable

### 9.5 Listing on Stock Exchanges :

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

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

The Company has timely paid the Annual listing fees for the financial year 2011-12 to BSE & NSE.

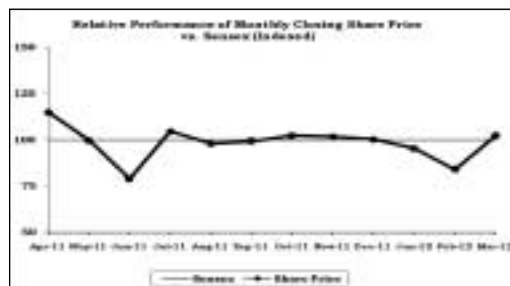
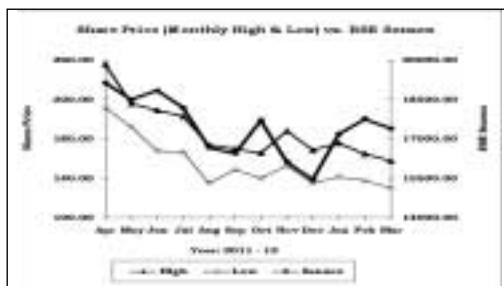
### 9.6 Stock Code - Physical : BSE, Mumbai - 517015 NSE, Mumbai - VINDHYATEL EQ

Demat ISIN Number for  
NSDL & CDSL : INE707A01012

**9.7 Stock Market Data :**

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

Month	BSE			NSE		
	High (in Rs.)	Low (in Rs.)	Monthly Volume (in Nos.)	High (in Rs.)	Low (in Rs.)	Monthly Volume (in Nos.)
April, 2011	256.00	212.00	35195	255.00	212.10	19560
May, 2011	216.10	192.45	26571	217.10	190.00	13197
June, 2011	209.40	168.05	42668	210.00	168.20	11849
July, 2011	203.20	167.00	66292	201.80	163.10	81456
August, 2011	173.90	135.25	43953	171.00	136.20	35436
September, 2011	170.00	149.00	18818	170.90	150.00	8570
October, 2011	165.90	140.15	13261	167.00	140.00	6320
November, 2011	188.20	153.00	29876	187.10	149.75	23838
December, 2011	168.90	135.00	13773	164.95	139.45	7389
January, 2012	175.95	141.50	5964	173.70	142.95	5217
February, 2012	164.85	137.70	21412	165.10	135.80	12313
March, 2012	157.95	130.40	26207	155.95	132.40	37597

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

- 9.9 Registrar and Share Transfer Agents :** Messrs Link Intime India Pvt. Ltd.  
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

**9.10 Share Transfer System :**

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

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



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

9.11 (a) **Distribution of Shareholding as on March 31, 2012:**

No. of Equity Shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 500	5481	91.61	723359	6.10
501 - 1000	260	4.35	190866	1.61
1001 - 2000	109	1.82	161302	1.36
2001 - 3000	28	0.47	70078	0.59
3001 - 4000	14	0.23	49816	0.42
4001 - 5000	13	0.22	58838	0.50
5001 - 10000	30	0.50	222865	1.88
10001 and above	48	0.80	10373739	87.54
<b>GRAND TOTAL</b>	<b>5983</b>	<b>100.00</b>	<b>11850863</b>	<b>100.00</b>
<b>Physical Mode</b>	<b>2430</b>	<b>40.62</b>	<b>6411805</b>	<b>54.10</b>
<b>Electronic Mode</b>	<b>3553</b>	<b>59.38</b>	<b>5439058</b>	<b>45.90</b>

(b) **Category of Shareholders as on March 31, 2012:**

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	5633	94.15	4213707	35.55
Financial Institutions/Banks/Mutual Funds	18	0.30	6846	0.06
NRIs/FIIs	286	4.78	1203803	10.16
Societies**	6	0.10	1253886	10.58
Clearing Member	26	0.44	15216	0.13
<b>GRAND TOTAL</b>	<b>5983</b>	<b>100.00</b>	<b>11850863</b>	<b>100.00</b>

\* 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:** 5439058 Equity Shares representing 45.90% 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, 2012.

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 2011-12 is given below :

BSE	NSE	BSE+NSE
1410	1152	2562

[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@vindhyaatelelinks.com



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**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 2011-12.

For Vindhya Telelinks Limited

Place : Rewa  
Date : April 21, 2012

Y.S. Lodha  
Managing Director

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**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 2012, 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 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.  
Chartered Accountants  
Firm Registration No. 109208W

Place : New Delhi  
Date : May 16,2012

R.Raghuraman  
Partner  
Membership No. 081350



# Auditors' Report

TO THE SHAREHOLDERS OF VINDHYA TELELINKS LIMITED

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1. We have audited the attached Balance Sheet of Vindhya Telelinks Limited ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the balance sheet, statement of profit and loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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 No. 33 of the attached financial statements regarding non-provision for the shortfall in the market value of the quoted investments for the stated reason.
  - (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, 2012;
    - (b) in the case of the statement of profit and loss, of the Loss for the year ended on that date; and
    - (c) in the case of cash flow statement, of the cash flows for the year ended on that date.

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

Place : New Delhi  
Date : May 16, 2012

R.Raghuraman  
Partner  
Membership No. 081350

**Annexure referred to in paragraph 3 of the Auditors' report to the shareholders of Vindhya Telelinks Limited for the year ended 31<sup>st</sup> March 2012**

- 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 employees' state insurance, 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. 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. Further, the Company has incurred cash losses during the financial year covered under audit. However, the Company had not incurred cash losses in the year immediately preceding the current financial year.
- xi. On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding debentures and loans from financial institutions during the year.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiii. The Company does not carry on the business of a chit fund/Nidhi/Mutual Benefit Fund. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has given Cross corporate guarantee to a bank for credit facilities sanctioned to Birla Ericsson Optical Limited (a joint venture) amounting to Rs.5,400 lakhs as stated in Note



- No. 30 (a) (v). In our opinion, the terms and conditions of the guarantee given by the Company, for credit facilities sanctioned to the joint venture by the bank during the year, are not prejudicial to the interest of the Company.
- 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.  
Chartered Accountants  
Firm Registration No. 109208W

R.Raghuraman  
Partner  
Membership No. 081350

Place : New Delhi  
Date : May 16, 2012





## BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share capital	3	1183.97	1183.97
Reserves and surplus	4	<u>20783.18</u>	<u>22087.05</u>
		<u>21967.15</u>	<u>23271.02</u>
<b>NON-CURRENT LIABILITIES</b>			
Other long-term liabilities	5	-	120.17
Long-term provisions	6	<u>186.48</u>	<u>171.88</u>
		<u>186.48</u>	<u>292.05</u>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	7	12198.77	5572.47
Trade payables	8	5282.03	3398.06
Other current liabilities	9	1082.78	842.90
Short-term provisions	10	<u>118.22</u>	<u>138.96</u>
		<u>18681.80</u>	<u>9952.39</u>
<b>Total</b>		<u><b>40835.43</b></u>	<u><b>33515.46</b></u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	11		
Tangible assets		4432.07	4679.37
Intangible assets		36.55	49.20
Capital work-in-progress		<u>28.20</u>	<u>124.18</u>
		<u>4496.82</u>	<u>4852.75</u>
Non-current investments	12	11768.37	11768.37
Long-term loans and advances	13	121.68	134.49
Other non-current assets	14	<u>286.26</u>	<u>1530.14</u>
		<u>16673.13</u>	<u>18285.75</u>
<b>CURRENT ASSETS</b>			
Inventories	15	3234.68	1855.71
Trade receivables	16	17578.22	10247.55
Cash and cash equivalents	17	906.51	1310.69
Short-term loans and advances	18	1937.91	1791.40
Other current assets	19	<u>504.98</u>	<u>24.36</u>
		<u>24162.30</u>	<u>15229.71</u>
<b>Total</b>		<u><b>40835.43</b></u>	<u><b>33515.46</b></u>
Significant accounting policies	2		

The accompanying notes form an integral part of the financial statements.

As per our attached report of even date.

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

R.Raghuraman  
Partner  
Membership No.081350

Harsh V.Lodha Chairman

J. Veeraraghavan  
S.K. Misra  
R.C. Tapuriah  
D.R. Bansal } Director

Y.S. Lodha Managing Director

R. Radhakrishnan President (Commercial) & Secretary

New Delhi, May 16, 2012

New Delhi, May 16, 2012



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note No.	For the Year ended March 31, 2012 Rs. in lacs	For the Year ended March 31, 2011 Rs. in lacs
<b>REVENUE</b>			
Revenue from operations (gross)	20	26277.30	20451.26
Less: Excise duty		1225.32	616.72
Revenue from operations (net)		25051.98	19834.54
Other income	21	681.96	1081.51
<b>Total revenue</b>		<b>25733.94</b>	<b>20916.05</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	12060.42	7337.06
Purchase of stock -in-trade (traded goods)		107.09	7.39
(Increase)/decrease in inventories	23	(1391.42)	199.65
Materials purchased/Subcontract expenses	24	9849.91	7332.51
Employee benefits expense	25	1901.39	1716.94
Finance costs	26	1201.58	735.91
Other expenses	27	2829.49	2743.22
<b>Total expenses</b>		<b>26558.46</b>	<b>20072.68</b>
<b>EARNINGS BEFORE DEPRECIATION, AMORTISATION AND TAX</b>		<b>(824.52)</b>	843.37
Depreciation and amortisation expense	28	475.76	462.12
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>(1300.28)</b>	381.25
Income tax and fringe benefit tax charge/(credit) of earlier years		3.18	(0.79)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(1303.46)</b>	<b>382.04</b>
<b>Earning per equity share (EPS)</b>			
Basic and diluted EPS (Nominal value of shares Rs.10/- each)	29	(11.01)	3.23
Significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.			

As per our attached report of even date.

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

R.Raghuraman  
Partner  
Membership No.081350

New Delhi, May 16, 2012

Harsh V.Lodha Chairman

J. Veeraraghavan  
S.K. Misra  
R.C. Tapuriah  
D.R. Bansal } Director

Y.S. Lodha Managing Director

R. Radhakrishnan President (Commercial) & Secretary

New Delhi, May 16, 2012



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

		For the Year ended March 31, 2012 Rs. in lacs	Rs. in lacs	For the Year ended March 31, 2011 Rs. in lacs	Rs. in lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>					
Net Profit/(Loss) before tax		(1300.28)		381.25	
Non-cash adjustment to reconcile profit before tax to net cash flows					
Depreciation and amortisation	475.76		462.12		
(Profit)/loss on disposal of fixed assets (Net)	(1.89)		(1.84)		
(Gain)/loss on Unrealised foreign exchange rate fluctuations	17.74		11.69		
Provision for doubtful debts (Net)	78.03		30.00		
Interest income	(80.49)		(74.79)		
Dividend income	(479.61)		(730.07)		
Interest expense	873.29	<b>882.83</b>	512.53		209.64
Operating Profit/(Loss) before working capital changes		<b>(417.45)</b>			590.89
Movement in working capital:					
Increase/(decrease) in trade payables and provisions	1985.28		465.24		
Decrease/(increase) in trade receivables	(6227.20)		(983.48)		
Decrease/(increase) in inventories	(1378.97)		461.51		
Decrease/(increase) in loans and advances	(97.38)		(40.57)		
Decrease/(increase) in other current assets	(458.18)	<b>(6176.45)</b>	-		(97.30)
Cash generated from/(used in) operations		<b>(6593.90)</b>			493.59
Direct taxes paid (net of refunds)		<b>(39.50)</b>			(186.84)
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>(6633.40)</b>			306.75
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase of fixed assets	(133.71)		(615.23)		
Proceeds from sale of fixed assets	9.23		51.69		
Investment in bank deposits	(913.39)		(863.21)		
Redemption/maturity of bank deposits	747.05		801.26		
Interest received	64.18		75.51		
Dividend received	479.61		730.07		
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>252.97</b>			180.09



	For the Year ended March 31, 2012		For the Year ended March 31, 2011	
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)****C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from share capital	-		1.75	
Proceeds from securities premium	-		7.21	
Proceeds/(repayment) from short term borrowings	6643.01		486.70	
Interest paid	(858.82)		(515.62)	
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>5784.19</b>		<b>(19.96)</b>
Net increase/(decrease) in cash and cash equivalents		<b>(596.24)</b>		<b>466.88</b>
Cash and cash equivalents at the beginning of the year		<b>709.46</b>		<b>262.58</b>
Cash and cash equivalents at the end of the year		<b>113.22</b>		<b>729.46</b>
Components of cash and cash equivalents				
Cash on hand		<b>2.78</b>		5.22
Cheques, drafts on hand		<b>42.56</b>		40.61
In current accounts		<b>67.83</b>		660.01
In cash credit account		<b>0.05</b>		3.62
In deposit accounts		-		20.00
		<b>113.22</b>		<b>729.46</b>

- (a) Difference of Rs.913.39 lacs (Rs.727.05 lacs) compared with Note. No. 17 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 Statement.
- (c) Negative figures have been shown in brackets.

As per our attached report of even date.

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

R.Raghuraman  
Partner  
Membership No.081350

New Delhi, May 16, 2012

Harsh V.Lodha Chairman

J. Veeraraghavan  
S.K. Misra  
R.C. Tapuriah  
D.R. Bansal } Director

Y.S. Lodha Managing Director

R. Radhakrishnan President (Commercial) & Secretary

New Delhi, May 16, 2012

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012****1. NATURE OF OPERATIONS**

The Company is engaged in the business of manufacturing and sale of Telecommunication cables, other types of wires & cables, FRP rods/Glass rovings, etc. and Engineering, Procurement and Construction (EPC) business.

