ANNUAL REPORT & ACCOUNTS 2012-13

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 2012-13

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

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NOTICE

NOTICE is hereby given that the Thirtieth 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 Tuesday, the July 9, 2013 at 4.00 p.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, 2013, 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 Harsh V.Lodha, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Shri J.Veeraraghavan, 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 21, 2013

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 Wednesday, the July 3, 2013 to Tuesday, the July 9, 2013 (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 inititative 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 de-materialised 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 July 9, 2013.

Name	Shri Harsh V. Lodha	Shri J. Veeraraghavan
Date of Birth	13.02-1967	04.03.1932
Date of Appointment	05.05.2004	27.10.2006
Expertise in specific functional areas	He is an eminent Chartered Accountant and has served as Partner of M/s Lodha & Co., Chartered Accountants. He has been actively involved in significant assignments in the areas of takeovers and mergers/reconstructions and rehabilitations, international and domestic financing, project structuring, capital mobilization, joint-ventures and collaborations. He is serving on the Managing Committee of ASSOCHAM. He has served on the Executive Committee of FICCI and as Chairman of its Corporation Laws and Governance Committee and Co-Chairman of its Young Leaders Forum. He has served as a Member of Working Group on Corporate Governance set up by the Department of Company Affairs, Government of India and Working Group to frame guidelines for the registration and operations of the Securitisation Companies and Asset Reconstruction Companies constituted by the Reserve Bank of India. He has served as Member of the Accounting Standards Board of The Institute of Chartered Accountants of India. He has served as Vice President of the Indian Chamber of Commerce, Calcutta and as Chairman of its Economic Affairs Committee, Banking & Finance and Direct Tax Committees. He has served as Honorary Consul of the Government of Romania for West Bengal, Orissa and Bihar. Also served as the Vice Consul of the Republic of Philippines for Eastern India. He is on Boards of several reputed Companies.	Retired Senior IAS Officer who has served as Secretary to the Govt. of India including of the HRD Ministry
List of outside Directorships held	1. Alfred Herbert (India) Ltd. 2. Birla Corporation Ltd. 3. Birla Ericsson Optical Ltd. 4. Birla Furukawa Fibre Optics Ltd. 5. Fenner (India) Ltd. 6. Hindustan Gum & Chemicals Ltd. 7. Punjab Produce Holdings Ltd. 8. Universal Cables Ltd.	None
Chairman/Member of the Committee of the Board of Directors of the Company	None	Chariman - Share Transfer-cum-Investor Grievance Committee Member - Audit Committee
Chairman/Member of the Committee of the Board of Directors of other Public Company	Chairman - Share Transfer Investor Grievance Committee of Birla Corporation Ltd. & Alfred Herbert (India) Ltd. Member - Audit Committee of Fenner (India) Ltd. & Punjab Produce Holdings Ltd.	None
Shareholding (both own or held by/for other persons on a beneficial basis), if any, in the paid up equity share capital of the Company.	Nil	Nil
Relationship between Directors of the Company	No	No

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

Directors' Report
TO THE SHAREHOLDERS

Your Directors have the pleasure of presenting their Annual Report, together with the Audited Financial Statements of the Company for the year ended March 31, 2013.

ACCOUNTS & FINANCIAL MATTERS

	2012-13 Rs. in lacs	2011-12 Rs. in lacs
Revenue from operations (gross)	**35815.84**	26277.30
Other income	**917.40**	681.96
	36733.24	26959.26
The year's working shows a Gross Profit/(Loss) (after Interest) of -	**1064.37**	(824.52)
Less : Depreciation and Amortisation expense	**476.62**	475.76
Profit/(Loss) before Tax	**587.75**	(1300.28)
Current Tax(MAT)	**13.81**	-
Income tax and fringe benefit tax charge/(credit) of earlier years	**-**	3.18
Net Profit/(Loss) for the year	**573.94**	(1303.46)

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 has reported improved performance; achieving higher revenue from operations by 36.30%. The year 2012 witnessed the heightened regulatory uncertainty in the telecom sector, which forced all the stakeholders in the industry, to play safe in terms of reduced network roll-out, which affected your company's overall business outlook. However, the current year promises full of new projects being lined up by major companies in public sector such as Bharat Broadband Network Limited (BBNL) for its National Optical Fibre Network Project (NOFN), BSNL's Network for Spectrum (NFS) for Defence forces. In private sector, a leading Telecom player's roll out of a country-wide 4G LTE network using high fibre count ribbon type OF cable and all other private telecom operators' plan of enhancing their network reach for their 2G and 3G networks, etc. will add wings to the government's initiatives. The last budget presented in the Parliament, which is being regarded as realistic hinge on growth and development, will definitely pave the way for growth in the infrastructure to significant levels which indirectly will contribute to the performance of Company's EPC Division, in the near future.

The gross revenue from operations for the year under review increased to Rs.35815.84 lacs as compared to Rs.26277.30 lacs during the previous year mainly due to increased revenue from cables business by 49.64% (Rs.21307.39 lacs vs. Rs.14239.27 lacs in the previous year). The increased revenue paved the way for higher profitability despite a significant increase in finance costs.

A focused approach by debottlenecking the PIJF Copper Telecom cable production facilities to Railway Quad, Signaling and other specialty copper cables has enhanced the performance of your company in a considerably way, by contributing 40% of the cable division's revenue with better market share, which is worth mentioning. Also the increased off take of optical fibre cable by a leading public sector telecom operator and other important private operators coupled with continuous improvement in export markets has added to the top line performance significantly. As the Company has already focused on clear and consistent priorities to invest in the future to create increased and new revenue streams by continuously upgrading and modernizing the production facilities, the demand for telecom cables which is likely to witness considerable growth with the emergence of government's initiatives and other private customers will be met and the Company can continue to deliver quality products and enjoy customers' loyalty for products which are witnessing expanding volumes.

Your Directors believe the demand for telecom cables will gain a fillip as the NOFN project will be requiring, laying of fibre to pre-last mile stage, which is aimed at reaching 250,000 gram panchayats. In addition to the above, the government's commitment to improve the infrastructure sector will also generate more revenue for your Company's EPC Division to grab major projects in the power and telecom sectors.

The EPC Division sales increased from Rs.11582.80 lacs to Rs.13654.12 lacs, an increase of 17.88% compared to the previous year. The current business verticals of the EPC Division viz. Telecom, Power and Sewerage pipeline building are now geared up for improved performance with change in backlog order composition with enhanced EBITDA margins with a special emphasis on Sewerage pipeline projects.

To keep abreast with the latest trends in the industry, your Company has been continuously augmenting and upgrading the production facilities, with a close watch on cost controls. To have better operational income, your company is adopting a continuous improvement approach by way of optimum resource utilization, prudent sourcing practices of all materials required across different business verticals. Your Company would continue to develop new products by innovation and as per the latest industry requirements, which will further strengthen its competitiveness in both domestic and export market places, leading to customers' bliss and improved operational efficiency.

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, 2013, 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 2012-13 and of the profit for the year ended March 31, 2013;
- 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, 2013 have been prepared on a 'going concern' basis.

JOINT VENTURE

Your directors are pleased to inform that Birla Ericsson Optical Ltd., a venture promoted by your Company in association with Universal Cables Ltd. and Ericsson Cables AB, Sweden has shown significant improvement in the financial performance during the year under review.

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.

Your Company is pleased to inform that Engineering Export Promotion Council, which is a body constituted under Union Ministry of Commerce and Industry, has given the award of Star Performer in the export segment for the Company's various products and services for the year 2010-11.

DIRECTORS

The Board of Directors of the Company at its meeting held on October 31, 2012 has re-appointed Shri Y.S.Lodha as the Managing Director of the Company for a further period of 3 (Three) years with effect from November 4, 2012 to November 3, 2015 for which requisite approvals including from shareholders of the Company vide a Special Resolution passed at the Extra-Ordinary General Meeting held on December 10, 2012 have been obtained.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Harsh V.Lodha and Shri J.Veeraraghavan, 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.

Your Company has appointed Messrs D.Sabyasachi & Co., Cost Accountants, 97/2, Suren Sarkar Road, Beleghata, Trikon Park, Kolkata - 700010 as Cost Auditors for conducting audit of the cost accounts maintained by the Company in respect of cables. The due date and actual date of filing of the cost audit report of the Company for the financial year 2011-12 are 31.01.2013 and 09.01.2013 respectively.

AUDITORS' REPORT

Notes to Financial Statements are self explanatory including with respect to Emphasis of Matter paragraph drawn by the Auditors in their report 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	Chairman
J. Veeraraghavan S.K. Misra R.C. Tapuriah D.R. Bansal	Directors
Y.S. Lodha	Managing Director

New Delhi, May 21, 2013

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, 2013.

(A) CONSERVATION OF ENERGY

The Company's operations do not involve substantial consumption of energy in comparison to the cost of production. Nevertheless, 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.
- Installing Solenoid valves on pneumatic lines of air wipers to reduce wastage of compressed air.
- Reduced MDI from 2000KVA to 1800KVA in order to reduce MD charges.
- Engineering changes on continual basis to take advantage of the lowest cost energy source in most significant processes.
- Consistent quality power supply to critical production machinery through UPS system resulting in improved power factor, reduced dependence on captive power and avoidance of uninformed power outages.
- 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. (b) Design and development of special products as per evolving technical standards in the industry as well as specific to the requirement of certain export market. (c) Development of Fibre to the Antennae cable with spiral steel strip Armouring. (d) Development of ARP Rods and Water Blocking Glass Roving. (e) Review and revision of design/ process parameters for improved products, based on end use requirement of the customer.
2. Benefits derived as a result of the above R&D	(a) Flexible and agile manufacturing, keeping pace with the rapidly changing market needs. Launch of new products, improvement in productivity, and overall operating efficiency. (b) Enhanced products range to address emerging market opportunities. (c) Development of products meeting diversified applications by modifying manufacturing processes.
3. Future plan of action	Continuous focus on becoming globally competitive based on evolving industry standards, further cost reduction, improved products quality with safety and ecology.
4. Expenditure on R&D	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 Copper 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. (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. (b) New product launches. (c) Improved productivity and process controls. (d) Import substitution and overall cost reduction.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo are contained in Note No. 45(a), 45(b) & 45(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 21, 2013

Management Discussion and Analysis

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. PIJF 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 PIJF. 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. The Indian telecom sector is expected to witness flat-to-slight growth during the period 2013-15. Strong growth rates have become a distant memory for the sector as operators are under increasing financial pressure and responding with measures like network sharing, procurement partnerships, and consolidation. The National Optical Fiber Network(NOFN) is finally taking off. Thirteen state governments and three union territories (UTs) have signed tripartite Memorandums of Understanding for free Right of Way (RoW) with the central government and Bharat Broadband Network Limited. About 140,727 Gram Panchayats are expected to receive coverage by optical fibre network in these states and UTs. The central government, through Universal Service Obligation Fund (USOF), will fund the project while state governments would provide free RoW for laying optical fibre cable.

In an effort to encourage indigenous manufacturing of telecom products and keeping in view the security concerns of the country, the union government has approved the Preferential Market Access (PMA) Policy to support domestic manufacturers and give preference to domestically manufactured telecom and electronic products. Year 2013 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 year 2012 witnessed the approval of National Telecom Policy and National Manufacturing Policy, though it also saw the heightened regulatory uncertainty in the sector owing to cancellation of licenses by the Supreme Court, spectrum reframing, and one-time charge for spectrum. It is likely to impact financial health, sustainability, and growth of an industry, which is one of the major contributors toward the socio-economic and GDP growth of the country.

With the telecom sector at a critical juncture, the vision of increased average revenue per user and broadband for masses is anticipated to be solely met by proper implementation of progressive and supportive policies provided by the government and the regulator, which in turn is expected to reduce the cost burden on the industry and provide impetus to free flow of investment, ideas and technology to facilitate growth and evolution of this sector. The financial year 2012 saw the continuance of growth for the Indian telecom market, which witnessed a 12.41 percent YoY increase in its subscriber base during the 12-month period. At the end of March, 2012, the country's total telecom subscriber base (fixed plus mobile) stood at about 951 million. The teledensity level stood at about 78.66 percent by the end of Financial Year 2012. Various favourable initiatives from the government, such as the introduction of mobile number portability and 3G, have contributed to this growth. With low penetration levels, especially in the rural areas, the Indian telecom market presents significant opportunities of growth.

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 XIth Five Year Plan aims at a sustainable GDP growth rate of 9% but there is general consensus that infrastructure inadequacies would constitute a significant constraint in realizing this development potential. To overcome this constraint, an ambitious programme of infrastructure investment, involving both public and private sector, is being developed by the Government. To exploit the emerging opportunities, the Company's EPC Division's strategy is focused on expanding its participation in telecommunications, power and oil

& gas distribution verticals given the growth potential by providing high quality services to customers and grow business by leveraging on its strength and synergies.

PRODUCT-WISE PERFORMANCE

Telecommunication Cables

The Company's sales turnover on account of Telecommunication cables, comprising of PIJF, OFC, Quad cables etc. increased from Rs.9586.44 lacs in the previous year to Rs.13163.59 lacs, during the year under review, mainly due to increase in demand from government customers, private operators and supplies to Railways.

The Company's concentration on export markets has started yielding dividends with the export sales increasing by 21% in the PIJF Cables.

The increase in revenue from OFC business at Rs.5606.95 lacs as compared to Rs.2809.01 lacs in the previous year is very significant. The Company has been constantly looking for export opportunities in this area and exported to customers in Poland, Australia, etc.

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 telecom cables industry is likely to witness considerable growth with the emergence of new technologies and government initiatives under the National Telecom Policy (NTP) 2012. High speed and high bandwidth backhaul is required for increasing data usage on the 3G platform and the introduction of 4G services. The demand for telecom cables will gain a fillip as service providers upgrade this backhaul in their networks. A choked backbone network has led to low quality 3G services, resulting in slow uptake. With service providers planning to shift to long term evolution and high speed packet access plus (HSPA+) networks, they would need a radical upgrade of their network capabilities.

Other Wires & Cables

Also, there was a significant increase in other wires & cables sales from Rs.4513.85 lacs to Rs.7811.28 lacs in this year, mainly on account of supply of Signaling cables to Railways.

EPC Contracting/Turnkey Services

As the Company has concentrated on completing the pending orders 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. 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 and will be bagging prestigious projects from various government agencies in the next financial year. Most of the projects which were targeted and won at low margins in order to build credentials for the company are completed. 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 2012-13 your Company's performance has been significant. The Company has increased its share of market not only in traditional cables business but also in export markets, EPC Division and achieved a reasonable profit.

FINANCIAL REVIEW

- The revenue from operations (gross) increased by approx. 36.30% to Rs.35815.84 lacs in 2012-13 as compared to Rs.26277.30 lacs in the previous year.
- The aggregate other income increased to Rs.917.40 lacs as against Rs.681.96 lacs compared from the previous year mainly due to higher interest income.
- The Company achieved profit before depreciation of Rs.1064.37 lacs as against loss before depreciation of Rs.824.52 lacs as compared to previous year mainly due to higher contribution from both the Divisions.
- The finance costs are higher at Rs.1994.87 lacs (previous year Rs.1201.58 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 increase in Reserves & Surplus by Rs.574.05 lacs is because of the net profit in the current year.

The additions to the fixed assets of Rs.321.15 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.4757.40 lacs as on March 31, 2013 from Rs.3234.68 lacs as at the end of the previous year mainly due to increase in work-in-progress and raw materials.
- The trade receivables level at Rs.19034.36 lacs as on March 31, 2013 as compared to Rs.17578.22 lacs as on March 31, 2012 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

The Indian telecom market has witnessed exponential growth in the past decade. According to a report by AT Kearney, from a subscriber base of 45 million in December, 2001, the number of telephone connections in September 2012 has grown to 938 million. Bulk of this growth has been driven by the wireless segment, which accounted for 97% (907 million subscribers) of all connections in September 2012. Of these, 699 million (77% of wireless subscribers) were active on the network. The overall teledensity in India increased from 3.58% in 2001 to 77.04% in September 2012. Today, India is among the top wireless markets in the world. This significant growth has been achieved with increasing network coverage, favourable telecom policy, and competition induced decline in tariffs. Today, the potential of the Indian telecom industry is recognized the world over, and many global players are present in the market.

The growth of telecom sector has had significant socio-economic impact in India. Telecommunication today has transformed from delivering ubiquitous one-to-one voice connectivity to being a medium of many-to-many social connectivity and services. It is imperative that India's transformation into a knowledge economy will leverage this medium.

The National Telecom Policy 2012 provides a framework to enable the next telecom revolution in the country, success of which will be measured by the extent to which the country can bridge the digital divide across urban and rural India, drive mass adoption of broadband services, promote local telecom manufacturing and R&D, and enable an environmentally sustainable growth of the sector. The requisite regulatory impetus, coupled with industry innovation and competitive dynamics will enable all stakeholders to benefit from this next revolution in Indian telecom.

In the wage of the 2G controversy and the resultant uncertainty, the country's telecom sector remained subdued over the past few years. Only a handful of managed services contracts and equipment deals were finalized previously. Most operators, not surprisingly, were hesitant to enter into any major partnerships. However, 2013 seems to have started on a better note.

The transition to FTTH presents a strategic conundrum to both operators and regulators. On one hand, FTTH is clearly the end-game for wireline networks, providing near-infinite bandwidth in a network that will also be simpler to manage with lower OpEx. On the other hand, FTTH is expensive and time-consuming to deploy a once in-a-century replacement of a copper-based network that has been in place in some cases for several decades.

Although deployment of FTTH began at scale about seven years ago, only six percent of all copper-based fixed access lines have been converted during this period. In fact, this graphic exaggerates progress in most countries, because a small number of countries – including South Korea, Japan, China and the United States – account for most of the lines actually deployed. In most of Europe, the proportion of FTTH or even FTTB is much less than five percent of all broadband; rest is DSL or cable modem.

Although FTTH is clearly the preferred end-game for access networks, the successful deployment of vectored VDSL is likely to be essential in some counties to be achievement of regulatory and political objectives for widespread access to higher-speed services before 2020.

FTTH is definitely the long-term solution, but the rollout is expected to be relatively slow as compared to FTTC vectoring. The near-term solution is likely to be virtual unbundling schema based on extensions of existing bitstream services.

This approach can be deployed quickly, overcomes the difficulties of unbundling at street cabinets, and can meet most of the objectives of competitive providers, if properly implemented.

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, interalia, 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 385 number of permanent employees on its Roll as on March 31, 2013.

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.

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, 2013, four Board Meetings were held on May 16, 2012, July 30, 2012, October 31, 2012 and February 9, 2013. 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	4	No	8	2	3
Shri J. Veeraraghavan	Independent Non-Executive	4	No	None	None	None
Shri S.K. Misra	Independent Non-Executive	4	No	None	None	None
Shri R.C. Tapuriah	Independent Non-Executive	3	Yes	9	5	1
Shri D.R. Bansal	Non-Executive	4	No	4	2	None
Shri Pracheta Majumdar	Independent Non-Executive	3	No	1	1	None
Shri Y.S. Lodha (Managing Director)	Executive	4	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 16, 2012	July 29, 2012	October 30, 2012	February 9, 2013
Shri R.C. Tapuriah	Yes	No	Yes	Yes
Shri J. Veeraraghavan	Yes	Yes	Yes	Yes
Shri S.K. Misra	Yes	Yes	Yes	Yes
Shri Pracheta Majumdar	No	No	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. As per terms of reference, the Remuneation Committee vide a circular resolution dated May 15, 2012 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, 2012. During the financial year ended on March 31, 2013, the Remuneration Committee met only once on October 30, 2012 which was attended by all the members. The Committee approved the remuneration package of Shri Y.S.Lodha on his re-appointment as the Managing Director for a further period of 3 (Three) years with effect from November 4, 2012 to November 3, 2015.

At present, the Company does not have any policy for payment of remuneration to Non-Executive Directors including Non-Executive Independent Director except sitting fees at the rate of Rs.15000/- for each meeting of the Board, Audit and Remuneration Committee and/or Rs.2000/- for each meeting of the Share Transfer-Cum-Investors' Grievance Committee thereof attended by any such Director. The details of remuneration paid to Directors/Managing Director for the financial year ended March 31, 2013, are set out below:

(a) Non-Executive Directors:

Name of the Director	Sitting Fees (Rs. in lacs)
Shri Harsh V. Lodha	0.60
Shri J. Veeraraghavan	1.39
Shri S.K. Misra	1.35
Shri R.C. Tapuriah	0.90
Shri D.R. Bansal	0.64
Shri Pracheta Majumdar	0.92

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

Name	Salary	Perquisites, etc.	Sitting Fees	Total
Shri Y.S. Lodha	36.48	5.78	0.45	42.71

Notes: (1) Sitting fees include fees paid for attending Committee Meetings upto November 3, 2012. As per terms of the re-appointment of the Managing Director for a further period of 3 (Three) years with effect from November 4, 2012, no sitting fee will be paid to him for the contractual period.

(2) All appointments are non-contractual except that of the Managing Director which is for 3 (Three) years with effect from November 4, 2012. 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, 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, interalia, include overseeing and reviewing all matters connected with investor's complaints and redressal mechanism besides approval or authorisations for share transfer/ transmission/refusal of transfer/ consolidation/sub-division/dematerialisation or rematerailisation, issue of duplicate share certificate(s), etc. as per applicable statutory and regulatory provisions.

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

Name of the Members	Category	No. of Meetings attended
Shri J. Veeraraghavan	Independent Non-Executive	2
Shri D.R. Bansal	Non-Executive	2
Shri Pracheta Majumdar	Independent Non-Executive	1

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, 2013, two Meetings of the Committee were held on May 16, 2012 and October 30, 2012.

During the year under review, 6 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, 2013.

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
2009-10	Registered Office of the Company - Udyog Vihar, P.O. Chorhata, Rewa - 486 006 (M.P.)	AGM	June 25, 2010	9 a.m.
2010-11	Same as above	AGM	September 7, 2011	10 a.m.
2011-12	Same as above	AGM EGM	June 29, 2012 December 10, 2012	10 a.m. 11 a.m.

All the resolutions set out in the respective notices of the above meetings were passed by the members as ordinary resolutions except a Special Resolution concerning re-appointment of Shri Y.S.Lodha as the Managing Director which was passed on by show of hands at the EGM of the Company held on December 10, 2012. 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.

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.39 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, 2013 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 21, 2013.

(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	:	July 9, 2013 at 4.00 P.M.
• Venue	:	Registered Office of the Company at Udyog Vihar, P.O. Chorhata, Rewa – 486 006 (M.P.)

9.2 **Financial Calendar (2013-14)** **:**
(tentative)

Quarterly Results :

Ending June 30, 2013	:	Last week of July, 2013
Ending September 30, 2013	:	Last week of October, 2013
Ending December 31, 2013	:	Last week of January, 2014
Ending March 31, 2014	:	Second week of May, 2014

9.3 **Book Closure date(s)** : Wednesday, July 3, 2013 to Tuesday, July 9, 2013 (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 2012-13 to BSE & NSE.

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

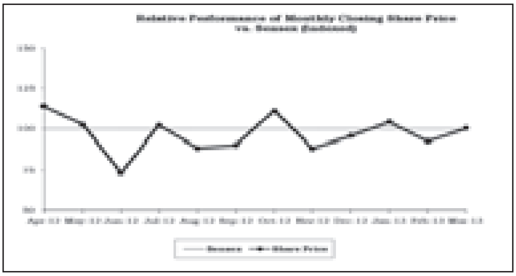
Demat ISIN Number for NSDL & CDSL : INE707A01012

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, 2012	147.00	125.70	12613	148.45	125.00	7769
May, 2012	140.85	126.05	25612	138.70	120.50	8678
June, 2012	146.95	130.00	7964	144.95	130.00	6910
July, 2012	177.60	137.50	206332	177.50	134.15	49060
August, 2012	210.25	160.10	30978	207.85	158.60	46465
September, 2012	229.95	186.15	32572	232.35	190.00	19083
October, 2012	227.50	199.85	8347	221.05	207.95	6729
November, 2012	214.95	192.40	34304	213.30	196.55	6128
December, 2012	214.55	196.00	12882	211.55	195.30	11592
January, 2013	215.90	190.00	6433	213.30	187.30	21819
February, 2013	198.50	182.00	5321	200.25	179.80	15869
March, 2013	189.90	155.30	11651	185.65	157.55	11075

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 weekly 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 process of share transfer requests in physical form including despatch of share certificates is completed within 15 days 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, 2013:**

No.of Equity Shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 500	5136	91.89	673381	5.68
501 - 1000	230	4.12	165627	1.4
1001 - 2000	91	1.63	132347	1.12
2001 - 3000	26	0.47	65681	0.55
3001 - 4000	13	0.23	46423	0.39
4001 - 5000	14	0.25	65133	0.55
5001 - 10000	27	0.48	199562	1.68
10001 and above	52	0.93	10502709	88.63
GRAND TOTAL	**5589**	**100.00**	**11850863**	**100.00**
Physical Mode	**2360**	**42.23**	**5235663**	**44.18**
Electronic Mode	**3229**	**57.77**	**6615200**	**55.82**

(b) **Category of Shareholders as on March 31, 2013:**

Category	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Promoter and Promoter Group*	12	0.21	5157405	43.52
Resident Individuals & Corporates	5258	94.08	4220417	35.61
Financial Institutions/Banks/Mutual Funds	18	0.32	6846	0.06
NRIs/FIIs	277	4.96	1194966	10.08
Societies**	6	0.11	1253886	10.58
Clearing Member	18	0.32	17343	0.15
GRAND TOTAL	**5589**	**100**	**11850863**	**100**

* 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:** 6615200 Equity Shares representing 55.82% 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, 2013.

Company's shares are reasonably liquid. However, they were infrequently traded on the Bombay Stock Exchange Ltd.(BSE) and National Stock Exchange of India Ltd.(NSE) during the financial year 2012-13. Relevant data for the approximate average daily turnover in terms of volume for the financial year 2012-13 is given below :

BSE	NSE	BSE+NSE
1660	918	2578

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

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

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

9.15 **Address for Correspondence:**

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

OR

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

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement relating to Corporate Governance with the Stock Exchanges, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial year 2012-13.

For Vindhya Telelinks Limited

Place : Rewa
Date : May 2, 2013

Y.S. Lodha
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Shareholders of Vindhya Telelinks Limited

1. We have examined the compliance of conditions of Corporate Governance by Vindhya Telelinks Limited ("the Company") for the year ended on 31st March 2013, 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
ICAI Firm Registration No. : 109208W

R.Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : May 21, 2013

Independent Auditors' Report

TO THE MEMBERS OF VINDHYA TELELINKS LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of **Vindhya Telelinks Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;

(b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

(c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 34 to the financial statements regarding non provision for the shortfall in the market value of the quoted investments for the stated reason. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by section 227(3) of the Act, we report that:

(a) 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;

(b) 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;

(c) 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;

(d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

(e) on the basis of written representations received from the directors as on 31st March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31.03.2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

2. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us.

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

R.Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : May 21, 2013

Annexure referred to in paragraph 2 of the Auditors' report to the shareholders of Vindhya Telelinks Limited for the year ended 31st March 2013

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Major items of fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. 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.

2. (a) As explained to us, inventories except stock in transit, have been physically verified by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. No material discrepancies were noticed on verification, between physical stocks and book records.

3. (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.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and 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.

5. (a) According to the information given to us, the particulars of contracts or arrangements during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lacs during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

6. 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.

7. A firm of Chartered Accountants has been appointed to carry out the internal audit. In our opinion, the internal audit system is commensurate with the size and nature of business of the Company.

8. We have broadly reviewed the books of accounts maintained by the Company, pursuant to 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 the opinion that prima facie, the prescribed accounts and records have been maintained and the required statements are in the process of compilation. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. (a) The Company is regular in depositing the undisputed statutory dues including provident fund, employee state insurance, 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. We are informed that there is no liability towards Investor education and protection fund for the year under audit.