**2. 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 Central Government vide 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 including Intangible Assets**

Fixed Assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and amortisation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements, renewals and insurance spares (determined on the basis of irregular use) are capitalized and expenditure for repairs and maintenance are charged to the Statement of Profit and Loss. When assets are sold or discarded their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the Statement of Profit and Loss.

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.

Intangible Assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation.

**(d) Depreciation and amortisation**

(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 equipment 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.

(vi) An intangible asset is measured at cost and amortised so as to reflect the pattern in which the assets economic benefits are consumed. The useful life has been estimated as five years.

**(e) Leases**

Where the Company is the Lessor

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



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 Statement of Profit and Loss 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 non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current 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 non-current 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.
Stock-in-trade (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 material	:	Estimated net realizable value*

\*Estimated 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

Sale of Products

Revenue from the sale of products is recognised on transfer of all significant risks and rewards of ownership to the buyer which coincides with despatch of products to customers. Revenue to the extent of Price Variation disputes, if any, 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

Dividend income is recognized when the Company's right to receive dividend is established.

Export incentives

Export incentives 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 transaction.

(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 Statement of Profit and Loss 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 Statement of Profit and Loss when the contributions to the respective funds are due. Gratuity, Pension and Leave Encashment benefits payable as per Company's schemes are charged to Statement of Profit and Loss on the basis of actuarial valuation made at the end of each financial year by independent actuaries using Projected Unit Credit Method. Ex-gratia or other amount disbursed on account of selective employees separation scheme are charged to Statement of Profit and Loss. Actuarial gains and losses comprise experience adjustments and effects of changes in actuarial assumptions are recognized in the Statement of Profit and Loss 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 Company will pay normal income tax 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 Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specific period.

- (l) Segment Reporting Policies

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and 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 Company prepares its segment information in conformity with the Accounting Policies adopted for preparing and providing the Financial Statements of the Company 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 on hand and short-term investments with an original maturity of three months or less.



	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
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### 3. SHARE CAPITAL

<b>Authorized</b>			
1,50,00,000 (1,50,00,000) Equity shares of Rs.10/- each	<b>1500.00</b>	1500.00	
<b>Issued</b>			
1,18,52,014 (1,18,52,014) Equity shares of Rs.10/- each	<b>1185.20</b>	1185.20	
<b>Subscribed and paid-up</b>			
1,18,50,683 (1,18,50,683) Equity shares of Rs.10/- each fully paid up	<b>1185.09</b>	1185.09	
Less: Calls unpaid	<b>1.12</b>	1.12	
	<b>1183.97</b>	1183.97	

- (a) There is no variation or change in the issued, subscribed and fully paid-up equity share capital structure during the year. Therefore, no separate disclosure of reconciliation of the number of equity share outstanding as at the beginning and at the end of the year is required.
- (b) The Company has only one class of shares referred to as equity shares having nominal value of Rs.10/-. The holders of equity shares are entitled to one vote per share.
- (c) Shareholders holding more than 5% shares based on legal ownership in the subscribed share capital of the Company is set out below :

Name of the shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Universal Cables Limited	<b>3454530</b>	<b>29.15</b>	3454530	29.15
The Punjab Produce & Trading Co. Pvt. Ltd.	<b>1291374</b>	<b>10.90</b>	1291374	10.90
Belle Vue Clinic	<b>1164286</b>	<b>9.82</b>	1164286	9.82
Acacia Partners, LP	<b>643555</b>	<b>5.43</b>	643555	5.43

### 4. RESERVES AND SURPLUS

#### Revaluation reserve - On revaluation of plant and equipment

Opening balance	<b>3.08</b>	3.62
Less: Transferred to Statement of Profit and Loss being difference of depreciation on revalued cost of assets and that on the original cost	<b>0.41</b>	0.54
	<b>2.67</b>	3.08

#### Securities premium account

Opening balance	<b>3884.59</b>	3877.38
Add : Received during the year	-	7.21
Closing balance	<b>3884.59</b>	3884.59

#### General reserve

Opening balance	<b>16658.85</b>	16658.85
Closing balance	<b>16658.85</b>	16658.85

#### Surplus

Opening balance	<b>1540.53</b>	1158.49
Add : Profit/(loss) for the year as per the Statement of Profit and Loss	<b>(1303.46)</b>	382.04
Closing balance	<b>237.07</b>	1540.53
	<b>20783.18</b>	22087.05

### 5. OTHER LONG-TERM LIABILITIES

Trade payables [refer Note No. 43 for dues to micro and small enterprises]	-	120.17
	-	120.17





	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>6. LONG-TERM PROVISIONS</b>		
Provision for employee benefits	155.06	138.91
Compensated absences	<u>31.42</u>	<u>32.97</u>
Pension	<u>186.48</u>	<u>171.88</u>
<b>7. SHORT-TERM BORROWINGS</b>		
<b>Working capital loans/trade credits from banks (Secured)</b>		
Cash credit facilities	3871.86	1735.52
Buyer's credit	2102.47	1229.45
Export packing credit	<u>2524.44</u>	<u>907.50</u>
	<u>8498.77</u>	<u>3872.47</u>
<b>Other short term loans /Intercompany Deposit (Unsecured)</b>		
From bodies corporate (repayable on demand)	1000.00	1000.00
From related parties (repayable on demand) [refer Note No. 38 (a)]	<u>2700.00</u>	<u>700.00</u>
	<u>3700.00</u>	<u>1700.00</u>
	<u>12198.77</u>	<u>5572.47</u>
(a) Working capital loans/trade credits from banks being working capital credit facilities, sanctioned by banks are generally renewable within twelve months from the date of sanction or immediately previous renewal, unless otherwise stated. The lender banks have a right to cancel the credit limits(either fully or partially) and, inter alia, demand repayment in case of non-compliance of terms and conditions of sanctions or deterioration in the loan accounts in any manner whatsoever, etc.		
(b) Working capital loans (both fund and non-fund based) from State Bank of India (SBI) and State Bank of Patiala (SBP) are secured by hypothecation of the stock of inventories, cash and other current assets, book debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, etc., both present and future, and are further secured by way of hypothecation of moveable fixed assets, both present and future, ranking pari-passu inter se and first charge created by way of joint mortgage by deposit of title deeds of immovable properties of the Company. As a collateral security, the credit facilities from SBI are additionally secured by way of pledge of 12,50,000 equity shares and cross corporate guarantee of Birla Ericsson Optical Limited, a joint venture.		
<b>8. TRADE PAYABLES</b>		
Trade payables [refer Note No. 43 for dues to micro and small enterprises]	5282.03	3398.06
	<u>5282.03</u>	<u>3398.06</u>
<b>9. OTHER CURRENT LIABILITIES</b>		
Sundry deposits	54.92	52.79
Interest accrued but not due on borrowings	17.86	3.39
Other payables		
Mobilisation and other advances from customers	500.89	376.92
Statutory dues	455.06	328.25
Accrued employee benefits expense	47.67	38.15
For purchase of fixed assets	<u>6.38</u>	<u>43.40</u>
	<u>1082.78</u>	<u>842.90</u>
<b>10. SHORT TERM PROVISIONS</b>		
Provision for employee benefits.		
Compensated absences	15.98	11.61
Pension	4.44	4.44
Gratuity	41.26	76.53
Others	<u>56.54</u>	<u>46.38</u>
	<u>118.22</u>	<u>138.96</u>



11. FIXED ASSETS

Rs. in lacs

Nature of fixed assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2011	Additions during the year	Disposal/ Deductions	As at 31.03.2012	As at 31.03.2011	Provided during the year	Disposal/ Deductions	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>(A) TANGIBLE ASSETS:</b>										
Land										
Freehold*	113.18	-	-	<b>113.18</b>	-	-	-	-	<b>113.18</b>	113.18
Leasehold	44.68	-	-	<b>44.68</b>	7.90	0.68	-	<b>8.58</b>	<b>36.10</b>	36.78
Buildings*	2055.82	-	-	<b>2055.82</b>	1115.47	46.13	-	<b>1161.60</b>	<b>894.22</b>	940.35
Plant & Equipment**	12012.92	177.30	87.94	<b>12102.28</b>	8650.49	371.65	81.26	<b>8940.88</b>	<b>3161.40</b>	3362.43
Furniture & Fixtures	259.06	4.84	9.68	<b>254.22</b>	178.58	7.98	9.56	<b>177.00</b>	<b>77.22</b>	80.48
Office Equipment	107.19	10.35	0.69	<b>116.85</b>	67.97	16.90	0.50	<b>84.37</b>	<b>32.48</b>	39.22
Vehicles	122.76	27.14	15.28	<b>134.62</b>	47.47	10.62	8.80	<b>49.29</b>	<b>85.33</b>	75.29
Leasehold										
Improvements	39.55	8.55	-	<b>48.10</b>	7.91	8.05	-	<b>15.96</b>	<b>32.14</b>	31.64
<b>TOTAL (A)</b>	<u>14755.16</u>	<u>228.18</u>	<u>113.59</u>	<u><b>14869.75</b></u>	<u>10075.79</u>	<u>462.01</u>	<u>100.12</u>	<u><b>10437.68</b></u>	<u><b>4432.07</b></u>	<u>4679.37</u>
<b>(B) INTANGIBLE ASSETS:</b>										
Computer Software	69.29	1.51	-	<b>70.80</b>	20.09	14.16	-	<b>34.25</b>	<b>36.55</b>	49.20
<b>TOTAL (B)</b>	<u>69.29</u>	<u>1.51</u>	<u>-</u>	<u><b>70.80</b></u>	<u>20.09</u>	<u>14.16</u>	<u>-</u>	<u><b>34.25</b></u>	<u><b>36.55</b></u>	<u>49.20</u>
<b>(C) CAPITAL WORK IN PROGRESS (at cost):</b>										
Under installation/ commissioning	-	-	-	-	-	-	-	-	<b>28.20</b>	52.38
In transit	-	-	-	-	-	-	-	-	-	71.80
<b>TOTAL (C)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>28.20</b></u>	<u>124.18</u>
<b>TOTAL (A+B+C)</b>	<u>14824.45</u>	<u>229.69</u>	<u>113.59</u>	<u><b>14940.55</b></u>	<u>10095.88</u>	<u>476.17</u>	<u>100.12</u>	<u><b>10471.93</b></u>	<u><b>4496.82</b></u>	<u>4852.75</u>
Previous Year	14665.04	633.62	474.21	14824.45	10075.87	462.66	442.65	10095.88	4728.57	

\* Freehold Land and Building include Rs.Nil (Rs.5.47 lacs) and Rs.112.79 lacs (Rs.112.79 lacs) respectively given on operating lease. The aggregate written down value of the building as on March 31, 2012 is Rs.35.43 lacs (Rs.37.29 lacs) and depreciation charged during the year is Rs.1.86 lacs (Rs.1.96 lacs).

\*\* Gross Block of Plant & equipment includes Rs.762.78 lacs (Rs.762.78 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, 2012	As at March 31, 2011
	Rs. in lacs	Rs. in lacs

12. NON-CURRENT INVESTMENTS

(Carried at cost unless otherwise stated)

Trade Investments in the equity instruments

Quoted - Fully paid up equity shares of Rs. 10/- each

Investment in Joint Venture

40,00,100 (40,00,100)	Birla Ericsson Optical Limited	<b>900.01</b>	900.01
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Other investments

48,39,908 (48,39,908)	Universal Cables Limited	<b>3193.75</b>	3193.75
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63,80,243 (63,80,243)	Birla Corporation Limited	<b>1917.58</b>	1917.58
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Aggregate amount of quoted investments		<u><b>6011.34</b></u>	<u>6011.34</u>
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Unquoted Fully paid up equity shares of Rs. 10/- each

Investment in the equity instruments of subsidiary companies

1,52,50,200 (1,52,50,200)	August Agents Limited	<b>1525.02</b>	1525.02
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1,50,00,200 (1,50,00,200)	Insilco Agents Limited	<b>1500.02</b>	1500.02
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1,50,00,200 (1,50,00,200)	Laneseda Agents Limited	<b>1500.02</b>	1500.02
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		<u><b>4525.06</b></u>	<u>4525.06</u>
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	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>12. NON-CURRENT INVESTMENTS (Contd.)</b>		
<b>Other investments</b>		
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
	<u>1231.95</u>	<u>1231.95</u>
<b>Non trade investment in the equity instruments</b>		
<b>Unquoted- Fully paid up equity shares of Re. 1/- each</b>		
6,900 (6,900) Free Press House Limited	0.02	0.02
	<u>0.02</u>	<u>0.02</u>
Aggregate amount of unquoted investments	<u>5757.03</u>	<u>5757.03</u>
	<u>11768.37</u>	<u>11768.37</u>
Aggregate market value of quoted investments	<u>20305.24</u>	<u>25952.86</u>
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Capital advances	35.27	1.24
Security deposits	77.63	123.07
Prepaid expenses	2.35	2.47
Loans to employees	6.43	7.71
	<u>121.68</u>	<u>134.49</u>
<b>14. OTHER NON-CURRENT ASSETS</b>		
Long-term trade receivables (unsecured and considered good)	166.16	1384.32
Non-current bank balances	120.10	145.82
	<u>286.26</u>	<u>1530.14</u>
<b>15. INVENTORIES [refer Note No. 2 (g) for mode of valuation]</b>		
Raw materials [including in transit Rs.269.45 lacs (Rs.86.04 lacs)]	829.18	815.82
Packing Material	52.94	59.29
Stores and spares	201.48	220.94
Stock-in-trade	72.45	35.12
Work-in-progress (refer Note No. 23)	2037.12	717.59
Finished goods	19.55	-
Scrap	21.96	6.95
	<u>3234.68</u>	<u>1855.71</u>
<b>16. TRADE RECEIVABLES (Unsecured)</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	2680.49	1634.60
Considered doubtful	222.86	144.83
	<u>2903.35</u>	<u>1779.43</u>
Others		
Considered good	14897.73	8612.95
	<u>17801.08</u>	<u>10392.38</u>
Less: Provision for doubtful debts	222.86	144.83
	<u>17578.22</u>	<u>10247.55</u>