   (b) There are no amounts in respect of sales tax, income-tax, excise duty, service tax, customs duty, wealth-tax and cess that have not been deposited with the appropriate authorities on account of any dispute.

10. The Company has no accumulated losses at the end of financial year. The Company has not incurred cash losses during the financial year covered by our audit. However, the Company had incurred cash losses in the year immediately preceding the current financial year.

11. 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.

12. 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.

13. 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.

14. 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.

15. According to the information and explanations given to us, the Company has given a Cross corporate guarantee to a bank for credit facilities sanctioned to Birla Ericsson Optical Limited (joint venture) amounting to Rs. 7,000 lakhs as stated in Note No. 30 (a) (v). In our opinion, the terms and conditions of the guarantee given by the Company, for the credit facilities sanctioned to the joint venture by the bank, are not prejudicial to the interest of the Company. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from financial institutions.

16. The Company did not have any term loan outstanding during the year.

17. 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.

18. 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.

19. The Company has neither issued nor had any outstanding debenture during the year.

20. The Company has not raised any money by way of public issue during the year.

21. 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
ICAI Firm Regn. No. 109208W

R.Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : May 21, 2013

BALANCE SHEET AS AT MARCH 31, 2013

	Note No.	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	3	**1184.08**	1183.97
Reserves and surplus	4	**21357.23**	20783.18
		22541.31	21967.15
NON-CURRENT LIABILITIES			
Other long-term liabilities	5	**55.25**	-
Long-term provisions	6	**215.66**	186.48
		270.91	186.48
CURRENT LIABILITIES			
Short-term borrowings	7	**13883.78**	12198.77
Trade payables	8	**7052.80**	5282.03
Other current liabilities	9	**2003.33**	1082.78
Short-term provisions	10	**309.61**	126.10
		23249.52	18689.68
	Total	**46061.74**	40843.31
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	11		
Tangible assets		**4230.57**	4432.07
Intangible assets		**24.78**	36.55
Capital work-in-progress		**49.24**	28.20
		4304.59	4496.82
Non-current investments	12	**11768.37**	11768.37
Long-term loans and advances	13	**497.74**	547.61
Other non-current assets	14	**786.46**	286.26
		17357.16	17099.06
CURRENT ASSETS			
Inventories	15	**4757.40**	3234.68
Trade receivables	16	**19034.36**	17578.22
Cash and cash equivalents	17	**1461.34**	906.51
Short-term loans and advances	18	**1693.55**	1519.86
Other current assets	19	**1757.93**	504.98
		28704.58	23744.25
	Total	**46061.74**	40843.31
Significant accounting policies	2		

The accompanying Notes 1 to 47 form an integral part of the financial statements.

As per our attached report of even date.

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

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 21, 2013

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

New Delhi, May 21, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note No.	For the Year ended March 31, 2013 Rs. in lacs	For the Year ended March 31, 2012 Rs. in lacs
REVENUE			
Revenue from operations (gross)	20	**35815.84**	26277.30
Less: Excise duty		**2023.82**	1225.32
Revenue from operations (net)		**33792.02**	25051.98
Other income	21	**917.40**	681.96
Total revenue		**34709.42**	25733.94
EXPENSES			
Cost of materials consumed	22	**15880.79**	12060.42
Purchase of stock -in-trade (traded goods)		**150.51**	107.09
(Increase)/decrease in inventories	23	**(648.72)**	(1391.42)
Materials purchased/subcontract expenses	24	**10997.14**	9849.91
Employee benefits expense	25	**2020.39**	1901.39
Finance costs	26	**1994.87**	1201.58
Other expenses	27	**3250.07**	2829.49
Total expenses		**33645.05**	26558.46
EARNINGS BEFORE DEPRECIATION, AMORTISATION AND TAX		**1064.37**	(824.52)
Depreciation and amortisation expense	28	**476.62**	475.76
PROFIT/(LOSS) BEFORE TAX		**587.75**	(1300.28)
Current Tax (MAT) (Refer Note No. 33)		**13.81**	-
Income tax and fringe benefit tax charge/(credit) of earlier years		**-**	3.18
PROFIT/(LOSS) FOR THE YEAR		**573.94**	(1303.46)
Earning per equity share (EPS)			
Basic and diluted EPS (Nominal value of shares Rs.10/- each)	29	**4.85**	(11.01)
Significant accounting policies	2		

The accompanying Notes 1 to 47 form an integral part of the financial statements.

As per our attached report of even date.

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

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 21, 2013

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

New Delhi, May 21, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Rs. in lacs	For the Year ended March 31, 2013 Rs. in lacs	Rs. in lacs	For the Year ended March 31, 2012 Rs. in lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) before tax		**587.75**		(1300.28)
Non-cash adjustment to reconcile profit before tax to net cash flows:				
Depreciation and amortisation	476.62		475.76	
(Profit)/loss on disposal of fixed assets (net)	1.91		(1.89)	
(Gain)/loss on Unrealised foreign exchange rate fluctuations	14.52		17.74	
Provision for doubtful debts (net)	(97.51)		78.03	
Interest income	(300.28)		(80.49)	
Dividend income	(382.81)		(479.61)	
Interest expense	1466.16	**1178.61**	873.29	882.83
Operating Profit/(loss) before working capital changes		**1766.36**		(417.45)
Movement in working capital:				
Increase/(decrease) in trade payables and provisions	2764.74		1985.28	
Decrease/(increase) in trade receivables	(1802.25)		(6227.20)	
Decrease/(increase) in inventories	(1522.72)		(1378.97)	
Decrease/(increase) in loans and advances	(239.33)		(97.38)	
Decrease/(increase) in other current assets	(1206.82)	**(2006.38)**	(458.18)	(6176.45)
Cash generated from/(used in) operations		**(240.02)**		(6593.90)
Direct taxes paid (net of refunds)		**311.15**		(39.50)
Net cash flow from/(used in) operating activities (A)		**71.13**		(6633.40)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(321.15)		(133.71)	
Proceeds from sale of fixed assets	12.24		9.23	
Investment in bank deposits	(1095.17)		(913.39)	
Redemption/maturity of bank deposits	829.81		747.05	
Interest received	276.40		64.18	
Dividend received	382.81		479.61	
Net cash flow from/(used in) investing activities (B)		**84.94**		252.97

	Rs. in lacs	For the Year ended March 31, 2013 Rs. in lacs	Rs. in lacs	For the Year ended March 31, 2012 Rs. in lacs
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013 (Contd.)				
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from share capital	0.11		-	
Proceeds from securities premium	0.47		-	
Proceeds/(repayment) from short term borrowings	1685.45		6643.01	
Interest paid	(1479.57)		(858.82)	
Net cash flow from/(used in) financing activities (C)		**206.46**		5784.19
Net increase/(decrease) in cash and cash equivalents		**362.53**		(596.24)
Cash and cash equivalents at the beginning of the year		**113.22**		709.46
Cash and cash equivalents at the end of the year		**475.75**		113.22
Components of cash and cash equivalents				
Cash on hand		**0.82**		2.78
Cheques, drafts on hand		**206.02**		42.56
In current accounts		**268.91**		67.83
In cash credit account		**-**		0.05
		475.75		113.22

(a) Difference of Rs.1178.75 lacs (Rs.913.39 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
ICAI Firm Registration No.109208W

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 21, 2013

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

New Delhi, May 21, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

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

(i) Operating Lease

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.

(ii) Finance Lease

Finance lease transactions where significant risk & rewards of ownership are effectively transferred, are recognised as outright sales. Profit or Loss resulting from outright sale of the asset being leased, is recognised in Statement of Profit and Loss immediately. Finance income, if any, is recognised over the lease term. 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, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs

3. SHARE CAPITAL

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
Authorized		
1,50,00,000 (1,50,00,000) Equity shares of Rs.10/- each	**1500.00**	1500.00
Issued		
1,18,52,014 (1,18,52,014) Equity shares of Rs.10/- each	**1185.20**	1185.20
Subscribed and paid-up		
1,18,50,863 (1,18,50,863) Equity shares of Rs.10/- each fully paid up	**1185.09**	1185.09
Less: Calls unpaid	**1.01**	1.12
	1184.08	1183.97

(a) Reconcilation of the number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is as under :

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	**Rs. in lacs**	No. of Shares	Rs. in lacs
Outstanding at the beginning of the year	**11850863**	**1185.09**	11850863	1185.09
Outstanding at the end of the year	**11850863**	**1185.09**	11850863	1185.09

(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 :

	As at March 31, 2013		As at March 31, 2012	
Name of the shareholder	**No. of Shares**	**% held**	No. of Shares	% held
Universal Cables Limited	**3454530**	**29.15**	3454530	29.15
The Punjab Produce & Trading Co. Pvt. Ltd.	**1291374**	**10.90**	1291374	10.90
Belle Vue Clinic	**1164286**	**9.82**	1164286	9.82
Acacia Partners, LP	**-**	**-**	643555	5.43

4. RESERVES AND SURPLUS

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
Revaluation reserve - On revaluation of plant and equipment		
Opening balance	**2.67**	3.08
Less: Transferred to Statement of Profit and Loss being difference of depreciation on revalued cost of assets and that on the original cost	**0.36**	0.41
	2.31	2.67
Securities premium account		
Opening balance	**3884.59**	3884.59
Add : Received during the year	**0.47**	-
Closing balance	**3885.06**	3884.59
General reserve		
Opening balance	**16658.85**	16658.85
Closing balance	**16658.85**	16658.85
Surplus in the Statement of Profit and Loss		
Opening balance	**237.07**	1540.53
Add : Profit/(loss) for the year	**573.94**	(1303.46)
Closing balance	**811.01**	237.07
	21357.23	20783.18

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
5. OTHER LONG-TERM LIABILITIES		
Sundry deposits	**55.25**	-
	55.25	-
6. LONG-TERM PROVISIONS		
Provision for employee benefits		
Compensated absences	**183.67**	155.06
Pension	**31.99**	31.42
	215.66	186.48
7. SHORT-TERM BORROWINGS		
Working capital loans/trade credits from banks (Secured)		
Cash credit facilities	**5638.29**	3871.86
Buyer's credit	**987.18**	2102.47
Export packing credit	**1003.31**	2524.44
	7628.78	8498.77
Other short term loans (Unsecured)		
From bodies corporate (repayable on demand)	**2500.00**	1000.00
From related parties (repayable on demand)	**3755.00**	2700.00
	6255.00	3700.00
	13883.78	12198.77

(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, interalia, demand repayment in case of non-compliance of terms and conditions of sanctions or deterioration in the loan accounts in any manner.

(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, etc., both present and future, and are further secured by way of hypothecation of moveable fixed assets, both present and future, ranking pari-passu interse and first charge created by way of joint mortgage by deposit of title deeds of certain 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.

8. TRADE PAYABLES		
Trade payables (Refer Note No. 44 for dues to micro and small enterprises)	**7052.80**	5282.03
	7052.80	5282.03
9. OTHER CURRENT LIABILITIES		
Sundry deposits	**0.35**	54.92
Interest accrued but not due on borrowings	**4.45**	17.86
Other payables		
Mobilisation and other advances from customers	**1415.09**	500.89
Statutory dues	**479.78**	455.06
Accrued employee benefits expense	**94.32**	47.67
For purchase of fixed assets	**9.34**	6.38
	2003.33	1082.78
10. SHORT TERM PROVISIONS		
Provision for income tax (net of advance)	**217.33**	7.88
Provision for employee benefits		
Compensated absences	**23.78**	15.98
Pension	**4.44**	4.44
Gratuity	**26.88**	41.26
Others	**37.18**	56.54
	309.61	126.10

11. FIXED ASSETS

Rs. in lacs

Nature of fixed assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2012	Additions during the year	Disposal/ Deductions	**As at 31.03.2013**	Upto 31.03.2012	Provided during the year	Disposal/ Deductions	**Upto 31.03.2013**	**As at 31.03.2013**	As at 31.03.2012
(A) TANGIBLE ASSETS:										
Land										
Freehold	113.18	-	-	**113.18**	-	-	-	**-**	**113.18**	113.18
Leasehold	44.68	-	-	**44.68**	8.58	0.68	-	**9.26**	**35.42**	36.10
Buildings*	2055.82	-	-	**2055.82**	1161.60	45.11	-	**1206.71**	**849.11**	894.22
Plant & Equipments**	12102.28	279.07	546.55	**11834.80**	8940.88	377.29	515.96	**8802.21**	**3032.59**	3161.40
Furniture & Fixtures	254.22	6.11	0.83	**259.50**	177.00	8.34	0.31	**185.03**	**74.47**	77.22
Office Equipments	116.85	9.17	15.63	**110.39**	84.37	12.91	14.03	**83.25**	**27.14**	32.48
Vehicles	134.62	5.76	7.03	**133.35**	49.29	11.26	3.34	**57.21**	**76.14**	85.33
Leasehold Improvements	48.10	-	-	**48.10**	15.96	9.62	-	**25.58**	**22.52**	32.14
TOTAL (A)	14869.75	300.11	570.04	**14599.82**	10437.68	465.21	533.64	**10369.25**	**4230.57**	4432.07
(B) INTANGIBLE ASSETS:										
Computer Software	70.80	-	-	**70.80**	34.25	11.77	-	**46.02**	**24.78**	36.55
TOTAL (B)	70.80	-	-	**70.80**	34.25	11.77	-	**46.02**	**24.78**	36.55
(C) CAPITAL WORK IN PROGRESS (at cost):										
Under installation/ commissioning	-	-	-	**-**	-	-	-	**-**	**30.83**	28.20
In transit	-	-	-	**-**	-	-	-	**-**	**18.41**	-
TOTAL (C)	-	-	-	**-**	-	-	-	**-**	**49.24**	28.20
TOTAL (A+B+C)	14940.55	300.11	570.04	**14670.62**	10471.93	476.98	533.64	**10415.27**	**4304.59**	4496.82
Previous Year	14824.45	229.69	113.59	14940.55	10095.88	476.17	100.12	10471.93	4468.62	