	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	2.78	5.22
Cheques, drafts on hand	42.56	40.61
Balance with banks		
In current accounts	67.83	660.01
In cash credit account	0.05	3.62
In term deposit accounts (term deposit receipts pledged with banks towards margin against letter of credit and other commitments)	913.39	747.05
	<u>1026.61</u>	<u>1456.51</u>
Less: Term deposit account having more than 12 months maturity at the year end (disclosed under Note No. 14)	<u>120.10</u>	<u>145.82</u>
	<u>906.51</u>	<u>1310.69</u>
<b>18. SHORT-TERM LOANS AND ADVANCES (Unsecured and considered good)</b>		
Loans and advances to employees	23.35	24.32
Security deposits	217.59	121.38
Advance income tax (net of provision)	418.05	381.73
Claims, refunds etc. receivable	292.21	91.31
Advance recoverable in cash or kind or for value to be received	986.71	1172.66
	<u>1937.91</u>	<u>1791.40</u>
<b>19. OTHER CURRENT ASSETS</b>		
Interest accrued but not due on term deposits	40.67	24.36
Unbilled revenue	458.18	-
Assets held for disposal (at lower of written down value and net realisable value)	6.13	-
	<u>504.98</u>	<u>24.36</u>
	<b>For the year ended March 31, 2012 Rs. in lacs</b>	<b>For the year ended March 31, 2011 Rs. in lacs</b>
<b>20. REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Telecommunications Cables	9586.44	8106.93
Other Wires & Cables	4513.85	967.33
FRP Rods/Glass Rovings	138.84	133.33
Traded goods*	84.70	2.46
	<u>14323.83</u>	<u>9210.05</u>
<b>Sale of services</b>		
Contract revenue	11498.24	10762.16
	<u>11498.24</u>	<u>10762.16</u>
<b>Other operating revenues</b>		
Scrap materials	368.95	342.05
Processing & job work income	27.91	34.58
Export incentives	58.37	102.42
	<u>455.23</u>	<u>479.05</u>
	<u>26277.30</u>	<u>20451.26</u>

\*None of these individually account for more than 10% of total revenue from sale of products.



	For the year ended March 31, 2012 Rs. in lacs	For the year ended March 31, 2011 Rs. in lacs
<b>21. OTHER INCOME</b>		
Interest income	80.49	74.79
Dividend income on non-current investments	479.61	730.07
Foreign exchange rate fluctuation (net)	-	40.95
Unspent liabilities/sundry balances written back (net)	13.03	24.54
Rent received	90.00	85.95
Profit on disposal of fixed assets (net)	1.89	1.84
Other non operating income	16.94	123.37
	<u>681.96</u>	<u>1081.51</u>
<b>22. COST OF MATERIALS CONSUMED*</b>		
Opening stock	815.82	1103.87
Add: Purchase [Less : Sales and Claim Rs. 159.02 lacs (Rs. 107.90 lacs)]	12073.78	7049.01
	<u>12889.60</u>	<u>8152.88</u>
Less: Closing stock	829.18	815.82
	<u>12060.42</u>	<u>7337.06</u>
<b>Details of Raw materials consumed</b>		
Copper	7246.71	3756.52
Polyethylene	1058.58	963.06
Single Mode Optical Fibre	918.77	924.62
Others*	2836.36	1692.86
	<u>12060.42</u>	<u>7337.06</u>
* None of these individually account for more than 10% of total cost of materials consumed.		
<b>23. (INCREASE)/DECREASE IN INVENTORIES</b>		
<b>Closing inventories</b>		
Work-in-progress*	2037.12	717.59
Finished goods	19.55	-
Stock-in-trade	72.45	35.12
Scrap materials	21.96	6.95
	<u>2151.08</u>	<u>759.66</u>
<b>Opening inventories</b>		
Work-in-progress*	717.59	923.06
Finished goods	-	2.41
Stock-in-trade	35.12	28.93
Scrap materials	6.95	4.91
	<u>759.66</u>	<u>959.31</u>
	<u>(1391.42)</u>	<u>199.65</u>
<b>*Detail of work-in-progress</b>		
Telecommunications Cables	966.26	366.20
Other Wires & Cables	132.02	52.62
FRP Rods/Glass Rovings	14.44	8.75
Contracts under execution (EPC)	924.40	290.02
	<u>2037.12</u>	<u>717.59</u>
<b>24. MATERIALS PURCHASED/SUBCONTRACT EXPENSES</b>		
Materials purchased	6176.13	4233.59
Other engineering & construction expenses	3673.78	3098.92
	<u>9849.91</u>	<u>7332.51</u>



	For the year ended March 31, 2012 Rs. in lacs	For the year ended March 31, 2011 Rs. in lacs
<b>25. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, bonus and benefits, etc.	1616.00	1455.84
Contribution to provident and other funds, etc.	154.59	130.65
Welfare expenses	130.80	130.45
	<u>1901.39</u>	<u>1716.94</u>
<b>26. FINANCE COSTS</b>		
Interest expenses	873.29	512.53
Foreign exchange rate fluctuation *	100.75	-
Other borrowing costs	227.54	223.38
	<u>1201.58</u>	<u>735.91</u>
*To the extent considered as an adjustment to borrowing costs.		
<b>27. OTHER EXPENSES</b>		
Consumption of stores and spares	154.23	226.39
Packing materials	319.81	221.50
Processing/job work and testing charges	36.30	34.48
Power and fuel	354.69	313.26
Sales commission (other than sole selling agent)	214.66	322.02
Rent	189.41	153.34
Repair & maintenance		
Plant & machinery	48.76	95.15
Buildings	19.12	28.37
Others	15.67	17.76
Insurance	54.93	71.38
Rates & taxes	302.52	161.54
Travelling and conveyance	357.89	335.24
Payment to auditors		
Statutory auditors		
Audit fees	6.00	6.00
Tax audit fee	0.75	0.75
Quarterly reviews	4.00	3.00
Certification, etc.	2.40	2.40
Reimbursement of expenses	0.35	0.18
Cost auditors		
Audit fees	0.40	0.40
Reimbursement of expenses	0.03	-
Legal and professional	161.89	177.56
Provision for doubtful debts	78.03	30.00
Foreign exchange rate fluctuation (net)	26.08	-
Excise duty on Increase/(decrease) in stocks	4.24	(0.03)
Miscellaneous expenses	477.33	542.53
	<u>2829.49</u>	<u>2743.22</u>
<b>28. DEPRECIATION AND AMORTISATION EXPENSE</b>		
On fixed assets (refer Note No. 11)	476.17	462.66
Less: Transferred from revaluation reserve	0.41	0.54
	<u>475.76</u>	<u>462.12</u>

**29. EARNING PER SHARE (EPS):**

Particulars	As at March 31, 2012	As at March 31, 2011
Basic/ weighted average number of equity shares outstanding during the year	11850863	11850863
Profit/(Loss) for the year (Rs. in lacs)	(1303.46)	382.04
Nominal value of share (Rs.)	10.00	10.00
EPS (Basic and diluted)	(11.01)	3.23

**30. Contingent liabilities and Commitments (to the extent not provided for) :**

## (a) Contingent liabilities :

- (i) Claims against the Company not acknowledged as debts Rs.6.17 lacs (Rs.6.17 lacs).
- (ii) Pending cases with income tax appellate authorities where income tax department has preferred appeals - liability not ascertainable.
- (iii) Appeals preferred by the Company against the claim/levy of differential sales tax due to timely non-submission of declaration forms for concessional sales tax. The demand(s)/levy on merits of the cases have been stayed and are pending before the appellate authorities, liabilities against which are unascertainable until final outcome in the pending cases.
- (iv) Bills of exchange under letter of credit discounted with a bank and outstanding at the end of the year Rs. 47.72 lacs (Nil) (Since received Rs. 23.82 lacs).
- (v) Cross corporate guarantee given by the Company as a collateral security against working capital credit facilities aggregating to Rs.5400.00 lacs (outstanding as on March 31, 2012 Rs. 2819.27 lacs) sanctioned by a bank to Birla Ericsson Optical Limited, a joint venture.

The future cash outflow in respect of items (i) to (iii) above is determinable only on receipt of the decisions/judgements in the cases pending at various forums and authorities concerned.

## (b) Commitments:

- (i) Estimated amount of contracts remaining to be executed on Capital Account (Net of advances) and not provided for Rs. 71.53 lacs (Rs. 43.57 lacs).
- (ii) Commitment relating to Derivatives and lease arrangements are disclosed in Note No. 35 and Note No. 39 respectively.

31. The Company has filed a law suit against an overseas supplier and its Indian agent. The supplier in order to overreach the said law suit invoked alleged arbitration agreement which is subject matter of the Suit filed by the Company, inter alia, claiming recovery of an aggregate amount equivalent to Rs.4245.70 lacs as at 31st March, 2012, as damages for the unsupplied goods for the period from October, 2002 to September, 2006. The Civil Court stayed the Arbitration proceedings and the said stay order has been confirmed by the High Court of Madhya Pradesh at Jabalpur and also by the Hon'ble Supreme Court. An order of the High Court of Madhya Pradesh referring the parties to Arbitration has also been stayed by the Hon'ble Supreme Court in the Special Leave Petitions filed by the Company, which are pending before the Hon'ble Supreme Court. Based on appraisal of the matter, the Company has been legally advised that the said claim against the Company is unsustainable and there is no likelihood of any liability arising against the Company.

32. Trade receivables (considered good) and outstanding include Rs. 300.41 lacs (Rs. 201.51 lacs) withheld by a customer against various bills which has been appropriately contested by the Company. Based on the relevant contract, the Company does not expect any material adjustments, in the books of the account.

33. In the opinion of the management, the aggregate decline in the market value of quoted Non-current investments (trade) in a joint venture and an other Company (carrying cost Rs. 4093.76 lacs) by Rs.1819.09 lacs at the year end is temporary, in view of the strategic long term nature of the investment and having regard to intrinsic asset base/net worth and future growth potential anchored on state-of-the-art manufacturing facilities of the investee companies and hence, does not call for any provision there against. However, there is no diminution in the value of quoted Non-current investments, if market value of all Non-current investments is taken together.

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

Particulars	2011-12 Rs. in lacs	2010-11 Rs. in lacs
(a) Contract Revenue recognized for the year	11498.24	10762.16
(b) The relevant information relating to Contracts in progress at the reporting date are given below:		
(i) Aggregate amount of cost incurred	20225.64	14290.57
(ii) Recognized profit upto the reporting date	17.96	850.65
(iii) Amount of advance received	454.01	323.07
(iv) Amount of outstandings/retentions	8860.39	6897.08
(v) Contracts under execution	924.40	290.02
(vi) Advance billing to customers	Nil	Nil



**35. Foreign currency exposures as at the Balance Sheet date:**

- (a) The Company uses forward exchange contracts to hedge its exposure in foreign currency. The details of foreign currency exposures hedged by derivative instruments and those have not been hedged are as follows :

Particulars	As at March 31, 2012		As at March 31, 2011	
	In Foreign Currency	Rs. in lacs	In Foreign Currency	Rs. in lacs
Forward exchange contracts outstanding				
Payables	USD 152115	78.39	USD 763009	344.62
Receivables	USD 370000	187.48	USD 1902000	841.25
<b>Total</b>	<b>USD 522115</b>	<b>265.87</b>	<b>USD 2665009</b>	<b>1185.87</b>
Foreign currency exposures not covered by any derivative instrument				
Payables	USD 4092431 NPR 69839689	2108.98 436.50	USD 2013033 EURO 35000	908.72 22.44
Receivables	USD 1096456 NPR 105225611	555.57 657.66	NPR 68038604 USD 491561	425.24 217.91
Bank balances	USD 134 NPR 1095165	0.07 6.84	NPR 125650632 USD 8194	785.32 3.62
<b>Total</b>	<b>USD 5189021 NPR 176160465</b>	<b>2664.62 1101</b>	<b>USD 2512788 EURO 35000 NPR 197861516</b>	<b>1130.25 22.44 1236.64</b>

- (b) A sum of Rs. 2.97 lacs (Rs. 3.40 lacs) on account of unamortized foreign exchange discount on outstanding forward contracts is being carried forward to be credited to Statement of Profit and Loss of the subsequent period.