* Building include Rs.112.79 lacs (Rs.112.79 lacs) given on operating lease. The aggregate written down value of the building as on March 31, 2013 is Rs.33.65 lacs (Rs.35.43 lacs) and depreciation charged during the year is Rs.1.78 lacs (Rs.1.86 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, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
12. NON-CURRENT INVESTMENTS				
(Carried at cost unless otherwise stated)				
Trade Investments				
Quoted - Fully paid up equity shares of Rs. 10/- each				
Investment in Joint Venture				
40,00,100	(40,00,100)	Birla Ericsson Optical Limited	**900.01**	900.01
Other investments				
48,39,908	(48,39,908)	Universal Cables Limited	**3193.75**	3193.75
63,80,243	(63,80,243)	Birla Corporation Limited	**1917.58**	1917.58
Aggregate amount of quoted investments			**6011.34**	6011.34
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	**1525.02**	1525.02
1,50,00,200	(1,50,00,200)	Insilco Agents Limited	**1500.02**	1500.02
1,50,00,200	(1,50,00,200)	Laneseda Agents Limited	**1500.02**	1500.02
			4525.06	4525.06

			As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
NON-CURRENT INVESTMENTS (Contd.)				
Other investments				
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
			1231.95	1231.95
Non trade investment in the equity instruments				
Unquoted- Fully paid up equity shares of Re. 1/- each				
6,900	(6,900)	Free Press House Limited	**0.02**	0.02
			0.02	0.02
Aggregate amount of unquoted investments			**5757.03**	5757.03
			11768.37	11768.37
Aggregate market value of quoted investments (Refer Note No. 34)			**17448.96**	20305.24

13. LONG-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital advances	**106.39**	35.27
Loans and advances to employees	**7.98**	6.43
Security deposits	**64.84**	77.63
Tax deducted at source (net of provision)	**310.42**	425.93
Prepaid expenses	**8.11**	2.35
	497.74	547.61

14. OTHER NON-CURRENT ASSETS		
Long-term trade receivables (unsecured and considered good)	**593.30**	166.16
Non-current bank balances	**193.16**	120.10
	786.46	286.26

15. INVENTORIES [Refer Note No. 2 (g) for mode of valuation]		
Raw materials [including in transit Rs.379.68 lacs (Rs. 269.45 lacs)]	**1684.51**	829.18
Packing Material	**61.45**	52.94
Stores and spares	**211.64**	201.48
Stock-in-trade	**118.63**	72.45
Work-in-progress (Refer Note No.23)	**2668.15**	2037.12
Finished goods	**1.42**	19.55
Scrap	**11.60**	21.96
	4757.40	3234.68

16. TRADE RECEIVABLES (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	**5167.16**	2680.49
Considered doubtful	**125.35**	222.86
	5292.51	2903.35
Others		
Considered good	**13867.20**	14897.73
	19159.71	17801.08
Less: Provision for doubtful debts	**125.35**	222.86
	19034.36	17578.22

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
17. CASH AND CASH EQUIVALENTS		
Cash on hand	**0.82**	2.78
Cheques, drafts on hand	**206.02**	42.56
Balance with banks		
-In current accounts	**268.91**	67.83
-In cash credit account	**-**	0.05
-In term deposit accounts (term deposit receipts pledged with banks towards margin against letter of credit and other commitments)	**1178.75**	913.39
	1654.50	1026.61
Less: Term deposit account having more than 12 months maturity at the year end (disclosed under Note No. 14)	**193.16**	120.10
	1461.34	906.51
18. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Loans and advances to employees	**17.56**	23.35
Security deposits	**135.32**	217.59
Claims, refunds etc. receivable	**327.13**	292.21
Advance recoverable in cash or kind	**1213.54**	986.71
	1693.55	1519.86
19. OTHER CURRENT ASSETS		
Interest accrued but not due on term deposits	**64.55**	40.67
Unbilled revenue	**1665.00**	458.18
Assets held for disposal (at lower of net book value and net realisable value)	**28.38**	6.13
	1757.93	504.98

	For the year ended March 31, 2013 Rs. in lacs	For the year ended March 31, 2012 Rs. in lacs
20. REVENUE FROM OPERATIONS		
Sale of products		
Telecommunications Cables	**13163.59**	9586.44
Other Wires & Cables	**7811.28**	4513.85
FRP Rods/Glass Rovings	**332.52**	138.84
Traded goods*	**158.10**	84.70
	21465.49	14323.83
Sale of services		
Contract revenue	**12754.09**	11498.24
Indefeasible right of use [(IRU) (Refer Note No.40(b))]	**741.93**	-
	13496.02	11498.24
Other operating revenues		
Scrap materials	**504.27**	368.95
Processing & job work income	**200.87**	27.91
Export incentives	**149.19**	58.37
	854.33	455.23
	35815.84	26277.30

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

	For the year ended March 31, 2013 Rs. in lacs	For the year ended March 31, 2012 Rs. in lacs
21. OTHER INCOME		
Interest income	**300.28**	80.49
Dividend income on non-current investments	**382.81**	479.61
Provision for doubtful debts written back (net)	**97.51**	-
Unspent liabilities/sundry balances written back (net)	**-**	13.03
Rent received	**107.86**	90.00
Profit on disposal of fixed assets (net)	**-**	1.89
Other non operating income	**28.94**	16.94
	917.40	681.96
22. COST OF MATERIALS CONSUMED		
Opening stock	**829.18**	815.82
Add: Purchase [Less : Sales and Claim Rs. 747.04 lacs (Rs. 159.02 lacs)]	**16736.12**	12073.78
	17565.30	12889.60
Less: Closing stock	**1684.51**	829.18
	15880.79	12060.42
Details of Raw materials consumed		
Copper	**8060.33**	7246.71
Polyethylene	**1493.34**	1058.58
Single Mode Optical Fibre	**2000.31**	918.77
Others*	**4326.81**	2836.36
	15880.79	12060.42

* None of these individually account for more than 10% of total cost of materials consumed.

23. (INCREASE)/DECREASE IN INVENTORIES		
Closing inventories		
Work-in-progress*	**2668.15**	2037.12
Finished goods	**1.42**	19.55
Stock-in-trade	**118.63**	72.45
Scrap materials	**11.60**	21.96
	2799.80	2151.08
Opening inventories		
Work-in-progress*	**2037.12**	717.59
Finished goods	**19.55**	-
Stock-in-trade	**72.45**	35.12
Scrap materials	**21.96**	6.95
	2151.08	759.66
	(648.72)	(1391.42)
***Detail of work-in-progress**		
Telecommunications Cables	**696.20**	966.26
Other Wires & Cables	**165.23**	132.02
FRP Rods/Glass Rovings	**32.13**	14.44
Contracts under execution (EPC)	**1774.59**	924.40
	2668.15	2037.12
24. MATERIALS PURCHASED/SUBCONTRACT EXPENSES		
Materials purchased	**7864.86**	6176.13
Other engineering & construction expenses	**3132.28**	3673.78
	10997.14	9849.91

	For the year ended March 31, 2013 Rs. in lacs	For the year ended March 31, 2012 Rs. in lacs
25. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus and benefits, etc.	**1704.98**	1616.00
Contribution to provident and other funds, etc.	**173.12**	154.59
Welfare expenses	**142.29**	130.80
	2020.39	1901.39
26. FINANCE COSTS		
Interest expense	**1466.16**	873.29
Foreign exchange rate fluctuation *	**182.82**	100.75
Other borrowing costs	**345.89**	227.54
	1994.87	1201.58
*To the extent considered as an adjustment to borrowing costs.		
27. OTHER EXPENSES		
Consumption of stores and spares	**225.17**	154.23
Packing materials	**495.44**	319.81
Processing/job work and testing charges	**54.01**	36.30
Power and fuel	**479.67**	354.69
Sales commission (other than sole selling agent)	**173.29**	214.66
Rent	**170.45**	189.41
Repair & maintenance		
- Plant & machinery	**87.07**	48.76
- Buildings	**33.28**	19.12
- Others	**22.08**	15.67
Insurance	**74.90**	54.93
Rates & taxes	**404.39**	302.52
Travelling and conveyance	**331.42**	357.89
Payment to auditors		
Statutory auditors		
-Audit fees	**6.00**	6.00
-Tax audit fee	**0.75**	0.75
-Quarterly reviews	**3.00**	4.00
-Taxation matters	**0.25**	0.15
-Certification, etc.	**3.40**	2.25
-Reimbursement of expenses	**0.88**	0.35
Cost auditors		
-Audit fees	**0.40**	0.40
-Certification, etc.	**0.10**	-
-Reimbursement of expenses	**0.20**	0.03
Legal and professional	**139.43**	161.89
Loss on disposal of fixed assets (net)	**1.91**	-
Provision for doubtful debts	**-**	78.03
Bad debts/sundry balances written off (net)	**125.68**	-
Foreign exchange rate fluctuation (net)	**16.91**	26.08
Excise duty on Increase/(decrease) in stocks	**(3.45)**	4.24
Miscellaneous expenses	**403.44**	477.33
	3250.07	2829.49
28. DEPRECIATION AND AMORTISATION EXPENSE		
On fixed assets (Refer Note No. 11)	**476.98**	476.17
Less: Transferred from revaluation reserve	**0.36**	0.41
	476.62	475.76

29. EARNING PER SHARE (EPS):

Particulars	As at March 31, 2013	As at March 31, 2012
Basic/ weighted average number of equity shares outstanding during the year	**11850863**	11850863
Profit/(Loss) for the year (Rs. in lacs)	**573.94**	(1303.46)
Nominal value of share (Rs.)	**10.00**	10.00
EPS (Basic and diluted)	**4.85**	(11.01)

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

(a) Contingent liabilities :-

(i) Claims against the Company not acknowledged as debts Rs. Nil (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. Nil (Rs. 47.72 lacs).

(v) Cross corporate guarantee given by the Company as a collateral security against working capital credit facilities aggregating to Rs.7000.00 lacs (outstanding as on March 31, 2013 Rs. 4470.66 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. 352.49 lacs (Rs. 71.53 lacs).

(ii) Commitment relating to Derivatives and lease arrangements are disclosed in Note No. 36 and Note No. 40 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, interalia, claiming recovery of an aggregate amount equivalent to Rs.3945.31 lacs as at 31st March, 2013, 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. 191.93 lacs (Rs. 300.41 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. The amount of tax credit available to the Company in pursuance to section 115JAA of the Income Tax Act, 1961, against provision for Current Tax (MAT) during the year shall be accounted for as and when allowed.

34. In the opinion of the management, the aggregate decline in the market value of quoted Non-current investments (trade) in a joint venture and in another Company (carrying cost Rs. 4093.76 lacs) by Rs.1877.98 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.

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

Particulars	2012-13 Rs. in lacs	2011-12 Rs. in lacs
(a) Contract Revenue recognized for the year	**12754.09**	11498.24
(b) The relevant information relating to Contracts in progress at the reporting date are given below:		
(i) Aggregate amount of cost incurred	**21549.55**	20225.64
(ii) Recognized profit upto the reporting date	**102.38**	17.96
(iii) Amount of advance received	**1374.46**	454.01
(iv) Amount of outstandings/retentions	**8946.78**	8860.39
(v) Contracts under execution	**1774.59**	924.40
(vi) Advance billing to customers	**Nil**	Nil

36. 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, 2013		As at March 31, 2012	
	In Foreign Currency	Rs. in lacs	In Foreign Currency	Rs. in lacs
Forward exchange contracts outstanding				
Payables	USD 270651	148.59	USD 152115	78.39
Receivables	-	-	USD 370000	187.48
Total	**USD 270651**	**148.59**	USD 522115	265.87
Foreign currency exposures not covered by any derivative instrument				
Payables	USD 2228502	1223.71	USD 4092431	2108.98
	NPR 3718222	23.24	NPR 69839689	436.50
Receivables	USD 1491844	805.89	USD 1096456	555.57
	NPR 18007150	112.54	NPR 105225611	657.66
	EURO 142866	98.66	EURO -	-
	SEK 16656	1.37	SEK -	-
Bank balances	USD 29	0.02	USD 134	0.07
	NPR 9994567	62.47	NPR 1095165	6.84
Total	USD 3720375	2029.62	USD 5189021	2664.62
	NPR 31719939	198.25	NPR 176160465	1101.00
	EURO 142866	98.66	EURO -	-
	SEK 16656	1.37	SEK -	-

(b) A sum of Rs. 0.14 lac (Rs. 2.97 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.

37. 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, 2013 are summarised below:

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

Particulars	Gratuity		Pension	
	2012-13 Rs. in lacs	2011-12 Rs. in lacs	**2012-13 Rs. in lacs**	2011-12 Rs. in lacs
Current service cost	**23.29**	1.56	**-**	-
Interest cost on benefit obligation	**22.04**	19.15	**2.33**	2.65
Expected return on plan assets	**(22.97)**	(17.33)	**-**	-
Net actuarial (Gain)/loss recognized in the year	**11.98**	10.67	**2.68**	0.24
Add : Impact of variation in actual and expected return on plan assets	**(1.00)**	(1.11)	**-**	-
Add : Insurance cost borne by the Company	**1.44**	1.40	**-**	-
Net benefits expense	**34.78**	14.34	**5.01**	2.89
Actual return on plan assets	**(23.97)**	(18.44)	**-**	-

(ii) Amount recognized in the Balance Sheet

Particulars	Gratuity		Pension	
	2012-13 Rs. in lacs	2011-12 Rs. in lacs	**2012-13 Rs. in lacs**	2011-12 Rs. in lacs
Defined benefit obligation	**321.16**	267.53	**36.43**	35.86
Fair value of the plan assets	**294.27**	226.27	**-**	-
Net Asset/(liability)	**(26.89)**	(41.26)	**(36.43)**	(35.86)

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

Particulars	Gratuity		Pension	
	2012-13 Rs. in lacs	2011-12 Rs. in lacs	**2012-13 Rs. in lacs**	2011-12 Rs. in lacs
Opening defined benefit obligation	**267.53**	243.39	**35.86**	37.41
Interest cost	**22.04**	19.15	**2.33**	2.65
Current service cost	**23.29**	1.56	**-**	-
Benefits paid	**(3.68)**	(7.24)	**(4.44)**	(4.44)
Actuarial (Gain)/Loss on obligations	**11.98**	10.67	**2.68**	0.24
Closing defined benefit obligation	**321.16**	267.53	**36.43**	35.86

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

Particulars	Gratuity	
	2012-13 Rs. in lacs	2011-12 Rs. in lacs
Opening fair value of plan assets	**226.27**	166.86
Expected return	**22.97**	17.33
Contributions by employer	**46.56**	43.10
Benefits paid	**(2.53)**	(2.13)
Actuarial Gain	**1.00**	1.11
Closing fair value of plan assets	**294.27**	226.27

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

Particulars	Gratuity	
	2012-13 (%)	2011-12 (%)
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 2013-14.