**36. 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 Statement of Profit and Loss 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, 2012 are summarised below:

- (i) Amount recognized in Statement of Profit and Loss:

Particulars	Gratuity		Pension	
	2011-12 Rs. in lacs	2010-11 Rs. in lacs	2011-12 Rs. in lacs	2010-11 Rs. in lacs
Current service cost	1.56	26.72	-	-
Interest cost on benefit obligation	19.15	15.37	2.65	2.66
Expected return on plan assets	(17.33)	(12.48)	-	-
Net actuarial (Gain)/Loss recognized in the year	10.67	3.95	0.24	0.25
Add : Impact of variation in actual and expected return on plan assets	(1.11)	(0.78)	-	-
Add : Insurance cost borne by the Company	1.40	1.32	-	-
Net benefits expense	14.34	34.10	2.89	2.91
Actual return on plan assets	(18.44)	(13.26)	-	-

- (ii) Amount recognized in the Balance Sheet:

Particulars	Gratuity		Pension	
	2011-12 Rs. in lacs	2010-11 Rs. in lacs	2011-12 Rs. in lacs	2010-11 Rs. in lacs
Defined benefit obligation	267.53	243.39	35.86	37.41
Fair value of the plan assets	226.27	166.86	-	-
Net Asset/(liability)	(41.26)	(76.53)	(35.86)	(37.41)





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

Particulars	Gratuity		Pension	
	2011-12 Rs. in lacs	2010-11 Rs. in lacs	2011-12 Rs. in lacs	2010-11 Rs. in lacs
Opening defined benefit obligation	243.39	202.86	37.41	38.94
Interest cost	19.15	15.37	2.65	2.66
Current service cost	1.56	26.72	-	-
Benefits paid	(7.24)	(5.51)	(4.44)	(4.44)
Actuarial (Gain)/Loss on obligations	10.67	3.95	0.24	0.25
Closing defined benefit obligation	267.53	243.39	35.86	37.41

(iv) Changes in the fair value of plan assets:

Particulars	Gratuity	
	2011-12 Rs. in lacs	2010-11 Rs. in lacs
Opening fair value of plan assets	166.86	116.25
Expected return	17.33	12.48
Contributions by employer	43.10	38.68
Benefits paid	(2.13)	(1.33)
Actuarial Gain	1.11	0.78
Closing fair value of plan assets	226.27	166.86

(v) The major categories of plan assets in case of gratuity as a percentage of the fair value of total plan assets:

Particulars	Gratuity	
	2011-12 (%)	2010-11 (%)
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.40.00 lacs to Gratuity Fund during the year 2012-13.

(vi) The principal assumptions used in determining gratuity and pension obligations for the Company's plans:

Particulars	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
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	8.65% p.a	8.25% p.a	8.60%p.a.	8.25%p.a.
Salary rise	7.50% p.a	7.50% p.a	N.A.	N.A.
Expected Return on plan assets	9.25%	9.25%	N.A.	N.A.
Remaining working life	16.53 Years	17.85 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.

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 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 Statement of Profit and Loss 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 employee benefits expense in the Statement of Profit and Loss.

Defined Contribution Plan	2011-12 Rs. in lacs	2010-11 Rs. in lacs
Contribution to Provident and Family Pension Funds	80.03	76.12
Contribution to Superannuation Fund	22.23	20.42

**37. 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 Telecommunication cables, Other types of wires & cables and FRP rods/Glass rovings, etc.

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

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

The following table presents revenue and profit/(loss) information regarding business segments for the year(s) ended March 31, 2012 and March 31, 2011 and certain liabilities information regarding business segments as at March 31, 2012 and March 31, 2011.

Business Segments	Year ended March 31, 2012			Year ended March 31, 2011		
	Cables Rs. in lacs	EPC Rs. in lacs	Total Rs. in lacs	Cables Rs. in lacs	EPC Rs. in lacs	Total Rs. in lacs
<b>Revenue</b>						
External sales (Net)	13382.90	11582.80	24965.70	8933.13	10764.41	19697.54
Other income*	103.78	14.36	118.14	325.54	2.16	327.70
Total revenue	13486.68	11597.16	25083.84	9258.67	10766.57	20025.24
<b>Results</b>						
Segment result (PBIT)	(912.94)	(155.79)	(1068.73)	(830.33)	840.50	10.17
Unallocable income/ (Expenses) (Net)			561.25			808.82
Operating Profit/(Loss)			(507.48)			818.99
Interest (Net)			(792.80)			(437.74)
Tax charge/(credit) (Net)			3.18			(0.79)
Profit/(Loss) after tax			(1303.46)			382.04
<b>Other Information</b>						
Segment Assets	13964.99	14684.02	28649.01	10048.15	11317.21	21365.36
Unallocable Assets			12186.42			12150.10
Total Assets			40835.43			33515.46
Segment Liabilities	2364.51	4305.00	6669.51	1208.87	3463.10	4671.97
Unallocable Liabilities			12198.77			5572.47
Total Liabilities			18868.28			10244.44
Capital Expenditure	87.91	45.80	133.71	427.50	187.73	615.23
Depreciation and amortisation	375.68	100.08	475.76	364.36	97.76	462.12
Other Non Cash Expenditure	78.03	-	78.03	30.00	-	30.00

\*Excludes Rs.650.10 lacs (Rs. 890.81 lacs) netted off from unallocated expenses and interest expense.



## (b) Geographical Segments:

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

Sl. No.	Geographical Segments	2011-12 Rs. in lacs	2010-11 Rs. in lacs
(i)	Domestic Market (within India)	22435.27	15359.89
(ii)	Overseas Markets (outside India)	2530.43	4337.65
	Total	24965.70	19697.54

(i) All the assets of the Company, except the carrying amount of assets aggregating to Rs.1616.23 lacs (Rs.1939.18 lacs) are within India.

(ii) 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.

38. Disclosures in respect of related parties as defined in Accounting Standard (AS-18), with whom transactions were carried out in the ordinary course of business during the year are given below:

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)

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).

## (a) Nature of transactions with subsidiaries and joint venture:

Sl. No.	Particulars	Subsidiaries		Joint Venture	
		2011-12 Rs. in lacs	2010-11 Rs. in lacs	2010-12 Rs. in lacs	2010-11 Rs. in lacs
(i)	Purchases of Products /Traded Goods, Raw materials	-	-	152.01	207.86
(ii)	Sale of Raw Materials/Consumables & Traded Goods	-	-	438.55	275.57
(iii)	Other Service Charges/Lease Rent Received	-	-	16.05	28.70
(iv)	Other Service Charges Paid	-	-	14.82	6.70
(v)	Inter-Corporate Deposits taken	2000.00	700.00	6553.00	3915.00
(vi)	Inter-Corporate Deposits repaid	-	-	6553.00	3915.00
(vii)	Interest on Inter-Corporate Deposits paid	82.68	19.54	149.59	94.88
(viii)	Cross Corporate Guarantee given	-	-	5400.00	-
(ix)	Cross Corporate Guarantee accepted	-	-	17250.00	-
(x)	Dividend received	-	226.25	-	-
(xi)	Balance outstanding at the year end Payable	2700.00	700.00	-	-

## (b) Key Management Personnel - Shri Y.S. Lodha, Managing Director:

Particular	2011-12 Rs. in lacs	2010-11 Rs. in lacs
Salary & Benefits	37.98	24.77

(i) 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.

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

(iii) Transactions with related parties are done at arm's length basis.

39. 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. 75.48 lacs (Rs.71.12 lacs) are charged to the Statement of Profit and Loss.



## 40. Deferred Taxes:

Sl. No.	Particulars	As at March 31, 2012 Rs. In lacs	As at March 31, 2011 Rs. In lacs
(a)	Deferred Tax Liability - Depreciation on Fixed Assets	573.55	579.52
	<b>Total (i)</b>	<b>573.55</b>	<b>579.52</b>
(b)	Deferred Tax Assets - Unabsorbed Depreciation* - Expenses allowable for tax purpose when paid	405.27 168.28	478.41 101.11
	<b>Total (iii)</b>	<b>573.55</b>	<b>579.52</b>
	<b>Net Deferred Tax Liability or Assets</b>	<b>Nil</b>	<b>Nil</b>

\*The Deferred Tax Assets amounting to Rs.405.27 lacs (Rs.478.41 lacs) in respect of carry forward unabsorbed depreciation has been recognised considering the possible reversal of deferred tax liabilities in future years.

## 41. 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.	India	13.33%	JV is established principally for manufacture of "Telecommunication Cables" and "Other types of Wires and 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, 2012 and March 31, 2011 in the above company as per its audited financial statements are as under:

Particulars	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>Name of Joint Venture</b>	<b>BEOL</b>	<b>BEOL</b>
<b>LIABILITIES</b>		
NON-CURRENT LIABILITIES		
Long-term borrowings	9.59	22.45
Long-term provisions	22.47	20.18
CURRENT LIABILITIES		
Short-term borrowings	365.44	96.32
Trade payables	203.09	69.45
Other current liabilities	42.65	206.17
Short-term provisions	6.48	6.22
Total	649.72	420.79
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Fixed assets		
Tangible assets	429.57	468.83
Intangible assets	0.46	1.07
Capital work-in-progress	2.55	0.84
Non-current investments	187.45	187.45
Long-term loans and advances	6.12	7.66
Other non-current assets	0.02	-
CURRENT ASSETS		
Inventories	234.01	196.95
Trade receivables	367.86	216.27
Cash and cash equivalents	78.19	74.07
Short-term loans and advances	93.67	83.31
Other current assets	3.70	2.54
Total	1403.60	1238.99



Particulars	For the year ended March 31, 2012 Rs. in lacs	For the year ended March 31, 2011 Rs. in lacs
<b>Name of Joint Venture</b>	<b>BEOL</b>	<b>BEOL</b>
<b>REVENUE</b>		
Revenue from operations (net)	<b>1001.12</b>	903.59
Other income	<b>30.16</b>	31.11
<b>EXPENSES</b>		
Cost of materials consumed	<b>756.38</b>	672.71
Purchase of stock -in-trade (traded goods)	<b>17.84</b>	31.83
(Increase)/decrease in inventories	<b>(22.40)</b>	0.46
Employee benefits expense	<b>98.49</b>	92.26
Finance costs	<b>65.36</b>	27.51
Other expenses	<b>120.73</b>	119.69
Depreciation and amortisation expense	<b>50.62</b>	48.62
Income tax and fringe benefit tax credit of earlier years	<b>(0.43)</b>	(0.04)
Contingent Liabilities	<b>9.33</b>	2.24
Capital Commitment	<b>0.07</b>	1.07

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

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

Sl. No.	Particular	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
(a)	the principal amount and interest due thereon remaining unpaid to any supplier		
	Principal amount	<b>574.90</b>	277.42
	Interest thereon	<b>10.40</b>	5.42
(b)	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.	-	-
(c)	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.	-	-
(d)	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.	-	-
(e)	the amount of interest accrued and remaining unpaid.	<b>10.40</b>	5.42
(f)	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.	-	-



44. Additional information pursuant to the provisions of paragraphs 5 of Part-II of the Revised Schedule VI to the Companies Act, 1956:

(a) Expenditure in Foreign Currency (on accrual basis):

Sl. No.	Particulars	2011-12 Rs. in lacs	2010-11 Rs. in lacs
(i)	Interest	36.07	30.89
(ii)	Travelling	17.44	21.56
(iii)	Commission	46.74	115.53
(iv)	Others	553.48	1162.26

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

Sl. No.	Particulars	2011-12 Rs. in lacs	2010-11 Rs. in lacs
(i)	Raw materials	5776.68	3518.20
(ii)	Spare parts	11.82	55.56
(iii)	Traded goods	78.68	5.13
(iv)	Capital goods	14.40	320.23

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

Sl. No.	Particulars	2011-12 Rs. in lacs		2010-11 Rs. in lacs	
		Value Rs.in lacs	% to Total	Value Rs.in lacs	% to Total
(i)	Raw Materials				
	Imported	5988.82	49.65	3952.08	53.86
	Indigenous	6071.60	50.35	3384.98	46.14
	<b>Total</b>	<b>12060.42</b>	<b>100.00</b>	7337.06	100.00
(ii)	Stores and Spares*				
	Imported	10.32	5.90	27.43	9.55
	Indigenous	164.65	94.10	260.04	90.45
	<b>Total</b>	<b>174.97</b>	<b>100.00</b>	287.47	100.00

\*Grouped under "Consumption of stores & spares" and "Repairs & maintenance of Plant & machinery" vide Note No. 27.

(d) Earnings in Foreign Exchange (on accrual basis):

Sl. No.	Particulars	2011-12 Rs. in lacs	2010-11 Rs. in lacs
(i)	Export of goods on FOB basis	1970.73	2862.68
(ii)	Contract revenue	539.39	1416.42
(iii)	Interest	4.66	1.92

45. The Company has reclassified previous year's figures to conform to current year's classification as per revised Schedule VI notified under the Companies Act, 1956. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements save and except presentation and disclosure as prescribed therein. The figures in brackets are those in respect of the previous accounting year.



46. The Ministry of Corporate Affairs, Government of India, vide General Circular No.2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

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As per our attached report of even date.

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

R.Raghuraman  
Partner  
Membership No.081350

New Delhi, May 16, 2012

Signatures to Notes 1 to 46

Harsh V.Lodha                      Chairman

J. Veeraraghavan                )  
S.K. Misra                            )     Director  
R.C. Tapuriah                      )  
D.R. Bansal                         )

Y.S. Lodha                            Managing Director

R. Radhakrishnan                President (Commercial) & Secretary

New Delhi, May 16, 2012



# Auditors' Report

TO THE BOARD OF DIRECTORS OF VINDHYA TELELINKS LIMITED

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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 2012, and also the consolidated statement of profit and loss 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. 10978.80 lacs as at 31st March 2012, the total revenue of Rs. 1669.02 and cash flows amounting to Rs. (11.64) 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 (e) of the attached consolidated financial statements, 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. No. 35 of the attached consolidated financial statements regarding non-provision for the shortfall in the market value of the quoted investment for the stated reason.
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 2012;
  - (b) in the case of the consolidated statement of profit and loss, 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  
Chartered Accountants  
Firm Registration No. 109208W

R.Raghuraman  
Partner  
Membership No. 081350

Place : New Delhi  
Date : May 16, 2012





## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

	Note No.	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share capital	3	1183.97	1183.97
Reserves and surplus	4	26919.78	26729.97
		<u>28103.75</u>	<u>27913.94</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	5	9.59	22.45
Other long-term liabilities	6	-	120.17
Long-term provisions	7	208.94	192.06
		<u>218.53</u>	<u>334.68</u>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	8	9797.56	4968.80
Trade payables	9	5485.61	3467.51
Other current liabilities	10	1125.43	1049.53
Short-term provisions	11	132.70	146.93
		<u>16541.30</u>	<u>9632.77</u>
<b>Total</b>		<u>44863.58</u>	<u>37881.39</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	12		
Tangible assets		4860.55	5147.07
Intangible assets		37.03	50.29
Capital work-in-progress		30.75	125.02
		<u>4928.33</u>	<u>5322.38</u>
Non-current investments	13	13698.14	13480.13
Long-term loans and advances	14	127.80	142.14
Other non-current assets	15	286.28	1530.14
		<u>19040.55</u>	<u>20474.79</u>
<b>CURRENT ASSETS</b>			
Current investments	16	444.23	1270.73
Inventories	17	3468.70	2052.66
Trade receivables	18	17946.08	10463.82
Cash and cash equivalents	19	991.30	1402.99
Short-term loans and advances	20	2464.04	2181.46
Other current assets	21	508.68	34.94
		<u>25823.03</u>	<u>17406.60</u>
<b>Total</b>		<u>44863.58</u>	<u>37881.39</u>
Significant accounting policies	2		

The accompanying notes from an integral part of the financial statements.

As per our attached report of even date.

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

R.Raghuraman  
Partner  
Membership No.081350

New Delhi, May 16, 2012

Harsh V.Lodha                      Chairman

J. Veeraraghavan  
S.K. Misra  
R.C. Tapuriah  
D.R. Bansal                      }                      Director

Y.S. Lodha                      Managing Director

R. Radhakrishnan                      President (Commercial) & Secretary

New Delhi, May 16, 2012



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

	Note No.	For the Year ended March 31, 2012 Rs. in lacs	For the Year ended March 31, 2011 Rs. in lacs
<b>REVENUE</b>			
Revenue from operations (gross)	22	27321.43	21380.44
Less: Excise duty		1302.46	669.63
Revenue from operations (net)		26018.97	20710.81
Other income	23	2297.06	2183.85
<b>Total revenue</b>		<b>28316.03</b>	<b>22894.66</b>
<b>EXPENSES</b>			
Cost of materials consumed	24	12795.77	7987.03
Purchase of stock -in-trade (traded goods)		124.93	39.22
(Increase)/decrease in inventories	25	(1413.83)	200.11
Materials purchased/Subcontract expenses	26	9849.91	7332.51
Employee benefits expense	27	2007.72	1810.12
Finance costs	28	1160.56	731.23
Other expenses	29	2956.27	2861.82
<b>Total expenses</b>		<b>27481.33</b>	<b>20962.04</b>
<b>EARNINGS BEFORE DEPRECIATION, AMORTISATION AND TAX</b>		<b>834.70</b>	1932.62
Depreciation and amortisation expense	30	526.35	510.73
<b>PROFIT/ (LOSS) BEFORE TAX</b>		<b>308.35</b>	1421.89
Income tax and fringe benefit tax charge/(credit) of earlier years		118.13	36.29
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>190.22</b>	1385.60
<b>Earning per equity share (EPS)</b>			
Basic and diluted EPS (Nominal value of shares Rs.10/- each)	31	1.61	11.69
Significant accounting policies			
The accompanying notes from an integral part of the financial statements.			

As per our attached report of even date.

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

R.Raghuraman  
Partner  
Membership No.081350

New Delhi, May 16, 2012

Harsh V.Lodha Chairman

J. Veeraraghavan  
S.K. Misra  
R.C. Tapuriah  
D.R. Bansal

Director

Y.S. Lodha Managing Director

R. Radhakrishnan President (Commercial) & Secretary

New Delhi, May 16, 2012



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	For the Year ended March 31, 2012		For the Year ended March 31, 2011	
	Rs. in lacs	Rs. in lacs	Rs. in lacs	Rs. in lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit/(loss) before taxes</b>		<b>308.35</b>		1421.89
Non-cash adjustment to reconcile profit before tax to net cash flows				
Depreciation and amortisation	526.35		510.73	
(Profit)/loss on disposal of fixed assets (Net)	(1.83)		(1.77)	
(Profit)/loss on sale of Investment	(386.33)		(165.78)	
(Gain)/loss on Unrealised foreign exchange	(9.89)		8.83	
Provision for doubtful debts ( Net )	78.03		30.00	
Interest income	(192.50)		(89.04)	
Dividend income	(1593.49)		(1642.42)	
Interest expense	798.70	<b>(780.96)</b>	498.62	(850.83)
Operating Profit/(loss) before working capital changes		<b>(472.61)</b>		571.06
Movement in working capital:				
Increase/(decrease) in trade payables and provisions	2174.34		426.35	
Decrease/(increase) in trade receivables	(6358.73)		(887.42)	
Decrease/(increase) in inventories	(1416.04)		476.96	
Decrease/(increase) in loans and advances	(682.92)	<b>(6283.35)</b>	(369.47)	(353.58)
Cash generated from/(used in) operations		<b>(6755.96)</b>		217.48
Direct taxes paid (net of refunds)		<b>(170.89)</b>		(239.49)
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>(6926.85)</b>		(22.01)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(Purchase) of fixed assets including intangible assets, CWIP and capital advance	(146.49)		(698.17)	
Proceeds from sale of fixed assets	9.31		54.63	
(Purchase) of Investment	(1898.20)		(2109.85)	
Sale of Investment	2893.02		2270.28	
Investment in bank deposits (having original maturity of more than 3 months)	(167.54)		(81.74)	
Interest received	192.50		81.61	
Dividend received	1593.49		1645.92	
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>2476.09</b>		1162.68



	For the Year ended March 31, 2012		For the Year ended March 31, 2011
	Rs. in lacs	Rs. in lacs	Rs. in lacs

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012 (Contd.)****C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from share capital	-	1.75
Proceeds from securities premium	-	7.21
Repayment of long term borrowings	(174.62)	(581.58)
Proceeds/(Repayment) of short term borrowings	4819.15	346.49
Interest paid	(798.70)	(498.62)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>3845.83</b>	<b>(724.75)</b>
Net increase/(decrease) in cash and cash equivalents	<b>(604.93)</b>	415.92
Cash and cash equivalents at the beginning of the year	<b>737.76</b>	321.84
Cash and cash equivalents at the end of the year	<b>132.83</b>	<b>737.76</b>
Components of cash and cash equivalents		
Cash on hand	<b>3.22</b>	5.56
Cheques/drafts on hand	<b>49.54</b>	48.92
In current accounts	<b>75.15</b>	679.66
In cash credit account	<b>4.92</b>	3.62
	<b>132.83</b>	<b>737.76</b>

- (a) Difference of Rs.978.59 lacs (Rs.811.05 lacs) compared with Note No.19 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.  
Chartered Accountants  
Firm Registration No.109208W

R.Raghuraman  
Partner  
Membership No.081350

New Delhi, May 16, 2012

Harsh V.Lodha Chairman

J. Veeraraghavan  
S.K. Misra  
R.C. Tapuriah  
D.R. Bansal } Director

Y.S. Lodha Managing Director

R. Radhakrishnan President (Commercial) & Secretary

New Delhi, May 16, 2012

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2012**

NOTES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2012, Consolidated Statement of Profit and Loss 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:

- (a) 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.
- (b) 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, 2012.
- (c) 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

- (d) 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. 54.08 lacs (Rs. 40.09 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

- (e) 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. 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 Central Government vide 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 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 including Intangible Assets

Fixed Assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and amortisation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements, renewals and insurance spares (determined on the basis of irregular use) are capitalised and expenditure for repairs and maintenance are charged to the Consolidated Statement of Profit and Loss. When assets are sold or discarded their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the Statement of Profit and Loss.

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.

Intangible Assets are recorded at consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation.

(d) Depreciation and amortisation

- (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 equipment 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 assets.
- (vi) An intangible asset is measured at cost and amortised so as to reflect the pattern in which the assets economic benefits are consumed. The useful life has been estimated as five years.

(e) Leases

Where the Group is the Lessor

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

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 Statement of Profit and Loss 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 non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current 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 non-current 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.
Stock-in-trade (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 material	:	Estimated net realizable value*

\*Estimated 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

Sale of Products

Revenue from the sale of products is recognised on transfer of all significant risks and rewards of ownership to the buyer which coincides with despatch of products to customers. Revenue to the extent of Price Variation disputes, if any, 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

Dividend income is recognized when right to receive dividend is established.

Export incentives

Export incentives 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 Statement Profit and Loss 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 Statement of Profit and Loss. 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 Statement of Profit and Loss on the basis of actuarial valuation made at the end of each financial year by independent actuaries using Projected Unit Credit Method. Ex-gratia or other amount disbursed on account of selective employees separation scheme are charged to Statement of Profit and Loss. Actuarial gains and



losses comprise experience adjustments and effects of changes in actuarial assumptions are recognized in the Statement of Profit and Loss 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 Statement of Profit and Loss 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 on hand and short-term investments with an original maturity of three months or less.





	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>3. SHARE CAPITAL</b>		
<b>Authorised</b>		
15000000 (15000000) Equity shares of Rs. 10/- each	<b>1500.00</b>	1500.00
<b>Issued</b>		
11852014 (11852014) Equity shares of Rs. 10/- each	<b>1185.20</b>	1185.20
<b>Subscribed and Paid-Up</b>		
11850863 (11850683) Equity shares of Rs. 10/- each fully paid-up	<b>1185.09</b>	1185.09
Less : Calls unpaid	<b>1.12</b>	1.12
	<b><u>1183.97</u></b>	<u>1183.97</u>

- (a) There is no variation or change in the issued, subscribed and fully paid-up equity share capital structure during the year. Therefore, no separate disclosure of reconciliation of the number of equity share outstanding as at the beginning and at the end of the year is required.
- (b) The Company has only one class of shares referred to as equity shares having nominal value of Rs.10/-. The holders of equity shares are entitled to one vote per share.
- (c) Shareholders holding more than 5% shares based on legal ownership in the subscribed share capital of the Company is set out below :

Name of the shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% held	No. of Shares	% held
Universal Cables Limited	<b>3454530</b>	<b>29.15</b>	3454530	29.15
The Punjab Produce & Trading Co. Pvt. Ltd.	<b>1291374</b>	<b>10.90</b>	1291374	10.90
Belle Vue Clinic	<b>1164286</b>	<b>9.82</b>	1164286	9.82
Acacia Partners, LP	<b>643555</b>	<b>5.43</b>	643555	5.43

**4. RESERVES AND SURPLUS****Capital reserve**

Difference between the cost of the investment in the Subsidiaries and Company's portion in equity of the subsidiaries at the time of acquisition

0.03                      0.03

**Revaluation reserve - On revaluation of plant and equipment**

Opening balance

3.08                      3.62

Less : Transferred to Statement of Profit and Loss being difference

of depreciation on revalued cost of assets and that on the original cost

0.41                      0.54

2.67                      3.08

**Securities premium account**

Opening balance

**4068.93**                      4061.72

Add : Received during the year

-                      7.21

Closing balance

**4068.93**                      4068.93

**Reserve Fund (Under the Reserve Bank of India Act, 1934)**

Opening balance

**1006.70**                      749.25

Add: Created during the year

**307.02**                      257.45

Closing balance

**1313.72**                      1006.70

**General reserve**

Opening balance

**19185.79**                      16185.79

Add : Amount transferred from surplus

**75.00**                      3000.00

Closing balance

**19260.79**                      19185.79



	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>4. RESERVES AND SURPLUS (Contd.)</b>		
<b>Surplus</b>		
Opening balance	2465.44	4374.87
Add : Net profit after tax transferred from Statement of Profit and Loss	190.22	1385.60
Less : Transferred to reserve fund (Under the RBI Act, 1934)	307.02	257.45
Less : Tax on dividend	-	37.58
Less : Transferred to general reserve	75.00	3000.00
Closing balance	<u>2273.64</u>	<u>2465.44</u>
	<u>26919.78</u>	<u>26729.97</u>
<b>5. LONG-TERM BORROWINGS</b>		
<b>Secured</b>		
Buyer's credit	23.70	34.60
<b>Unsecured</b>		
Sales tax loans (Interest free)	1.69	165.41
	<u>25.39</u>	<u>200.01</u>
Less: Current maturities of long-term borrowings at the year end(disclosed under Note No. 10)	<u>15.80</u>	<u>177.56</u>
	<u>9.59</u>	<u>22.45</u>
(a)	The buyer's credit is secured by way of hypothecation of stock of Inventories, cash and other current assets, book debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, etc., both present and future, and are further secured by way of hypothecation of moveable fixed assets, both present and future, and first charge created by way of joint mortgage by deposit of title deeds of immovable properties of joint venture. The buyer's credit is repayable in six half yearly instalments commencing from 6th December, 2010 and carries interest @ 2.75% (rate as on the reporting date).	
(b)	Sales tax loans of Joint Venture 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.	
<b>6. OTHER LONG-TERM LIABILITIES</b>		
Trade payables [refer Note No. 44 for dues to micro and small enterprises]	-	120.17
	<u>-</u>	<u>120.17</u>
<b>7. LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
Compensated absences	165.80	148.87
Pension	43.14	43.19
	<u>208.94</u>	<u>192.06</u>