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

Particulars	Gratuity		Pension	
	2012-13	2011-12	**2012-13**	2011-12
Mortality Table	**IAL 2006-08 Ultimate**	LIC 1994-96 Ultimate	**LIC 1996-98 Ultimate**	LIC 1994-96 Ultimate
Attrition Rate	**5.00% p.a**	5.00% p.a	**N.A.**	N.A.
Imputed rate of interest	**8.25% p.a**	8.65% p.a	**8.60%p.a.**	8.60%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	**15.07 Years**	16.53 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	**2012-13 Rs. in lacs**	2011-12 Rs. in lacs
Contribution to Provident and Family Pension Funds	**81.48**	80.03
Contribution to Superannuation Fund	**33.76**	22.23

38. 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, 2013 and March 31, 2012 and certain liabilities information regarding business segments as at March 31, 2013 and March 31, 2012.

Business Segments	**Year ended March 31, 2013**			Year ended March 31, 2012		
	Cables Rs. in lacs	**EPC Rs. in lacs**	**Total Rs. in lacs**	Cables Rs. in lacs	EPC Rs. in lacs	Total Rs. in lacs
Revenue						
External sales (net) including other operating income)	**19982.41**	**13654.12**	**33636.53**	13469.18	11582.80	25051.98
Inter segment sales	**155.49**	**-**	**155.49**	-	-	-
Other income*	**18.13**	**108.32**	**126.45**	17.50	14.36	31.86
Total revenue	**20156.03**	**13762.44**	**33918.47**	13486.68	11597.16	25083.84
Results						
Segment result (PBIT)	**335.27**	**934.22**	**1269.49**	(912.94)	(155.79)	(1068.73)
Unallocable income/ (expenses) (net)			**484.14**			561.25
Operating Profit/(loss)			**1753.63**			(507.48)
Interest (net)			**(1165.88)**			(792.80)
Tax charge (net)			**(13.81)**			(3.18)
Profit/(loss) after tax			**573.94**			(1303.46)
Other Information						
Segment Assets	**15313.13**	**18669.82**	**33982.95**	13964.99	14684.02	28649.01
Unallocable assets			**12078.79**			12186.42
Total Assets			**46061.74**			40835.43
Segment liabilities	**4174.68**	**5244.64**	**9419.32**	2364.51	4305.00	6669.51
Unallocable liabilities			**14101.11**			12198.77
Total liabilities			**23520.43**			18868.28
Capital expenditure	**289.83**	**31.32**	**321.15**	87.91	45.80	133.71
Depreciation and amortisation	**380.20**	**96.78**	**476.98**	375.68	100.08	475.76
Other non cash Expenditure	**3.37**	**-**	**3.37**	78.03	-	78.03

*Excludes Rs.790.95 lacs (Rs. 650.10 lacs) netted off from unallocated expenses and interest expense.

(b) Geographical Segments:

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

Sl No.	Geographical Segments	2012-13 Rs. in lacs	2011-12 Rs. in lacs
(i)	Domestic Market (within India)	**29967.83**	22521.55
(ii)	Overseas Markets (outside India)	**3824.19**	2530.43
	Total	**33792.02**	25051.98

(i) All the assets of the Company, except the carrying amount of assets aggregating to Rs.1065.04 lacs (Rs.1616.23 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.

39. 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. (AAL), Insilco Agents Ltd. (IAL), Laneseda Agents Ltd. (LAL)
Joint Venture	:	Birla Ericsson Optical Ltd. (BEOL)
Enterprise over which a director is able to exercise significant influence	:	Shakun Polymers Limited (SPL)
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) Transactions with related parties (other than Key Management Personnel):

Sl. No.	Particulars	2012-13					2011-12				
		AAL	**IAL**	**LAL**	**BEOL**	**SPL**	AAL	IAL	LAL	BEOL	SPL
(i)	Sale of Fixed Asset	-	-	-	**2.95**	-	-	-	-	-	-
(ii)	Purchases of Products / Traded Goods, Raw materials	-	-	-	**447.71**	**79.99**	-	-	-	152.01	-
(iii)	Sale of Raw Materials/ Consumables & Traded Goods	-	-	-	**961.52**	-	-	-	-	438.55	-
(iv)	Other Service Charges/ Lease Rent Received	-	-	-	**160.51**	-	-	-	-	16.05	-
(v)	Other Service Charges Paid	-	-	-	**25.89**	-	-	-	-	14.82	-
(vi)	Inter-Corporate Deposits taken	-	-	-	**12517.00**	-	800.00	500.00	700.00	6553.00	-
(vii)	Inter-Corporate Deposits repaid	-	-	-	**11462.00**	-	-	-	-	6553.00	-
(viii)	Interest on Inter-Corporate Deposits paid	**115.50**	**70.88**	**97.12**	**143.80**	-	34.61	21.30	26.77	149.59	-
(ix)	Cross Corporate Guarantee given	-	-	-	**7000.00**	-	-	-	-	5400.00	-
(x)	Cross Corporate Guarantee accepted	-	-	-	**17450.00**	-	-	-	-	17250.00	-
(xi)	Balance outstanding at the year end - Payable - Receivable	 **1100.00** -	 **675.00** -	 **925.00** -	 **1055.00** **0.25**	 **14.96** -	 1100.00 -	 675.00 -	 925.00 -	 - -	 - -

(b) Transactions with Key Management Personnel - Shri Y.S. Lodha, Managing Director

Particular	2012-13 Rs. in lacs	2011-12 Rs. in lacs
Salary & Benefits*	**42.71**	37.98
Balance outstanding at the year end - Payable	**2.00**	-

* As the liability of gratuity and leave encashment is provided on an actuarial basis for the company as a whole, therefore amount not included above.

(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.

40. Leases:

(a) Operating Lease:

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

(b) Finance Lease:

The Company has entered into an Indefeasible Right of Usage (IRU) agreement with a customer for providing telecommunication cable network connectivity for a period of fifteen years. The required disclosure is given herein:

Sl.No.	Particulars	2012-13 Rs. in lacs	2011-12 Rs. in lacs
(a)	Lease revenue recognised as an outright sale	**741.93**	-
(b)	Cost of sales	**599.30**	-
(c)	Profit recognised (a-b)	**142.63**	-

41. Deferred Taxes:

Sl. No.	Particulars	As at March 31, 2013 Rs. In lacs	As at March 31, 2012 Rs. In lacs
(a)	Deferred Tax Liability - Depreciation on Fixed Assets	**549.13**	573.55
	Total (i)	**549.13**	573.55
(b)	Deferred Tax Assets - Unabsorbed Depreciation* - Expenses allowable for tax purpose when paid	**415.65** **133.48**	405.27 168.28
	Total (ii)	**549.13**	573.55
	Net Deferred Tax Liability or Assets	**Nil**	Nil

*The Deferred Tax Assets amounting to Rs. 415.65 lacs (Rs.405.27 lacs) in respect of carry forward unabsorbed depreciation has been recognised considering the possible reversal of deferred tax liabilities in future years.

42. Interest in Joint Venture Company:

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

Name of the Joint Venture Company	Country of Incorporation	Proportion of Ownership Interest	Description of Interest
Birla Ericsson Optical Ltd. (BEOL)	India	13.33%	JV is established principally for manufacture of "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, 2013 and March 31, 2012 in the above company as per its audited financial statements are as under:

Particulars	**As at March 31, 2013 Rs. in lacs**	As at March 31, 2012 Rs. in lacs
Name of Joint Venture	**BEOL (Audited)**	BEOL (Audited)
LIABILITIES		
NON-CURRENT LIABILITIES		
Long-term borrowings	**1.69**	9.59
Long-term provisions	**14.53**	22.47
CURRENT LIABILITIES		
Short-term borrowings	**444.74**	365.44
Trade payables	**487.02**	203.09
Other current liabilities	**84.89**	42.65
Short-term provisions	**14.93**	6.48
Total	**1047.80**	649.72
ASSETS		
NON-CURRENT ASSETS		
Fixed assets		
Tangible assets	**395.93**	429.57
Intangible assets	**0.15**	0.46
Capital work-in-progress	**53.54**	2.55
Non-current investments	**187.45**	187.45
Long-term loans and advances	**15.00**	6.12
Other non-current assets	**-**	0.02
CURRENT ASSETS		
Inventories	**396.02**	234.01
Trade receivables	**497.76**	367.86
Cash and cash equivalents	**93.42**	78.19
Short-term loans and advances	**232.58**	93.67
Other current assets	**5.65**	3.70
Total	**1877.50**	1403.60

Particulars	**For the year ended March 31, 2013 Rs. in lacs**	For the year ended March 31, 2012 Rs. in lacs
Name of Joint Venture	**BEOL (Audited)**	BEOL (Audited)
REVENUE		
Revenue from operations (net)	**1650.35**	1001.12
Other income	**41.92**	30.16
EXPENSES		
Cost of materials consumed	**1235.67**	765.38
Purchase of stock -in-trade (traded goods)	**16.42**	17.84
(Increase)/decrease in inventories	**(52.12)**	(22.40)
Employee benefits expense	**107.69**	98.49
Finance costs	**65.92**	65.36
Other expenses	**194.27**	120.73
Depreciation and amortisation expense	**48.61**	50.62
Income tax and fringe benefit tax credit of earlier years	**-**	(0.43)
Contingent Liabilities	**14.52**	9.33
Capital Commitment	**28.02**	0.07

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":

Sl. No.	Particular	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
(a)	the principal amount and interest due thereon remaining unpaid to any supplier		
	- Principal amount	**485.79**	574.90
	- Interest thereon	**-**	10.40
(b)	the 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 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.	**-**	-
(d)	the amount of interest accrued and remaining unpaid.	**-**	10.40
(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 deductable expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	**-**	-

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

(a) Expenditure in Foreign Currency:

Sl No.	Particulars	2012-13 Rs. in lacs	2011-12 Rs. in lacs
(i)	Interest	**29.57**	36.07
(ii)	Travelling	**12.35**	17.44
(iii)	Commission	**6.39**	46.74
(iv)	Others	**442.47**	553.48

(b) Value of imports on CIF basis:

Sl No.	Particulars	2012-13 Rs. in lacs	2011-12 Rs. in lacs
(i)	Raw materials	**7779.15**	5776.68
(ii)	Spare parts	**59.59**	11.82
(iii)	Traded goods	**28.46**	78.68
(iv)	Capital goods	**106.12**	14.40

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

Sl. No.	Particulars	2012-13		2011-12	
		Value Rs.in lacs	**% to Total**	Value Rs.in lacs	% to Total
(i)	Raw Materials				
	Imported	**7730.47**	**48.68**	5988.82	49.65
	Indigenous	**8150.32**	**51.32**	6071.60	50.35
	Total	**15880.79**	**100.00**	12060.42	100.00
(ii)	Stores and Spares*				
	Imported	**33.42**	**12.24**	10.32	5.90
	Indigenous	**239.61**	**87.76**	164.65	94.10
	Total	**273.03**	**100.00**	174.97	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	2012-13 Rs. in lacs	2011-12 Rs. in lacs
(i)	Export of goods on FOB basis	**3301.65**	1970.73
(ii)	Contract revenue	**489.16**	539.39
(iii)	Interest	**3.35**	4.66
(iv)	Others (Freight & Insurance)	**121.83**	-

46. The Company has reclassified previous year's figures to conform to current year's classification. The figures in brackets are those in respect of the previous accounting year.

47. 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.

As per our attached report of even date.

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

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 21, 2013

Signatures to Notes 1 to 47

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

New Delhi, May 21, 2013

Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF VINDHYA TELELINKS LIMITED

We have audited the accompanying consolidated financial statements of Vindhya Telelinks Limited ("the Company") and its subsidiaries and Joint Venture, which comprise consolidated Balance Sheet as at 31st March 2013 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the 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 Company as at March 31, 2013;

(b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 36 to the Consolidated Financial Statements regarding non provision for the shortfall in the market value of the quoted investment for the stated reason. Our opinion is not qualified in respect of this matter.

Other Matter

(a) We did not audit the financial statements of all subsidiaries, whose financial statements reflect total assets (net) of Rs.12,277.39 lakhs as at March 31, 2013, total revenues of Rs. 1,598.43 lakhs and net cash inflows amounting to Rs. 91.37 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

(b) Read with Note No.1 (e) of the attached consolidated financial statements, the consolidated financial statements have been prepared by the Company'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. Our opinion is not qualified in respect of this matter.

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

R.Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : May 21, 2013

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

	Note No.	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUNDS			
Share capital	3	**1184.08**	1183.97
Reserves and surplus	4	**29038.20**	26919.78
		30222.28	28103.75
NON-CURRENT LIABILITIES			
Long-term borrowings	5	**1.69**	9.59
Other long-term liabilities	6	**55.25**	-
Long-term provisions	7	**230.19**	208.94
		287.13	218.53
CURRENT LIABILITIES			
Short-term borrowings	8	**11421.25**	9797.56
Trade payables	9	**7540.22**	5485.61
Other current liabilities	10	**2088.22**	1125.43
Short-term provisions	11	**334.23**	140.58
		21383.92	16549.18
	Total	**51893.33**	44871.46
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	12		
Tangible assets		**4625.44**	4860.55
Intangible assets		**24.95**	37.03
Capital work-in-progress		**102.79**	30.75
		4753.18	4928.33
Non-current investments	13	**15509.41**	13698.14
Long-term loans and advances	14	**518.64**	558.07
Other non-current assets	15	**786.46**	286.28
		21567.69	19470.82
CURRENT ASSETS			
Current investments	16	**-**	444.23
Inventories	17	**5153.42**	3468.70
Trade receivables	18	**19532.11**	17946.08
Cash and cash equivalents	19	**1652.73**	991.30
Short-term loans and advances	20	**2215.43**	2041.65
Other current assets	21	**1771.95**	508.68
		30325.64	25400.64
	Total	**51893.33**	44871.46

Significant accounting policies 2

The accompanying Notes 1 to 46 from an integral part of the financial statements.