	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>8. SHORT-TERM BORROWINGS</b>		
<b>Working capital loans/trade credits from banks (Secured)</b>		
Cash credit facilities	3873.45	1753.74
Buyer's credit	2271.69	1287.62
Export packing credit	2559.11	927.44
	<u>8704.25</u>	<u>3968.80</u>
<b>Other short term loans /Intercompany Deposits (Unsecured)</b>		
From bodies corporate (repayable on demand)	1093.31	1000.00
	<u>1093.31</u>	<u>1000.00</u>
	<u>9797.56</u>	<u>4968.80</u>
<p>(a) Working capital loans/trade credits from banks being working capital credit facilities, sanctioned by banks are generally renewable within twelve months from the date of sanction or immediately previous renewal, unless otherwise stated. The lender banks have a right to cancel the credit limits (either fully or partially) and, inter alia, demand repayment in case of non-compliance of terms and conditions of sanctions or deterioration in the loan accounts in any manner whatsoever, etc.</p> <p>(b) Working capital loans (both fund and non-fund based) from State Bank of India (SBI) and State Bank of Patiala (SBP) are secured by hypothecation of the stock of inventories, cash and other current assets, book debts, outstanding moneys, receivables, claims, bills, invoices, documents, contracts, etc., both present and future, and are further secured by way of hypothecation of moveable fixed assets, both present and future, ranking pari-passu and first charge created by way of joint mortgage by deposit of title deeds of immovable properties of the Parent Company and Joint Venture. As a collateral security, the credit facilities from SBI of Parent Company are additionally secured by way of pledge of 12,50,000 equity shares and cross corporate guarantee of Joint Venture.</p>		
<b>9. TRADE PAYABLES</b>		
Trade payables [refer Note No. 44 for dues to micro and small enterprises]	5485.61	3467.51
	<u>5485.61</u>	<u>3467.51</u>
<b>10. OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term borrowings at the year end	15.80	177.56
Sundry deposits	54.92	52.79
Interest accrued but not due on borrowings	19.40	3.70
Other payables		
Mobilisation and other advances from customers	509.13	391.52
Statutory dues	469.76	339.66
Accrued employee benefits expense	49.74	40.30
For purchase of fixed assets	6.68	44.00
	<u>1125.43</u>	<u>1049.53</u>
<b>11. SHORT TERM PROVISIONS</b>		
Provision for employee benefits.		
Compensated absences	19.32	14.67
Pension	4.81	4.81
Contingent provision against standard assets	8.00	1.75
Others	100.57	125.70
	<u>132.70</u>	<u>146.93</u>



**12. FIXED ASSETS (Consolidated)**

Rs. in lacs

Nature of fixed assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2011	Additions during the Year	Deductions/ Adjustments	As at 31.03.2012	As at 31.03.2011	Provided during the Year	Disposal/ Deductions	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>(A) TANGIBLE ASSETS:</b>										
Land										
Free Hold Land*	113.18	-	-	<b>113.18</b>	-	-	-	-	<b>113.18</b>	113.18
Lease Hold Land	47.93	-	-	<b>47.93</b>	8.83	0.73	-	<b>9.56</b>	<b>38.37</b>	39.10
Building*	2193.22	-	-	<b>2193.22</b>	1174.43	49.96	-	<b>1224.39</b>	<b>968.83</b>	1018.79
Plant & Equipment**	13413.72	187.93	91.15	<b>13510.50</b>	9673.28	416.57	84.19	<b>10005.66</b>	<b>3504.84</b>	3740.44
Furniture & Fixtures	269.16	4.96	9.99	<b>264.13</b>	184.90	8.35	9.84	<b>183.41</b>	<b>80.72</b>	84.26
Office Equipment	108.76	10.67	0.69	<b>118.74</b>	68.28	17.20	0.50	<b>84.98</b>	<b>33.76</b>	40.48
Vehicles	129.40	27.14	15.28	<b>141.26</b>	50.22	11.13	8.80	<b>52.55</b>	<b>88.71</b>	79.18
Leasehold Improvements	39.55	8.55	-	<b>48.10</b>	7.91	8.05	-	<b>15.96</b>	<b>32.14</b>	31.64
<b>Total (A)</b>	<u>16314.92</u>	<u>239.25</u>	<u>117.11</u>	<u><b>16437.06</b></u>	<u>11167.85</u>	<u>511.99</u>	<u>103.33</u>	<u><b>11576.51</b></u>	<u><b>4860.55</b></u>	<u>5147.07</u>
<b>(B) INTANGIBLE ASSETS:</b>										
Computer Software	72.37	1.51	-	<b>73.88</b>	22.08	14.77	-	<b>36.85</b>	<b>37.03</b>	50.29
<b>TOTAL (B)</b>	<u>72.37</u>	<u>1.51</u>	<u>-</u>	<u><b>73.88</b></u>	<u>22.08</u>	<u>14.77</u>	<u>-</u>	<u><b>36.85</b></u>	<u><b>37.03</b></u>	<u>50.29</u>
<b>(C) CAPITAL WORK IN PROGRESS (at cost):</b>										
Under installation/commissioning	-	-	-	-	-	-	-	-	<b>28.20</b>	53.22
In transit	-	-	-	-	-	-	-	-	<b>2.55</b>	71.80
<b>TOTAL (C)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>30.75</b></u>	<u>125.02</u>
<b>TOTAL (A+B+C)</b>	<u>16387.29</u>	<u>240.76</u>	<u>117.11</u>	<u><b>16510.94</b></u>	<u>11189.93</u>	<u>526.76</u>	<u>103.33</u>	<u><b>11613.36</b></u>	<u><b>4928.33</b></u>	<u>5322.38</u>
Previous Year	16157.97	725.91	496.59	16387.29	11141.93	511.27	463.27	11189.93	5197.36	

\* Freehold Land and Buildings include Rs. Nil (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, 2012 is Rs.42.55 lacs (Rs.44.56 lacs) and depreciation charged during the year is Rs.2.01 lacs (Rs.2.10 lacs).

\*\* Gross Block of Plant & Equipment includes Rs.762.78 lacs (Rs.762.78 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, 2012	As at March 31, 2011
	Rs. in lacs	Rs. in lacs

**13. NON-CURRENT INVESTMENT**

(Carried at cost unless otherwise stated)

**(A) Investment in Equity Instruments**

**Trade**

**Quoted - Fully paid up equity shares of Rs. 10/- each**

2,43,94,948 (2,43,94,948) Birla Corporation Ltd.	<b>6424.50</b>	6424.50
52,04,150 (52,04,150) Universal Cables Ltd.	<b>3638.64</b>	3638.64

**Unquoted - Fully paid up equity shares of Rs.10 each**

1,20,00,000 (1,20,00,000) Punjab Produce Holdings Ltd.	<b>1200.00</b>	1200.00
2,99,940 (2,99,940) Birla Financial Corporation Ltd.	<b>29.99</b>	29.99
11106 (11,106) Universal Telelinks Private Ltd.	<b>1.11</b>	1.11
11106 (11,106) Universal Electricals Private Ltd.	<b>1.11</b>	1.11



			As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>13. NON-CURRENT INVESTMENT (Contd.)</b>				
<b>Other than trade</b>				
<b>Unquoted-Fully paid up equity shares of Re.1 each</b>				
6,900	(6,900)	Free Press House Ltd.	<b>0.02</b>	0.02
			<b>Total (A)</b>	
			<u>11295.37</u>	<u>11295.37</u>
<b>(B) Investment in debentures or bonds</b>				
<b>Redeemable Non Convertible Secured Debenture ( Unquoted )</b>				
3,585	(-)	Power Finance Corporation Ltd.	<b>60.60</b>	-
1	(1)	Kotak Securities - NDPMS Structured Opportunities	-	10.20
			<b>Total (B)</b>	
			<u>60.60</u>	<u>10.20</u>
<b>(C) Investment in mutual funds</b>				
<b>Unquoted-Fully paid up units of Rs.10 each unless otherwise stated)</b>				
408,747	(4,08,748)	Birla Sun Life Frontline Equity Fund Plan A - Dividend	<b>95.42</b>	95.42
97,804	(-)	Birla Sun life Fixed term Plan series EM - Growth	<b>9.78</b>	-
85,193	(85,193)	Birla Sun Life Midcap Fund Plan A - Dividend	<b>22.60</b>	22.60
-	(632,017)	Birla Sun Life Fixed Term Plan Series CH - Growth	-	63.20
-	(296,880)	BNP Paribas Short Term Income Fund - Growth	-	33.00
-	(387,630)	Canara Robeco Short Term Fund - Growth	-	40.00
-	(168,313)	Canara Robeco Monthly Income Plan- Growth	-	49.00
454,417	(-)	Canara Robeco Indigo fund - Growth	<b>50.00</b>	-
48,176	(48,176)	DSP Black Rock equity Fund - Regular Plan - Dividend	<b>25.10</b>	25.10
451,374	(-)	DWS Treasury Fund - Investment plan - Growth	<b>53.19</b>	-
175,424	(-)	FT India Monthly Income Plan - Growth	<b>50.00</b>	-
-	(250,000)	Fidelity FMP Series III- Plan F of Fidelity Mutual Fund	-	25.00
120,759	(109,146)	Franklin India Prima Plus-Dividend Re-investment	<b>35.51</b>	32.78
-	(1,000,000)	Fidelity FMP Series V- Plan D - Growth	-	100.00
327,731	(327,730)	HDFC Equity Fund - Dividend payout	<b>150.75</b>	150.75
-	(807,666)	HDFC High Interest Fund Short Plan - Growth	-	119.04
163,563	(163,563)	HDFC Top 200 Fund - Dividend Payout	<b>75.33</b>	75.33
-	(930,206)	HDFC Short Term Plan Growth of HDFC Mutual Fund	-	174.00
-	(612,973)	HDFC Monthly Income Plan - Long Term Plan - Growth	-	172.00
208,356	(-)	HSBC Monthly Income Plan - Growth	<b>40.00</b>	-
535,000	(-)	HSBC Fixed Term Series 80 - Growth	<b>53.50</b>	-
374,444	(-)	ICICI Prudential Fixed Maturity Plan Series 55 - 1 year Plan H - Growth	<b>37.44</b>	-
1,000,000	(-)	ICICI Prudential Fixed Maturity Plan Series 60 - 3 year Plan E - Growth	<b>100.00</b>	-
217,674	(-)	IDFC Money Manager Fund - Investment Plan - Growth	<b>35.00</b>	-
593,087	(-)	ICICI Prudential Short Term Plan - Growth	<b>125.37</b>	-
-	(402,883)	ICICI Prudential Income Multiplier - Growth	-	71.00
500,000	(-)	ICICI Prudential FMP Series 60 -3 Years Plan E - Growth	<b>50.00</b>	-
252,350	(-)	JM Money Manager Fund Super Plan - Growth	<b>38.50</b>	-
2,916,665	(-)	JM Money Manager Fund - Super Plan - Growth	<b>441.00</b>	-



		As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs	
<b>13. NON-CURRENT INVESTMENT (Contd.)</b>				
870,942	(-)	JM Money Manager Fund - Super Plus - Growth	131.50	-
663,143	(-)	JM Short Term Fund Institutional - Growth	100.00	-
500,000	(-)	Kotak Fixed Maturity Plan Series 67 (18M) - Growth	50.00	-
-	(500,000)	Kotak FMP 15M Series 7 - Growth	-	50.00
-	(1,000,000)	Kotak FMP Series 35-1 Yr - Growth	-	100.00
1,000,000	(-)	Kotak FMP Series 67 - Growth	100.00	-
827,743	(-)	Kotak Bond(Short Term) - Growth	165.59	-
-	(1,744,220)	Kotak Quarterly Plan Series 6 - Growth	-	212.32
-	(67,181)	Optimix Active Debt Multi Manager FOF Scheme of ING Mutual Fund	-	7.50
-	(499,307)	Prudential ICICI Income Multiplier Regular-Growth	-	76.50
93,359	(93,359)	Reliance Growth Fund Retail Plan - Dividend	50.22	50.22
-	(610,055)	Reliance Monthly Income Plan - Growth	-	120.00
57,141	(57,141)	Reliance Diversified Power Sector Fund - Retail - Dividend	27.25	27.25
-	(1,000,000)	Reliance Fixed Horizon Fund -XVIII -Series 6 Growth	-	100.00
46,702	(46,702)	Reliance Growth Fund Retail - Growth	25.12	25.12
-	(231,648)	Reliance Monthly Income Plan	-	50.00
762,754	(-)	Templeton India Ultra Short Bond Fund - Growth	104.00	-
726,475	(-)	Templeton India Ultra Short Bond Fund - Institutional Plan - Growth	100.00	-
-	(5,962)	Templeton India Short Term Income Retail Fund - Growth (Face value Rs. 1000/-)	-	107.43
		<b>Total (C)</b>	<b>2342.17</b>	<b>2174.56</b>
		<b>Total (A+B+C)</b>	<b>13698.14</b>	<b>13480.13</b>
Aggregate book value of quoted investments			<b>10063.14</b>	10063.14
Aggregate market value of quoted investments			<b>70956.73</b>	86684.11
Aggregate book value of unquoted investments			<b>1232.23</b>	1232.23
Aggregate book value of bonds			<b>60.60</b>	10.20
Aggregate book value of mutual funds			<b>2342.17</b>	2324.56
Repurchase price of mutual funds, represented by Net Asset Value			<b>2330.10</b>	2123.18