As per our attached report of even date.

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

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 21, 2013

Harsh V.Lodha — Chairman

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

Y.S. Lodha — Managing Director

R. Radhakrishnan — President (Commercial) & Secretary

New Delhi, May 21, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note No.	For the Year ended March 31, 2013 Rs. in lacs	For the Year ended March 31, 2012 Rs. in lacs
REVENUE			
Revenue from operations (gross)	22	**37522.60**	27321.43
Less: Excise duty		**2172.84**	1302.46
Revenue from operations (net)		**35349.76**	26018.97
Other income	23	**2247.69**	2297.06
Total revenue		**37597.45**	28316.03
EXPENSES			
Cost of materials consumed	24	**17048.70**	12795.77
Purchase of stock -in-trade (traded goods)		**166.93**	124.93
(Increase)/decrease in inventories	25	**(700.84)**	(1413.83)
Materials purchased/Subcontract expenses	26	**10997.14**	9849.91
Employee benefits expense	27	**2141.55**	2007.72
Finance costs	28	**1751.12**	1160.56
Other expenses	29	**3422.67**	2956.27
Total expenses		**34827.27**	27481.33
EARNINGS BEFORE DEPRECIATION, AMORTISATION AND TAX		**2770.18**	834.70
Depreciation and amortisation expense	30	**525.21**	526.35
PROFIT/ (LOSS) BEFORE TAX		**2244.97**	308.35
Current tax (including MAT) (Refer Note No.35)		**128.81**	115.38
Income tax and fringe benefit tax charge/(credit) of earlier years		**(2.15)**	2.75
PROFIT/(LOSS) FOR THE YEAR		**2118.31**	190.22
Earning per equity share (EPS)			
Basic and diluted EPS (Nominal value of shares Rs.10/- each)	31	**17.89**	1.61
Significant accounting policies	2		

The accompanying notes 1 to 46 from an integral part of the financial statements.

As per our attached report of even date.

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

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 21, 2013

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

New Delhi, May 21, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		Rs. in lacs	For the Year ended March 31, 2013 Rs. in lacs	Rs. in lacs	For the Year ended March 31, 2012 Rs. in lacs
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit/(loss) before tax		**2244.97**		308.35
	Non-cash adjustment to reconcile profit before tax to net cash flows:-				
	Depreciation and amortisation	525.21		526.35	
	(Profit)/loss on disposal of fixed assets (net)	1.53		(1.83)	
	(Profit)/loss on sale of Investment	(136.48)		(386.33)	
	(Gain)/loss on Unrealised foreign exchange	(14.22)		(9.89)	
	Provision for doubtful debts (net)	(97.51)		78.03	
	Interest income	(361.33)		(192.50)	
	Dividend income	(1503.33)		(1593.49)	
	Interest expense	1202.21	**(383.92)**	798.70	(780.96)
	Operating Profit/(loss) before working capital changes		**1861.05**		(472.61)
	Movement in working capital:				
	Increase/(decrease) in trade payables and provisions	3088.38		2174.34	
	Decrease/(increase) in trade receivables	(1900.02)		(6358.73)	
	Decrease/(increase) in inventories	(1684.72)		(1416.04)	
	Decrease/(increase) in loans and advances	(1452.43)	**(1948.79)**	(682.92)	(6283.35)
	Cash generated from/(used in) operations		**(87.74)**		(6755.96)
	Direct taxes paid (net of refunds)		**204.17**		(170.89)
	Net cash flow from/(used in) operating activities (A)		**116.43**		(6926.85)
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**				
	(Purchase) of fixed assets	(393.32)		(146.49)	
	Proceeds from sale of fixed assets	16.38		9.31	
	(Purchase) of Investment	(2546.88)		(1898.20)	
	Sale of Investment	1316.32		2893.02	
	Investment in bank deposits	(265.49)		(167.54)	
	Interest received	336.75		192.50	
	Dividend received	1496.32		1593.49	
	Net cash flow from/(used in) investing activities (B)		**(39.92)**		2476.09

		For the Year ended March 31, 2013		For the Year ended March 31, 2012
	Rs. in lacs	**Rs. in lacs**	Rs. in lacs	Rs. in lacs

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013 (Contd.)

C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from share capital	0.11		-	
Proceeds from securities premium	0.47		-	
Repayment of long term borrowings	-		(174.62)	
Proceeds/(repayment) of short term borrowings	1608.50		4819.15	
Interest paid	(1216.61)		(798.70)	
Net cash flow from/(used in) financing activities (C)		**392.47**		3845.83
Net increase/(decrease) in cash and cash equivalents		**468.98**		(604.93)
Cash and cash equivalents at the beginning of the year		**132.83**		737.76
Cash and cash equivalents at the end of the year		**601.81**		132.83
Components of cash and cash equivalents				
Cash on hand		**1.43**		3.22
Cheques/drafts on hand		**231.14**		49.54
In current accounts		**369.24**		75.15
In cash credit account		**-**		4.92
		601.81		132.83

(a) Difference of Rs.1244.08 lacs (Rs.978.59 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
ICAI Firm Registration No.109208W

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 21, 2013

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

New Delhi, May 21, 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2013

NOTES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2013, 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, 2013.

(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 (AAL)	India	100.00
Insilco Agents Limited (IAL)	India	100.00
Laneseda Agents Limited (LAL)	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.140.60 lacs (Rs. Nil) and intra group transactions Rs. 53.98 lacs (Rs. 54.08 lacs). Detail of joint venture is as follows:

Name of Joint Venture	Country of Incorporation	Percentage of Ownership
Birla Ericsson Optical Limited (BEOL)	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

(i) Operating Lease

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.

(ii) Finance Lease

Finance lease transactions where significant risk & rewards of ownership are effectively transferred, are recognised as outright sales. Profit or Loss resulting from outright sale of the asset being leased, is recognised in statement of profit and loss immediately. Finance income, if any, is recognised over the lease term. 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, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs

3. SHARE CAPITAL

Authorised		
15000000 (15000000) Equity shares of Rs. 10/- each	**1500.00**	1500.00
Issued		
11852014 (11852014) Equity shares of Rs. 10/- each	**1185.20**	1185.20
Subscribed and Paid-Up		
11850863 (11850863) Equity shares of Rs. 10/- each fully paid-up	**1185.09**	1185.09
Less : Calls unpaid	**1.01**	1.12
	1184.08	1183.97

(a) Reconcilation of number of shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012 is as under:-

	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	**Rs. in lacs**	No. of Shares	Rs. in lacs
Outstanding at the beginning of the year	**11850863**	**1185.09**	11850863	1185.09
Outstanding at the end of the year	**11850863**	**1185.09**	11850863	1185.09

(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 :

	As at March 31, 2013		As at March 31, 2012	
Name of the shareholder	**No. of Shares**	**% held**	No. of Shares	% held
Universal Cables Limited	**3454530**	**29.15**	3454530	29.15
The Punjab Produce & Trading Co. Pvt. Ltd.	**1291374**	**10.90**	1291374	10.90
Belle Vue Clinic	**1164286**	**9.82**	1164286	9.82
Acacia Partners, LP	**-**	**-**	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	**2.67**	3.08
Less : Transferred to Statement of Profit and Loss being difference of depreciation on revalued cost of assets and that on the original cost	**0.36**	0.41
	2.31	2.67
Securities premium account		
Opening balance	**4068.93**	4068.93
Add : Received during the year	**0.47**	-
Closing balance	**4069.40**	4068.93
Reserve Fund (Under the Reserve Bank of India Act, 1934)		
Opening balance	**1313.72**	1006.70
Add: Created during the year	**293.72**	307.02
Closing balance	**1607.44**	1313.72
General reserve		
Opening balance	**19260.79**	19185.79
Add : Amount transferred from surplus	**75.00**	75.00
Closing balance	**19335.79**	19260.79

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
4. RESERVES AND SURPLUS (Contd.)		
Surplus		
Opening balance	**2273.64**	2465.44
Add : Net profit after tax transferred from Statement of Profit and Loss	**2118.31**	190.22
Less : Transferred to reserve fund (Under the RBI Act, 1934)	**293.72**	307.02
Less : Tax on dividend	**-**	-
Less : Transferred to general reserve	**75.00**	75.00
Closing balance	**4023.23**	2273.64
	29038.20	26919.78

5. LONG-TERM BORROWINGS

Secured		
Buyer's credit	**8.41**	23.70
Unsecured		
Sales tax loans (Interest free)	**1.69**	1.69
	10.10	25.39
Less: Current maturities of long-term borrowings at the year end(disclosed under Note No. 10)	**8.41**	15.80
	1.69	9.59

(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, 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 certain 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.

6. OTHER LONG-TERM LIABILITIES

Sundry deposits	**55.25**	-
	55.25	-

7. LONG-TERM PROVISIONS

Provision for employee benefits		
Compensated absences	**195.19**	165.80
Pension	**35.00**	43.14
	230.19	208.94

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
8. SHORT-TERM BORROWINGS		
Working capital loans/trade credits from banks (Secured)		
Cash credit facilities	**5761.44**	3873.45
Buyer's credit	**1081.65**	2271.69
Export packing credit	**1070.48**	2559.11
	7913.57	8704.25
Other short term loans (Unsecured)		
From bodies corporate (repayable on demand)	**2593.31**	1093.31
From Related Parties (repayable on demand)	**914.37**	-
	3507.68	1093.31
	11421.25	9797.56

(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, interalia, demand repayment in case of non-compliance of terms and conditions of sanctions or deterioration in the loan accounts in any manner.

(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, 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 certain 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.

9. TRADE PAYABLES		
Trade payables [Refer Note No. 45 for dues to micro and small enterprises]	**7540.22**	5485.61
	7540.22	5485.61

10. OTHER CURRENT LIABILITIES		
Current maturities of long-term borrowings at the year end	**8.41**	15.80
Sundry deposits	**0.35**	54.92
Interest accrued but not due on borrowings	**5.00**	19.40
Other payables		
Mobilisation and other advances from customers	**1427.05**	509.13
Statutory dues	**496.84**	469.76
Accrued employee benefits expense	**97.33**	49.74
For purchase of fixed assets	**53.24**	6.68
	2088.22	1125.43

11. SHORT TERM PROVISIONS		
Provision for income tax (net of advance)	**227.32**	7.88
Provision for employee benefits		
Compensated absences	**25.92**	19.32
Gratuity	**28.96**	41.26
Pension	**4.81**	4.81
Contingent provision against standard assets	**8.00**	8.00
Others	**39.22**	59.31
	334.23	140.58

12. FIXED ASSETS

Rs. in lacs

Nature of fixed assets	Gross Block: As at 01.04.2012	Gross Block: Additions during the Year	Gross Block: Deductions/ Adjustments	Gross Block: **As at 31.03.2013**	Depreciation/Amortisation: Up to 31.03.2012	Depreciation/Amortisation: Provided during the Year	Depreciation/Amortisation: Disposal/ Deductions	Depreciation/Amortisation: **Up to 31.03.2013**	Net Block: **As at 31.03.2013**	Net Block: As at 31.03.2012
(A) TANGIBLE ASSETS:										
Land										
Free Hold Land	113.18	-	-	**113.18**	-	-	-	**-**	**113.18**	113.18
Lease Hold Land	47.93	-	-	**47.93**	9.56	0.73	-	**10.29**	**37.64**	38.37
Building*	2193.22	-	-	**2193.22**	1224.39	48.94	-	**1273.33**	**919.89**	968.83
Plant & Equipments**	13510.50	297.73	646.55	**13161.68**	10005.66	420.26	609.69	**9816.23**	**3345.45**	3504.84
Furniture & Fixtures	264.13	6.42	1.14	**269.41**	183.41	8.75	0.39	**191.77**	**77.64**	80.72
Office Equipments	118.74	11.37	15.63	**114.48**	84.98	13.43	14.03	**84.38**	**30.10**	33.76
Vehicles	141.26	5.76	7.03	**139.99**	52.55	11.76	3.34	**60.97**	**79.02**	88.71
Leasehold Improvements	48.10	-	-	**48.10**	15.96	9.62	-	**25.58**	**22.52**	32.14
TOTAL (A)	16437.06	321.28	670.35	**16087.99**	11576.51	513.49	627.45	**11462.55**	**4625.44**	4860.55
(B) INTANGIBLE ASSETS:										
Computer Software	73.88	-	-	**73.88**	36.85	12.08	-	**48.93**	**24.95**	37.03
TOTAL (B)	73.88	-	-	**73.88**	36.85	12.08	-	**48.93**	**24.95**	37.03
(C) CAPITAL WORK IN PROGRESS (at cost):										
Under installation/commissioning	-	-	-	**-**	-	-	-	**-**	**35.00**	28.20
In transit	-	-	-	**-**	-	-	-	**-**	**67.79**	2.55
TOTAL (C)	-	-	-	**-**	-	-	-	**-**	**102.79**	30.75
TOTAL (A+B+C)	16510.94	321.28	670.35	**16161.87**	11613.36	525.57	627.45	**11511.48**	**4753.18**	4928.33
Previous Year	16387.29	240.76	117.11	16510.94	11189.93	526.76	103.33	11613.36	4897.58	

* Buildings include Rs.121.32 lacs (Rs.121.32 lacs) given on operating lease. The aggregate written down value of these buildings as on March 31, 2013 is Rs.40.64 lacs (Rs.42.55 lacs) and depreciation charged during the year is Rs.1.91 lacs (Rs.2.01 lacs).

** Gross Block of Plant & Equipments 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, 2013 Rs. in lacs	As at March 31, 2012 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.	**6424.50**	6424.50
52,04,150	(52,04,150)	Universal Cables Ltd.	**3638.64**	3638.64
Unquoted - Fully paid up equity shares of Rs.10/- each				
1,20,00,000	(1,20,00,000)	Punjab Produce Holdings Ltd.	**1200.00**	1200.00
2,99,940	(2,99,940)	Birla Financial Corporation Ltd.	**29.99**	29.99
11,106	(11,106)	Universal Telelinks Private Ltd.	**1.11**	1.11
11,106	(11,106)	Universal Electricals Private Ltd.	**1.11**	1.11

				As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
13.	**NON-CURRENT INVESTMENT (Contd.)**				
	Other than trade				
	Unquoted-Fully paid up equity shares of Re.1/- each				
	6,900	(6,900)	Free Press House Ltd.	**0.02**	0.02
			Total (A)	**11295.37**	11295.37
(B)	**Investment in debentures or bonds**				
	Redeemable Non Convertible Secured Debenture (Unquoted)				
	3,585	(3,585)	Power Finance Corporation Ltd.	**60.60**	60.60
			Total (B)	**60.60**	60.60
(C)	**Investment in mutual funds**				
	Unquoted-Fully paid up units of Rs.10/- each unless otherwise stated)				
	408,747	(408,748)	Birla Sun Life Frontline Equity Fund Plan A - Dividend	**95.42**	95.42
	-	(97,804)	Birla Sun life Fixed term Plan series EM - Growth	**-**	9.78
	85,193	(85,193)	Birla Sun Life Midcap Fund Plan A - Dividend	**22.60**	22.60
	454,417	(454,417)	Canara Robeco Indigo fund - Growth	**50.00**	50.00
	48,176	(48,176)	DSP Black Rock equity Fund - Regular Plan - Dividend	**25.10**	25.10
	432,054	(451,374)	DWS Treasury Fund - Investment plan - Growth	**50.91**	53.19
	175,424	(175,424)	FT India Monthly Income Plan - Growth	**50.00**	50.00
	135,951	(120,759)	Franklin India Prima Plus-Dividend Re-investment	**39.13**	35.51
	327,731	(327,731)	HDFC Equity Fund - Dividend payout	**150.75**	150.75
	163,563	(163,563)	HDFC Top 200 Fund - Dividend Payout	**75.33**	75.33
	208,356	(208,356)	HSBC Monthly Income Plan - Growth	**40.00**	40.00
	-	(535,000)	HSBC Fixed Term Series 80 - Growth	-	53.50
	-	(374,444)	ICICI Prudential Fixed Maturity Plan Series 55 - 1 year Plan H - Growth	-	37.44
	1,000,000	(1,000,000)	ICICI Prudential Fixed Maturity Plan Series 60 - 3 year Plan E - Growth	**100.00**	100.00
	-	(217,674)	IDFC Money Manager Fund - Investment Plan - Growth	-	35.00
	-	(593,087)	ICICI Prudential Short Term Plan - Growth	-	125.37
	500,000	(500,000)	ICICI Prudential FMP Series 60 -3 Years Plan E - Growth	**50.00**	50.00
	-	(252,350)	JM Money Manager Fund Super Plan - Growth	-	38.50
	-	(2,916,665)	JM Money Manager Fund - Super Plan - Growth	-	441.00
	-	(870,942)	JM Money Manager Fund - Super Plus - Growth	-	131.50
	663,143	(663,143)	JM Short Term Fund Institutional - Growth	**100.00**	100.00
	500,000	(500,000)	Kotak Fixed Maturity Plan Series 67 (18M) - Growth	**50.00**	50.00
	1,000,000	(1,000,000)	Kotak FMP Series 67 - Growth	**100.00**	100.00
	827,743	(827,743)	Kotak Bond(Short Term) - Growth	**165.59**	165.59
	93,359	(93,359)	Reliance Growth Fund Retail Plan - Dividend	**50.22**	50.22
	64,273	(57,141)	Reliance Diversified Power Sector Fund - Retail - Dividend	**28.97**	27.25
	46,702	(46,702)	Reliance Growth Fund Retail - Growth	**25.12**	25.12
	762,754	(762,754)	Templeton India Ultra Short Bond Fund - Growth	**104.00**	104.00
	726,475	(726,475)	Templeton India Ultra Short Bond Fund - Institutional Plan - Growth	**100.00**	100.00

			As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
13. NON-CURRENT INVESTMENT (Contd.)				
51,216	(-)	BNP Paribas Flexi Debt Fund-Direct Plan - Growth	**10.00**	-
45,863	(-)	ICICI Prudential Flexible Income Regular Plan Premium - Growth	**72.93**	-
1,410,496	(-)	ICICI Prudential FMP Series - 66-405 Days Plan J- Direct Plan - Cumulative	**141.05**	-
732,314	(-)	IDFC Dynamic Bond Fund Plan A - Growth	**159.50**	-
1,025,610	(-)	IDFC Dynamic Bond Fund - Growth	**137.57**	-
266,523	(-)	IDFC Super Saver Income Fund- Medium Term Growth	**50.00**	-
965,548	(-)	IDFC Super Saver Income Fund- Short Term Plan A Growth	**225.56**	-
6,792	(-)	Pramerica Fixed Duration Fund - Series 5 Direct Plan - Growth	**67.92**	-
5,348,070	(-)	JM Fixed Maturity Fund Series XXIII Plan A (Direct) Growth	**534.81**	-
192,386	(-)	JM G-SEC Fund - Growth	**70.00**	-
535,372	(-)	Reliance Income Fund Growth	**200.00**	-
1,260,102	(-)	Templeton India Low Duration Fund - Growth	**150.00**	-
1,211,358	(-)	UTI Dynamic Bond Fund - Growth	**150.00**	-
821,714	(-)	DWS Premium Bond Fund- Growth	**154.00**	-
876,440	(-)	DWS Short Maturity Fund - Premium Plus - Growth	**100.00**	-
257,967	(-)	HDFC Floating rate Income Fund-STP-Wholesale - Growth	**50.15**	-
322,503	(-)	HDFC Gilt Fund Long Term - Growth	**75.00**	-
485,428	(-)	HDFC High Interest Fund-STP-Growth	**105.00**	-
350,977	(-)	HSBC Floating Rate Fund Long Term - Growth	**58.60**	-
597,170	(-)	HSBC Income Fund Short Term Plan - Growth	**110.00**	-
Unquoted-Fully paid up units of Rs.1000/- each unless otherwise stated)				
2,091	(-)	UTI Treasury Advantage Fund - Growth	**58.21**	-
		Total (C)	**4153.44**	2342.17
		Total (A+B+C)	**15509.41**	13698.14
Aggregate book value of quoted investments			**10063.14**	10063.14
Aggregate market value of quoted investments (Refer Note No.36)			**61149.16**	70956.73
Aggregate book value of unquoted investments			**1232.23**	1232.23
Aggregate book value of bonds			**60.60**	60.60
Aggregate book value of mutual funds			**4153.44**	2342.17
Repurchase price of mutual funds, represented by Net Asset Value			**5239.06**	2330.10

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
14. LONG-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Capital advances	**111.56**	35.27
Loans and advance to employees	**9.58**	8.26
Loan to related Party (Due from the Manager and Chief Executive Officer)	**1.05**	-
Security deposits	**69.39**	81.71
Tax deducted at source (net of provision)	**318.88**	430.27
Prepaid expenses	**8.18**	2.56
	518.64	558.07
15. OTHER NON-CURRENT ASSETS		
Long-term trade receivables (unsecured and considered good)	**593.30**	166.16
Non-current bank balances	**193.16**	120.12
	786.46	286.28

			As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
16. CURRENT INVESTMENT				
(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				
-	600,000	HDFC FMP 92D February 2012 (3) - Growth	**-**	60.00
-	3,000,000	IDFC Fixed Maturity Plan yearly Series 44 - Growth	**-**	300.00
-	(467,459)	ICICI Interval Fund II Qtrly. Interval Plan Fund Retail- Growth	**-**	54.81
-	(294,206)	ICICI Prudential FMP Series 55-1 Year Plan H -Growth	**-**	29.42
			-	444.23
Repurchase price of mutual funds units, represented by Net Asset Value			**-**	435.63

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
17. INVENTORIES (Refer Note No. 2 (g) for mode of valuation)		
Raw materials [including in transit Rs.402.75 lacs (Rs.281.47 lacs)]	**1906.04**	939.46
Packing Material	**71.92**	57.88
Stores and spares	**232.51**	229.25
Stock-in-trade	**120.15**	74.00
Work-in-progress (Refer Note No. 25)	**2787.92**	2118.32
Finished goods	**21.84**	27.28
Scrap	**13.04**	22.51
	5153.42	3468.70

	As at March 31, 2013 Rs. in lacs	As at March 31, 2012 Rs. in lacs
18. TRADE RECEIVABLES (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	**5192.73**	2699.36
Considered doubtful	**125.35**	222.86
	5318.08	2922.22
Others		
Considered good	**14339.38**	15246.72
	19657.46	18168.94
Less: Provision for doubtful debts	**125.35**	222.86
	19532.11	17946.08
19. CASH AND CASH EQUIVALENTS		
Cash on hand	**1.43**	3.22
Cheques, drafts on hand	**231.14**	49.54
Balance with banks		
-In current accounts	**369.24**	75.15
-In cash credit account	**-**	4.92
-In term deposit accounts (term deposit receipts pledged with banks towards margin against letter of credit and other commitments)	**1244.08**	978.59
	1845.89	1111.42
Less: Term deposit account having more than 12 months maturity at the year end (disclosed under Note No. 15)	**193.16**	120.12
	1652.73	991.30
20. SHORT-TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
Loans and advances to employees	**19.31**	24.56
Loan to related party (Due from the Manager and Chief Executive Officer)	**0.12**	-
Security deposits	**136.72**	217.86
Inter corporate deposits	**433.35**	433.35
Claims, refunds etc. receivable	**352.05**	327.93
Advance recoverable in cash or kind	**1273.88**	1037.95
	2215.43	2041.65
21. OTHER CURRENT ASSETS		
Interest accrued but not due on term deposits	**68.65**	44.07
Dividend receivable	**7.01**	-
Unbilled revenue	**1665.00**	458.18
Unamortised premium on forward contracts	**-**	0.13
Assets held for disposal (at lower of net book value and net realisable value)	**31.29**	6.30
	1771.95	508.68

	For the Year ended March 31, 2013 Rs. in lacs	For the Year ended March 31, 2012 Rs. in lacs
22. REVENUE FROM OPERATIONS		
Sale of products		
Telecommunications Cables	**14837.05**	10574.26
Other Wires & Cables	**7844.87**	4532.75
FRP Rods/Glass Rovings	**289.14**	120.34
Traded goods*	**178.67**	105.01
	23149.73	15332.36
Sale of services		
Contract revenue	**12754.09**	11498.24
Indefeasible right of use (IRU) [Refer Note No. 2(e)(ii)]	**741.93**	-
	13496.02	11498.24
Other operating revenues		
Scrap materials	**520.57**	391.32
Processing & job work income	**183.00**	26.22
Export incentives	**173.28**	73.29
	876.85	490.83
	37522.60	27321.43

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

23. OTHER INCOME		
Interest income	**361.33**	192.50
Dividend income on non-current investments	**1503.33**	1593.49
Provision for doubtful debts written back (net)	**97.51**	-
Unspent liabilities/sundry balances written back (net)	**10.97**	14.50
Rent received	**108.50**	90.64
Profit on disposal of fixed assets (net)	**-**	1.83
Profit on sale of long term investments	**68.37**	263.12
Profit on sale of current investments	**68.11**	123.21
Other non operating income	**29.57**	17.77
	2247.69	2297.06

24. COST OF MATERIALS CONSUMED		
Opening stock	**939.46**	907.75
Add: Purchase [Less : Sales and claim Rs. 700.70 lacs (Rs.139.68 lacs)]	**18015.28**	12827.48
	18954.74	13735.23
Less: Closing stock	**1906.04**	939.46
	17048.70	12795.77
Details of Raw materials consumed		
Copper	**8208.35**	7246.71
Polyethylene	**1680.78**	1058.58
Single Mode Optical Fibre	**2571.69**	918.77
Others*	**4587.88**	3571.71
	17048.70	12795.77

* None of these individually account for more than 10% of total cost of materials consumed.

	For the Year ended March 31, 2013 Rs. in lacs	For the Year ended March 31, 2012 Rs. in lacs
25. (INCREASE)/DECREASE IN INVENTORIES		
Closing inventories		
Work-in-progress*	**2787.92**	2118.32
Finished goods	**21.84**	27.28
Stock-in-trade	**120.15**	74.00
Scrap materials	**13.04**	22.51
	2942.95	2242.11
Opening inventories		
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
	2242.11	828.28
	(700.84)	(1413.83)
***Detail of work-in-progress**		
Telecommunications Cables	**815.97**	1047.46
Other Wires & Cables	**165.23**	132.02
FRP Rods/Glass Rovings	**32.13**	14.44
Contracts under execution (EPC)	**1774.59**	924.40
	2787.92	2118.32

26. MATERIALS PURCHASED/SUBCONTRACT EXPENSES		
Materials purchased	**7864.86**	6176.13
Other engineering & construction expenses	**3132.28**	3673.78
	10997.14	9849.91

27. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, bonus and benefits, etc.	**1810.30**	1707.16
Contribution to provident and other funds, etc.	**181.27**	162.79
Welfare expenses	**149.98**	137.77
	2141.55	2007.72

28. FINANCE COSTS		
Interest expenses	**1202.21**	798.70
Foreign exchange rate fluctuation*	**194.12**	119.28
Other borrowing costs	**354.79**	242.58
	1751.12	1160.56

*To the extent considered as an adjustment to borrowing costs.