	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>14. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Capital advances	35.27	1.24
Security deposits	81.71	127.99
Prepaid expenses	2.56	2.47
Loans to employees	8.26	10.44
	<u>127.80</u>	<u>142.14</u>
<b>15. OTHER NON-CURRENT ASSETS</b>		
Long-term trade receivables (unsecured and considered good)	166.16	1384.32
Non-current bank balances	120.12	145.82
	<u>286.28</u>	<u>1530.14</u>
<b>16. CURRENT INVESTMENT</b>		
(Carried at cost unless otherwise stated)		
Investment in units of mutual of funds		
Unquoted - Fully paid up units of Mutual Funds of Rs.10 each		
- (2,600,000) DSP Black Rock FMP -3M-Series 30 - Growth	-	260.00
- (1,082,820) DSP Black Rock FMP 12-Month-Series 9 - Growth	-	108.27
- (530,809) Fidelity FMP Series 5- Plan B - Growth	-	53.08
600,000 (-) HDFC FMP 92D February 2012 (3) - Growth	60.00	-
3,000,000 (-) IDFC Fixed Maturity Plan yearly Series 44 - Growth	300.00	-
467,458 (467,459) ICICI Interval Fund II Qtrly. Interval Plan Fund Retail- Growth	54.81	54.81
- (625,000) ICICI Prudential FMP Series 52-1 Year Plan B -Growth	-	62.50
- (2,138,883) ICICI Prudential FMP Series 53-1 Year Plan B - Growth	-	213.89
- (840,000) ICICI Prudential FMP Series 55-1 Year Plan B - Growth	-	84.00
- (1,128,744) ICICI Prudential Qtrly. Interval Plan 1 - Growth	-	117.00
294,206 (-) ICICI Prudential FMP Series 55-1 Year Plan H - Growth	29.42	-
- (79,569) Kotak Quarterly Interval Plan Series 10	-	9.00
- (1,270,000) Principal PNB FMP 91 Days Series XXVIII	-	127.00
- (308,685) Reliance Short Term Fund	-	49.03
- (963,772) UTI Fixed Income Interval Fund - Qtrly. Plan V - Growth	-	100.00
- (433,539) UTI Fixed Income Interval Fund - Qtrly. Plan G - Growth	-	55.00
	<u>444.23</u>	<u>1293.58</u>
Less: Provision for Diminution in the value of investments	-	22.85
	<u>444.23</u>	<u>1270.73</u>
Repurchase price of mutual funds units, represented by Net Asset Value	435.63	1270.73



	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>17. INVENTORIES (refer Note No. 2 (g) for mode of valuation)</b>		
Raw materials [including in transit Rs.281.47 lacs (Rs.98.81 lacs)]	939.46	907.75
Packing Material	57.88	65.99
Stores and spares	229.25	250.64
Stock-in-trade	74.00	35.33
Work-in-progress (refer Note No. 25)	2118.32	773.83
Finished goods	27.28	8.42
Scrap	22.51	10.70
	<u>3468.70</u>	<u>2052.66</u>
<b>18. TRADE RECEIVABLES (Unsecured)</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	2699.36	1654.97
Considered doubtful	222.86	144.83
	<u>2922.22</u>	<u>1799.80</u>
Others		
Considered good	15246.72	8808.85
	<u>18168.94</u>	<u>10608.65</u>
Less: Provision for doubtful debts	222.86	144.83
	<u>17946.08</u>	<u>10463.82</u>
<b>19. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	3.22	5.56
Cheques, drafts on hand	49.54	48.92
Balance with banks		
In current accounts	75.15	679.66
In cash credit account	4.92	3.62
In term deposit accounts (term deposit receipts pledged with banks towards margin against letter of credit and other commitments)	978.59	811.05
	<u>1111.42</u>	<u>1548.81</u>
Less: Term deposit account having more than 12 months maturity at the year end (disclosed under Note No. 16)	120.12	145.82
	<u>991.30</u>	<u>1402.99</u>
<b>20. SHORT-TERM LOANS AND ADVANCES (Unsecured and considered good)</b>		
Loans and advances to employees	24.56	26.21
Security deposits	217.86	121.89
Deposits		
Financial Institution	433.35	300.00
Others	-	24.00
Advance income tax (net of provision)	422.39	369.63
Claims, refunds etc. receivable	327.93	119.78
Advance recoverable in cash or kind or for value to be received	1037.95	1219.95
	<u>2464.04</u>	<u>2181.46</u>





	As at March 31, 2012 Rs. in lacs	As at March 31, 2011 Rs. in lacs
<b>21. OTHER CURRENT ASSETS</b>		
Interest accrued but not due on term deposits	44.07	34.86
Unbilled revenue	458.18	-
Unamortised premium on forward contracts	0.13	0.08
Assets held for disposal (at lower of written down value and net realisable value)	6.30	-
	<u>508.68</u>	<u>34.94</u>
	For the Year ended March 31, 2012 Rs. in lacs	For the Year ended March 31, 2011 Rs. in lacs
<b>22. REVENUE FROM OPERATIONS</b>		
<b>Sale of products</b>		
Telecommunications Cables	10574.26	8929.13
Other Wires & Cables	4532.75	997.50
FRP Rods/Glass Rovings	120.34	153.60
Traded goods*	105.01	2.46
	<u>15332.36</u>	<u>10082.69</u>
<b>Sale of services</b>		
Contract revenue	11498.24	10762.16
	<u>11498.24</u>	<u>10762.16</u>
<b>Other operating revenues</b>		
Scrap materials	391.32	384.81
Processing & job work income	26.22	30.89
Export incentives	73.29	119.89
	<u>490.83</u>	<u>535.59</u>
	<u>27321.43</u>	<u>21380.44</u>
*None of these individually account for more than 10% of total revenue from sale of products.		
<b>23. OTHER INCOME</b>		
Interest income	192.50	89.04
Dividend income on non-current investments	1593.49	1642.42
Foreign exchange rate fluctuation (net)	-	47.25
Unspent liabilities/sundry balances written back (net)	14.50	26.28
Rent received	90.64	86.46
Profit on disposal of fixed assets (net)	1.83	1.77
Profit on sale of long term investments	263.12	-
Profit on sale of current investments	123.21	165.78
Other non operating income	17.77	124.85
	<u>2297.06</u>	<u>2183.85</u>



	For the Year ended March 31, 2012 Rs. in lacs	For the Year ended March 31, 2011 Rs. in lacs
<b>24. COST OF MATERIALS CONSUMED*</b>		
Opening stock	907.75	1212.27
Add: Purchase [Less : Sales and claim Rs. 139.68 lacs (Rs.93.86 lacs)]	12827.48	7682.51
	<u>13735.23</u>	<u>8894.78</u>
Less: Closing stock	939.46	907.75
	<u>12795.77</u>	<u>7987.03</u>
<b>Details of Raw materials consumed</b>		
Copper	7246.71	4033.30
Polyethylene	1058.58	1054.65
Single Mode Optical Fibre	918.77	1075.09
Others*	3571.71	1823.99
	<u>12795.77</u>	<u>7987.03</u>
* None of these individually account for more than 10% of total cost of materials consumed.		
<b>25. (INCREASE)/DECREASE IN INVENTORIES</b>		
<b>Closing inventories</b>		
Work-in-progress*	2118.32	773.83
Finished goods	27.28	8.42
Stock-in-trade	74.00	35.33
Scrap materials	22.51	10.70
	<u>2242.11</u>	<u>828.28</u>
<b>Opening inventories</b>		
Work-in-progress*	773.83	978.03
Finished goods	8.42	13.86
Stock-in-trade	35.33	29.12
Scrap materials	10.70	7.38
	<u>828.28</u>	<u>1028.39</u>
	<u>(1413.83)</u>	<u>200.11</u>
<b>*Detail of work-in-progress</b>		
Telecommunications Cables	1047.46	422.44
Other Wires & Cables	132.02	52.62
FRP Rods/Glass Rovings	14.44	8.75
Contracts under execution (EPC)	924.40	290.02
	<u>2118.32</u>	<u>773.83</u>
<b>26. MATERIALS PURCHASED/SUBCONTRACT EXPENSES</b>		
Materials purchased	6176.13	4233.59
Other engineering & construction expenses	3673.78	3098.92
	<u>9849.91</u>	<u>7332.51</u>



	For the Year ended March 31, 2012 Rs. in lacs	For the Year ended March 31, 2011 Rs. in lacs
<b>27. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, wages, bonus and benefits, etc.	1707.16	1535.21
Contribution to provident and other funds, etc.	162.79	137.29
Welfare expenses	137.77	137.62
	<u>2007.72</u>	<u>1810.12</u>
<b>28. FINANCE COSTS</b>		
Interest expenses	798.70	498.62
Foreign exchange rate fluctuation *	119.28	-
Other borrowing costs	242.58	232.61
	<u>1160.56</u>	<u>731.23</u>
*To the extent considered as an adjustment to borrowing costs.		
<b>29. OTHER EXPENSES</b>		
Consumption of stores and spares	160.94	232.26
Packing materials	341.01	240.24
Processing/job work and testing charges	37.90	35.58
Power and fuel	385.42	341.34
Sales commission (other than sole selling agent)	216.77	329.15
Rent	190.15	154.17
Repair & maintenance		
Plant & machinery	57.56	104.31
Buildings	19.53	29.13
Others	15.81	18.37
Insurance	56.16	72.48
Rates & taxes	306.40	163.45
Travelling and conveyance	366.76	344.72
Payment to auditors		
Statutory auditors		
Audit fees	6.93	6.77
Tax audit fee	0.98	1.00
Quarterly reviews	4.27	3.20
Certification etc.	2.77	2.68
Reimbursement of expenses	0.39	0.90
Cost auditors		
Audit fees	0.45	0.45
Reimbursement of expenses	0.03	0.01
Legal and professional	169.65	185.10
Provision for doubtful debts	78.03	30.00
Foreign exchange rate fluctuation (net)	30.94	-
Excise duty on Increase/(decrease) in stocks	4.23	(0.31)
Contingent provision against standard assets	8.00	1.75
Miscellaneous expenses	495.19	565.07
	<u>2956.27</u>	<u>2861.82</u>



	For the Year ended March 31, 2012 Rs. in lacs	For the Year ended March 31, 2011 Rs. in lacs
<b>30. DEPRECIATION AND AMORTISATION EXPENSES</b>		
On fixed assets (refer Note No. 12)	526.76	511.27
Less: Transferred from revaluation reserve	0.41	0.54
	<u>526.35</u>	<u>510.73</u>

**31. EARNING PER SHARE (EPS):**

Particulars	As at March 31, 2012	As at March 31, 2011
Basic/ weighted average number of equity shares outstanding during the year	11850863	11850863
Profit for the year (Rs. in lacs)	190.22	1385.60
Nominal value of share (Rs.)	10.00	10.00
EPS (Basic and diluted)	1.60	11.69

**32. Contingent liabilities and Commitments (to the extent not provided for) :**

## (a) Contingent liabilities :

- (i) Claims against the Group not acknowledged as debts Rs.6.86 lacs (Rs.6.86 lacs).
- (ii) Pending cases with income tax appellate authorities where income tax department has preferred appeals - liability not ascertainable except Rs.0.73 lac (Rs.1.56 lacs).
- (iii) Appeals preferred by the Parent Company and joint venture against the claim/levy of differential sales tax, interest, penalty, etc., due to timely non-submission of declaration forms for concessional sales tax and appeal preferred by the joint venture against the claim/levy of interest on the pretext of alleged delay in repayment of one installment of interest free sales tax loan. The demand (s)/levy being wholly without jurisdiction and arbitrary or appealable on merits of the cases have been stayed and are pending before the appellate authorities, liabilities against which are unascertainable until final outcome in the pending cases.
- (iv) Bills of exchange under letter of credit discounted with a bank and outstanding at the end of the year Rs. 56.63 lacs (Nil).
- (v) Cross corporate guarantee given by the Parent Company as a collateral security against working capital credit facilities aggregating to Rs. 4680.18 lacs (outstanding as on March 31, 2012 Rs. 2443.46 lacs) sanctioned by a bank to a joint venture.

The future cash outflow in respect of items (i) to (iii) above is determinable only on receipt of the decisions/judgements in the cases pending at various forums and authorities concerned.

## (b) Commitments:

- (i) Estimated amount of contracts remaining to be executed on capital accounts (net of advances) and not provided for Rs. 71.60 lacs (Rs. 44.64 lacs).
- (ii) Commitment relating to Derivatives and lease arrangements are disclosed in Note No. 37 and Note No. 41, respectively.

**33.** The Parent Company and its joint venture have filed two separate law suits against an overseas supplier and its Indian agent. The supplier in order to overreach the said law suit invoked alleged arbitration agreement which is subject matter of the Suit filed by the Parent Company and its joint venture, interalia, claiming recovery of an aggregate amount equivalent to Rs.4811.65 lacs as at 31st March, 2012, as damages for the unsupplied goods for the period from October, 2002 to September, 2006. The Civil Court stayed the Arbitration proceedings and the said stay orders have been confirmed by the High Court of Madhya Pradesh at Jabalpur and also by the Hon'ble Supreme Court. Orders of the High Court of Madhya Pradesh referring the parties to Arbitration have also been stayed by the Hon'ble Supreme Court in the Special Leave Petitions filed by the Parent Company and its joint venture, which are pending before the Hon'ble Supreme Court. Based on appraisal of the matter, the Parent Company and its joint venture have been legally advised that the said claim against them is unsustainable and there is no likelihood of any liability arising against them.

**34.** Trade receivables (considered good) include Rs.300.41 lacs (Rs.201.51 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.



35. In the opinion of the management, the decline in the market value of a quoted Non-current investment (trade) (carrying cost Rs. 3638.64 lacs) by Rs. 1622.03 lacs at the year end is temporary, in view of the strategic long term nature of the investment and having regard to intrinsic asset base/net worth and future growth potential anchored on state-of-the-art manufacturing facilities of the investee company and hence, does not call for any provision there against.

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

Particulars		2011-12 Rs. in lacs	2010-11 Rs. in lacs
(a)	Contract Revenue recognized for the year	11498.24	10762.16
(b)	The relevant information relating to Contracts in progress at the reporting date are given below:		
(i)	Aggregate amount of cost incurred	20225.64	14290.57
(ii)	Recognized profit upto the reporting date	17.96	850.65
(iii)	Amount of advance received	454.01	323.07
(iv)	Amount of outstandings/retentions	8860.39	6897.08
(v)	Contracts under execution	924.40	290.02
(vi)	Advance billing to customers	Nil	Nil

37. Foreign currency exposures as at the Balance Sheet date:

(a) The Group's uses forward exchange contracts to hedge its exposure in foreign currency. The details of foreign currency exposures hedged by derivative instruments and those have not been hedged are as follows:

Particulars	Currency	As at March 31, 2012	As at March 31, 2011
Forward exchange contracts outstanding			
Payables	USD	179755	788636
	Rs. in lacs	92.65	356.19
Receivables	USD	370000	1902000
	Rs. in lacs	187.48	841.25
<b>Total</b>	USD	549755	2690636
	Rs. in lacs	280.13	1197.44
Foreign currency exposures not covered by any derivative instrument			
Payables	USD	4479728	2214152
	EURO	-	35000
	NPR	69839689	68038604
	Rs. in lacs	2745.08	1447.18
Receivables	USD	1140359	557086
	EURO	-	155
	NPR	105225611	125650632
	Rs. in lacs	1235.47	1032.38
Bank balances	USD	314	9415
	NPR	1095165	4172280
	Rs. in lacs	7.00	30.24
<b>Total</b>	USD	5620401	2780653
	NPR	176160465	197861516
	EURO	-	35155
	Rs. in lacs	3987.55	2509.80

(b) A sum of Rs.2.84 lacs (Rs.3.32 lacs) on account of unamortized foreign exchange discount on outstanding forward contracts is being carried forward to be credited to Consolidated Statement of Profit and Loss of the subsequent period.

**38. 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 Statement in Profit and Loss 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, 2012 are summarised below:

- (i) Amount recognized in Consolidated Statement of Profit and Loss:

Rs.in lacs

Particulars	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
Current service cost	2.96	28.08	-	-
Interest cost on benefit obligation	20.90	16.83	3.52	3.38
Expected return on plan assets	(19.07)	(14.10)	-	-
Net Actuarial (Gain)/Loss recognized in the year	10.24	4.24	1.23	1.26
Add: Impact of variation in actual and expected return on plan assets	(1.11)	(0.78)	-	-
Add : Amount payable on full and final settlement	-	(0.09)	-	-
Add : Insurance cost borne by the Group	1.56	1.46	-	-
Add : Movement of short term liability of employee	-	-	-	-
Net benefit expense	15.48	35.64	4.75	4.64
Actual return on plan assets	(20.18)	(14.88)	-	-

- (ii) Amount recognized in the Balance Sheet:

Rs.in lacs

Particulars	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
Defined benefit obligation	290.10	263.99	47.94	48.00
Fair value of the plan assets	248.76	188.15	-	-
Net Asset/(Liability)	(41.34)	(75.84)	(47.94)	(48.00)

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

Rs.in lacs

Particulars	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
Opening defined benefit obligation	263.99	220.73	48.00	48.17
Interest Cost	20.90	16.83	3.52	3.38
Current Service Cost	2.96	28.08	-	-
Benefit paid	(7.99)	(5.89)	(4.81)	(4.81)
Actuarial (Gain)/Loss on obligations	10.24	4.24	1.23	1.26
Closing Defined Benefit Obligation	290.10	263.99	47.94	48.00

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

Rs.in lacs

Particulars	Gratuity	
	2011-12 Rs. in lacs	2010-11 Rs. in lacs
Opening Fair value of Plan Assets	188.15	136.08
Expected Return	19.07	14.10
Contribution by employer	43.34	38.81
Benefits paid	(2.90)	(1.71)
Actuarial Gain on Plan Assets	1.11	0.78
Amount payable on full & final settlement	-	0.09
Closing Fair Value of Plan Assets	248.77	188.15



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

Particulars	Gratuity	
	2011-12 (%)	2010-11 (%)
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.40.67 lacs to Gratuity Fund during the year 2012-13.

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

Rs.in lacs

Particulars	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
Mortality Table	<b>LIC 1994-96 Ultimate</b>	LIC 1994-96 Ultimate	<b>LIC 1994-96 Ultimate</b>	LIC 1994-96 Ultimate
Attrition Rate	<b>5.00% p.a.</b>	5.00% p.a.	<b>N.A.</b>	N.A.
Imputed rate of interest	<b>8.65% p.a.</b>	8.25% p.a.	<b>8.60% p.a.</b>	8.25% p.a.
Salary rise	<b>7.50% p.a.</b>	7.50% p.a.	<b>N.A.</b>	N.A.
Return on plan assets	<b>9.25%</b>	9.25%	<b>N.A.</b>	N.A.
Remaining working life	<b>16.53 Years</b>	17.85 Years	<b>N.A.</b>	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.

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 Statement of Profit and Loss 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 employee benefits expense in the Consolidated Statement of Profit and Loss.

### 39. 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 Telecommunication Cables, Other types of wires and cables, FRP rod/Glass rovings, etc.

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



(a) Primary Segment Information (by business segments):

The following table presents revenue and profit/(loss) information regarding business segments for the year(s) ended March 31, 2012 and March 31, 2011 and certain assets and liabilities information relating to business segments at March 31, 2012 and March 31, 2011.

Rs.in lacs

Business Segments	Year Ended March 31, 2012			Year ended March 31, 2011		
	Cables	EPC	Total	Cables	EPC	Total
<b>Revenue</b>						
External Sales (Net)	14336.66	11582.80	25919.46	9795.55	10764.41	20559.96
Other Income*	119.25	14.36	133.61	348.84	2.16	351.00
Total Revenue	14455.91	11597.16	26053.07	10144.39	10766.57	20910.96
<b>Results</b>						
Segment result (PBIT)	(990.80)	(155.79)	(1146.59)	(895.80)	840.50	(55.30)
Unallocable Income/ Expenses (Net)			2061.14			1886.77
Operating Profit			914.55			1831.47
Interest (Net)			(606.20)			(409.58)
Provision for Tax (Net)			(118.13)			(36.29)
Profit after Tax			190.22			1385.60
<b>Other Information</b>						
Segment Assets	15614.80	14684.02	30298.82	11443.71	11317.21	22760.92
Unallocable Assets			14564.76			15120.47
Total Assets			44863.58			37881.39
Segment Liabilities	2647.68	4305.00	6952.68	1337.19	3463.10	4800.29
Unallocable Liabilities			9807.15			5167.16
Total Liabilities			16759.83			9967.45
Capital Expenditure	100.69	45.80	146.49	427.49	187.73	615.22
Depreciation	426.27	100.08	526.35	412.97	97.76	510.73
Other Non Cash Expenditure	78.03	-	78.03	30.00	-	30.00

\* Excludes Rs. 2262.96 lacs (Rs.1983.70 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.

Rs.in lacs

Sl. No.	Geographical Segments	2011-12	2010-11
(i)	Domestic Market (within India)	23173.95	15870.37
(ii)	Overseas Markets (Outside India)	2745.51	4689.66
	<b>Total</b>	<b>25919.46</b>	<b>20560.03</b>

(i) All the assets of the Group, except the carrying amount of assets aggregating to Rs. 1641.27 lacs (Rs.1974.85 lacs) are within India.

(ii) 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.

40. Disclosures in respect of related parties as defined in Accounting Standard (AS-18), with whom transactions were carried out in the ordinary course of business during the year are given below:

Joint Venture	: Birla Ericsson Optical Ltd. (BEOL)
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 (ECA) being venturer of BEOL Universal Cables Limited (UCL) Venture of BEOL





(a) Nature of transactions:

Rs.in lacs

Sl. No.	Particulars	Parent Company, its Subsidiaries with Joint Venture		Joint venture with its venturer (UCL)	
		2011-12	2010-11	2011-12	2010-11
(i)	Purchases of Products /Traded Goods, Raw materials	131.75	180.15	1.40	61.73
(ii)	Sale of Raw Materials, Stores, Spares and Packing Materials	380.09	238.83	0.01	0.14
(iii)	Sale of products	43.60	43.60	0.87	-
(iv)	Other Service Charges/Lease Rent Received	13.91	24.87	0.91	0.64
(v)	Other Service Charges Paid	12.84	5.81	-	-
(vi)	Sale of Fixed Assets	-	-	-	0.01
(vii)	Interest on Inter-Corporate Deposits paid	155.45	82.23	-	-
(viii)	Inter-Corporate Deposits taken	5679.49	3393.13	-	-
(ix)	Inter-Corporate Deposits given	433.35	-	-	-
(x)	Inter-Corporate Deposits repaid	5679.49	3393.13	-	-
(xi)	Cross Corporate Guarantee given	4680.18	-	-	-
(xii)	Cross Corporate Guarantee accepted	14950.58	-	-	-
(xiii)	Dividend received	-	-	2.95	3.69
(xiv)	Balance Outstanding at the year end				
	Payable	-	-	-	-
	Receivable	433.35	-	-	-

(b) Salary and benefits to Managing Director and Whole-time Directors:

Rs.in lacs

Sl. No.	Name of Managing Director/Whole-time Directors	2011-12	2010-11
(i)	Shri Y.S.Lodha	37.98	24.77
(ii)	Shri D.R. Bansal	2.15	2.15
(iii)	Shri S.K.Daga	0.12	0.12
(iv)	Shri D.L.Rathi	0.12	0.12
(v)	Shri K.Damani	0.12	0.12
	<b>Total</b>	<b>40.49</b>	<b>27.28</b>

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

41. 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.75.92 lacs (Rs. 71.68 lacs) are charged to the Consolidated Statement of Profit and Loss.



## 42. Deferred Taxes:

Rs.in lacs

Sl. No.	Particulars	As at March 31, 2012	As at March 31, 2011
(a)	Deferred Tax Liability Depreciation on fixed Assets	623.72	630.75
	<b>Total (a)</b>	<b>623.72</b>	<b>630.75</b>
(b)	Deferred Tax Assets Unabsorbed Depreciation* Expenses allowable for tax purpose when paid	448.24 175.48	523.10 107.65
	<b>Total (b)</b>	<b>623.72</b>	<b>630.75</b>
	<b>Net Deferred Tax Liability or Assets</b>	<b>Nil</b>	<b>Nil</b>

\*The Deferred Tax Assets amounting to Rs 448.24 lacs (Rs. 523.10 lacs) in respect of carry forward unabsorbed depreciation has been recognised considering the possible reversal of deferred tax liabilities in future years.

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

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

Rs.in lacs

Sl. No.	Particulars	As at March 31, 2012	As at March 31, 2011
(a)	the principal amount and interest due thereon remaining unpaid to any supplier Principal amount Interest thereon	577.24 10.40	279.03 5.52
(b)	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
(c)	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
(d)	the amount of interest accrued and remaining unpaid	10.40	5.52
(e)	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

45. Previous year's figures have been regrouped/reclassified, wherever necessary to conform to the current year's presentation. The figures in brackets are those in respect of the previous accounting year.

As per our attached report of even date.

Signatures to Notes 1 to 45

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

R.Raghuraman  
Partner  
Membership No.081350

New Delhi, May 16, 2012

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

New Delhi, May 16, 2012



**FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES**

(Rs.in lacs)

Sl. No.	Name of Subsidiary Company	As at March 31, 2012				For the year ended March 31, 2012							
		Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investments			Turnover/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
						Long Term	Current	Total					
1	August Agents Limited	1525.02	2078.76	3663.54	3663.54	2379.73	128.42	2508.15	552.22	545.28	39.38	505.90	-
2	Insifco Agents Limited	1500.02	2075.85	3625.90	3625.90	2511.66	189.42	2701.08	544.07	538.89	35.00	503.89	-
3	Laneseda Agents Limited	1500.02	2129.19	3689.36	3689.36	2302.41	100.00	2402.41	572.73	566.28	41.00	525.28	-

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

Chairman

Directors

Managing Director  
President (Commercial) & Secretary

New Delhi, May 16, 2012

**FORM OF PROXY**  
**VINDHYA TELELINKS LIMITED**

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

DP ID*	
Client ID*	

Registered Folio No.	
----------------------	--

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a member/members of the above named Company, hereby appoint  
Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_ in the  
district of \_\_\_\_\_ or failing him/her Mr./Mrs. \_\_\_\_\_ of  
\_\_\_\_\_ in the district of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held on Friday, the June 29, 2012, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2012

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 NINTH ANNUAL GENERAL MEETING being held at the Registered Office of the Company on Friday, the June 29, 2012.

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.



"BHAGWAN TIRUPATI BALAJI" IN THE COMPANY'S TOWNSHIP AT REWA ,MADHYA PRADESH



" Company participated in Gitex 2011 held in Dubai showcasing various Telecom products and Solutions ".

# **BOOK - POST PRINTED MATTER**

## **REGISTERED OFFICE & WORKS**

Udyog Vihar,  
P.O. Chorhata,  
Rewa - 486 006  
Madhya Pradesh, India  
Tel: +91-7662-400400  
Fax: +91-7662-400591

## **MARKETING OFFICES**

### **MUMBAI**

Sharda Terraces,  
9th Floor, Plot No.65,  
Sector 11, CBD Belapur,  
Navi Mumbai - 400 614  
Maharashtra, India  
Tel: +91-22-41268855  
Fax: +91-22-41268899

### **NEW DELHI**

605 & 608, DDA Building No.2  
District Centre, Janakpuri,  
New Delhi - 110 058, India  
Tel: +91-11-45538800  
Fax: +91-11-25616571

### **GOA**

Plot No.L64A  
Verna Industrial Estate,  
Verna, Salcette - 403 722  
Goa, India  
Tel: +91-832-2782613  
Fax: +91-832-2782614

### **BENGALURU**

287, 15th Main, RMV  
Extension, Sadashiv Nagar,  
Near Nagasena School,  
Bengaluru - 560 080  
Karnataka, India  
Tel: +91-80-23619981  
Fax: +91-80-23612484

### **KOLKATA**

27-B, Camac Street,  
5th Floor, Kolkata - 700 016  
West Bengal, India  
Tel: +91-33-22805043  
Fax: +91-33-22805046

[www.vtlrewa.com](http://www.vtlrewa.com)

If undelivered please return to :

**VINDHYA TELELINKS LIMITED**

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