	For the Year ended March 31, 2013 Rs. in lacs	For the Year ended March 31, 2012 Rs. in lacs
29. OTHER EXPENSES		
Consumption of stores and spares	**237.61**	160.94
Packing materials	**532.37**	341.01
Processing/job work and testing charges	**54.23**	37.90
Power and fuel	**518.67**	385.42
Sales commission (other than sole selling agent)	**173.29**	216.77
Rent	**171.05**	190.15
Repair & maintenance		
- Plant & machinery	**103.58**	57.56
- Buildings	**34.73**	19.53
- Others	**22.26**	15.81
Insurance	**76.27**	56.16
Rates & taxes	**408.26**	306.40
Travelling and conveyance	**342.93**	366.76
Payment to auditors		
Statutory auditors		
-Audit fees	**6.93**	6.93
-Tax audit fee	**0.98**	0.98
-Quarterly reviews	**3.20**	4.27
-Taxation matter	**0.28**	0.02
-Certification etc.	**4.18**	2.75
-Reimbursement of expenses	**0.94**	0.39
Cost auditors		
-Audit fees	**0.45**	0.45
-Certification etc.	**0.11**	-
-Reimbursement of expenses	**0.21**	0.03
Legal and professional	**140.98**	169.65
Provision for doubtful debts	**-**	78.03
Bad debts/sundry Balance written off (net)	**125.68**	-
Deficit on fixed assets sold/ scrapped	**1.53**	-
Foreign exchange rate fluctuation (net)	**16.91**	30.94
Excise duty on Increase/(decrease) in stocks	**(2.72)**	4.23
Contingent provision against standard assets	**-**	8.00
Miscellaneous expenses	**447.76**	495.19
	3422.67	2956.27

30. DEPRECIATION AND AMORTISATION EXPENSES		
On fixed assets (Refer Note No. 12)	**525.57**	526.76
Less: Transferred from revaluation reserve	**0.36**	0.41
	525.21	526.35

31. EARNING PER SHARE (EPS):

Particulars	**As at March 31, 2013**	As at March 31, 2012
Basic/ weighted average number of equity shares outstanding during the year	**11850863**	11850863
Profit for the year (Rs. in lacs)	**2118.31**	190.22
Nominal value of share (Rs.)	**10.00**	10.00
EPS (Basic and diluted)	**17.89**	1.61

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

(a) Contingent liabilities :

(i) Claims against the Group not acknowledged as debts Rs. 0.04 lac (Rs.6.86 lacs).

(ii) Pending cases with income tax appellate authorities where income tax department has preferred appeals – liability not ascertainable (Rs.0.73 lac).

(iii) Appeals preferred by the Parent Company and Joint venture 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) Sales tax matter under litigation Rs. 14.47 lacs (Nil).

(v) Bills of exchange under letter of credit discounted with a bank and outstanding at the end of the year Rs. Nil (Rs. 56.63 lacs).

(vi) Cross corporate guarantee given by the Parent Company as a collateral security against working capital credit facilities aggregating to Rs. 6066.90 lacs (Rs. 4680.18 lacs) (outstanding as on March 31, 2013 Rs. 3874.72 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. 380.51 lacs (Rs. 71.60 lacs).

(ii) Commitment relating to Derivatives and lease arrangements are disclosed in Note No. 38 and Note No. 42, 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.4471.22 lacs as at 31st March, 2013, 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. 191.93 lacs (Rs.300.41 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. The amount of tax credit available to the Parent Company in pursuance to section 115JAA of the Income Tax Act, 1961, against provision for Current Tax (MAT) during the year shall be accounted for as and when allowed.

36. 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. 2025.35 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.

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

Sl. No.	Particulars	2012–13 Rs. in lacs	2011–12 Rs. in lacs
(a)	Contract Revenue recognized for the year	**12754.09**	11498.24
(b)	The relevant information relating to Contracts in progress at the reporting date are given below:		
	(i) Aggregate amount of cost incurred	**21549.55**	20225.64
	(ii) Recognized profit upto the reporting date	**102.38**	17.96
	(iii) Amount of advance received	**1374.46**	454.01
	(iv) Amount of outstandings/retentions	**8946.78**	8860.39
	(v) Contracts under execution	**1774.59**	924.40
	(vi) Advance billing to customers	**Nil**	Nil

38. 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, 2013	As at March 31, 2012
Forward exchange contracts outstanding			
Payables	**USD**	**282224.77**	179755
	Rs. in lacs	**154.96**	92.65
Receivables	**USD**	**-**	370000
	Rs. in lacs	**-**	187.48
Total	**USD**	**282224.77**	549755
	Rs. in lacs	**154.96**	280.13
Foreign currency exposures not covered by any derivative instrument			
Payables	**USD**	**2592264.64**	4479728
	EURO	**56049.98**	-
	NPR	**3718222.00**	69839689
	GBP	**666.50**	-
	Rs. in lacs	**1487.02**	2745.08
Receivables	**USD**	**1556443.05**	1140359
	EURO	**149105.51**	-
	NPR	**18007150.00**	105225611
	SEK	**16656.00**	-
	Rs. in lacs	**1057.73**	1235.47
Bank balances	**USD**	**49.66**	314
	NPR	**9994567.00**	1095165
	Rs. in lacs	**62.50**	7.00
Total	**USD**	**4148757.35**	5620401
	NPR	**31719939.00**	176160465
	EURO	**205155.49**	-
	GBP	**666.50**	-
	SEK	**16656.00**	-
	Rs. in lacs	**2607.25**	3987.55

(b) A sum of Rs 0.14 lac (Rs.2.84 lacs discount) on account of unamortized foreign exchange premium on outstanding forward contracts is being carried forward to be charged to Consolidated Statement of Profit and Loss of the subsequent period.

39. 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 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, 2013 are summarised below:

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

Rs.in lacs

Particulars	Gratuity		Pension	
	2012-13	2011-12	**2012-13**	2011-12
Current service cost	**24.71**	2.96	**-**	-
Interest cost on benefit obligation	**23.69**	20.90	**3.25**	3.52
Expected return on plan assets	**(24.63)**	(19.07)	**-**	-
Net Actuarial (Gain)/loss recognized in the year	**11.16**	10.24	**(6.57)**	1.23
Add: Impact of variation in actual and expected return on plan assets	**(1.00)**	(1.11)	**-**	-
Add: Insurance cost borne by the Group	**1.44**	1.56	**-**	-
Net benefit expense	**35.37**	15.48	**(3.32)**	4.75
Actual return on plan assets	**(25.50)**	(20.18)	**-**	-

(ii) Amount recognized in the Balance Sheet:

Rs.in lacs

Particulars	Gratuity		Pension	
	2012-13	2011-12	**2012-13**	2011-12
Defined benefit obligation	**340.77**	290.10	**39.81**	47.94
Fair value of the plan assets	**311.80**	248.76	**-**	-
Net Asset/(Liability)	**(28.97)**	(41.34)	**(39.81)**	(47.94)

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

Rs.in lacs

Particulars	Gratuity		Pension	
	2012-13	2011-12	**2012-13**	2011-12
Opening defined benefit obligation	**290.10**	263.99	**47.94**	48.00
Interest Cost	**23.69**	20.90	**3.25**	3.52
Current Service Cost	**24.71**	2.96	**-**	-
Benefit paid	**(8.73)**	(7.99)	**(4.81)**	(4.81)
Actuarial (Gain)/loss on obligations	**10.98**	10.24	**(6.57)**	1.23
Closing Defined Benefit Obligation	**340.77**	290.10	**39.81**	47.94

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

Rs.in lacs

Particulars	Gratuity	
	2012-13 Rs. in lacs	2011-12 Rs. in lacs
Opening Fair value of Plan Assets	**248.76**	188.15
Expected Return	**24.45**	19.07
Contribution by employer	**46.92**	43.34
Benefits paid	**(9.33)**	(2.90)
Actuarial Gain on Plan Assets	**1.00**	1.11
Closing Fair Value of Plan Assets	**311.80**	248.77

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

Particulars	Gratuity	
	2012-13 (%)	2011-12 (%)
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 2013-14.

(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	
	2012-13	2011-12	**2012-13**	2011-12
Mortality Table	**IAL 2006-08 Ultimate**	LIC 1994-96 Ultimate	**LIC 1996-98 Ultimate**	LIC 1994-96 Ultimate
Attrition Rate	**5.00% p.a.**	5.00% p.a.	**N.A.**	N.A.
Imputed rate of interest	**8.25% p.a.**	8.65% p.a.	**8.60% p.a.**	8.60% p.a.
Salary rise	**7.5% p.a.**	7.5% p.a.	**N.A.**	N.A.
Return on plan assets	**9.25%**	9.25%	**N.A.**	N.A.
Remaining working life	**15.07 Years**	16.53 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 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.

40. 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, 2013 and March 31, 2012 and certain assets and liabilities information relating to business segments at March 31, 2013 and March 31, 2012.

Rs.in lacs

Business Segments	Year Ended March 31, 2013			Year Ended March 31, 2012		
	Cables	**EPC**	**Total**	Cables	EPC	Total
Revenue						
External Sales (net) (including other operating income)	**21540.15**	**13654.12**	**35194.27**	14436.17	11582.80	26018.97
Inter segment sales	**155.49**	**-**	**155.49**	-	-	-
Other Income*	**29.73**	**108.32**	**138.05**	119.25	14.36	133.61
Total Revenue	**21725.37**	**13762.44**	**35487.81**	14555.42	11597.16	26152.58
Results						
Segment result (PBIT)	**412.64**	**934.22**	**1346.86**	(990.80)	(155.79)	(1146.59)
Unallocable Income/expenses (net)			**1738.99**			2061.14
Operating Profit			**3085.85**			914.55
Interest (net)			**(840.88)**			(606.20)
Provision for tax (net)			**(126.66)**			(118.13)
Profit after tax			**2118.31**			190.22
Other Information						
Segment Assets	**17395.22**	**18669.82**	**36065.04**	15614.80	14684.02	30298.82
Unallocable Assets			**15828.29**			14564.76
Total Assets			**51893.33**			44863.58
Segment Liabilities	**4776.15**	**5244.64**	**10020.79**	2647.68	4305.00	6952.68
Unallocable Liabilities			**11650.26**			9807.15
Total Liabilities			**21671.05**			16759.83
Capital Expenditure	**362.00**	**31.32**	**393.32**	100.69	45.80	146.49
Depreciation	**428.43**	**96.78**	**525.21**	426.27	100.08	526.35
Other Non Cash Expenditure	**3.37**	**-**	**3.37**	78.03	-	78.03

* Excludes Rs. 2109.64 lacs (Rs. 2262.96 lacs) netted off from unallocated expenses and interest expense.

(b) Geographical Segments:

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

Rs.in lacs

Sl. No.	Geographical Segments	2012-13	2011-12
(i)	Domestic Market (within India)	**31193.27**	23273.46
(ii)	Overseas Markets (Outside India)	**4156.49**	2745.51
	Total	**35349.76**	26018.97

(i) All the assets of the Group, except the carrying amount of assets aggregating to Rs. 1103.37 lacs (Rs.1641.27 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.

41. 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 upto 03 May, 2012) Shri R.Sridharan (Manager and CEO of the Joint Venture Company w.e.f. 04 May 2012) 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) being venturer of BEOL Shakun Polymers Limited (SPL)

(a) Transactions with related parties (other than Key Management Personnel):

Rs.in lacs

Sl.	**Particulars**	**Parent Company, its Subsidiaries with Joint Venture**		**Joint venture with its venturer (UCL)**		**Enterprise over which a Director is able to exercise significant influence (SPL)**	
		2012-13	2011-12	**2012-13**	2011-12	**2012-13**	2011-12
(i)	Purchases of Products /Traded Goods, Raw materials	**388.03**	131.75	**1.90**	1.40	**92.15**	-
(ii)	Sale of Raw Materials, Stores, Spares and Packing Materials	**833.35**	380.09	**1.68**	0.01	**-**	-
(iii)	Sale of products	**-**	43.60	**-**	0.87	**-**	-
(iv)	Other Service Charges /Lease Rent Received	**139.12**	13.91	**4.17**	0.91	**-**	-
(v)	Other Service Charges Paid	**22.44**	12.84	**-**	-	**-**	-
(vi)	Sale of Fixed Assets	**2.56**	-	**0.84**	-	**-**	-
(vii)	Interest on Inter-Corporate Deposits paid	**124.63**	155.45	**-**	-	**-**	-
(viii)	Interest on Inter-Corporate Deposits received	**45.50**	25.80	**-**	-	**-**	-
(ix)	Inter-Corporate Deposits taken	**10848.48**	5679.49	**-**	-	**-**	-
(x)	Inter-Corporate Deposits given	**433.35**	433.35	**-**	-	**-**	-
(xi)	Inter-Corporate Deposits repaid	**9934.12**	5679.49	**-**	-	**-**	-
(xii)	Cross Corporate Guarantee given	**6066.90**	4680.18	**-**	-	**-**	-
(xiii)	Cross Corporate Guarantee accepted	**15123.92**	14950.58	**-**	-	**-**	-
(xiv)	Dividend received	**-**	-	**-**	2.95	**-**	-
(xv)	Balance Outstanding at the year end - Payable - Receivable	 **914.37** **0.22**	 - 433.35	 **-** **0.20**	 - -	 **16.29** **-**	 - -

(b) Transactions with Key Management Personnel:

Rs.in lacs

Sl. No.	Name of Managing Director/Whole-time Directors/Manager	2012-13	2011-12
(i)	Shri Y.S.Lodha*	**42.71**	37.98
(ii)	Shri D.R. Bansal	**1.76**	2.15
(iii)	Shri R. Shridharan**	**3.56**	-
(iv)	Shri S.K.Daga	**0.12**	0.12
(v)	Shri D.L.Rathi	**0.12**	0.12
(vi)	Shri K.Damani	**0.12**	0.12
	Total	**48.39**	40.49
	Balance outstanding		
	* Payable	**2.00**	-
	**Loan refunded	**0.12**	-
	**Loan recoverable	**1.17**	-

(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.

42. Leases:

(a) Operating Lease:

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

(b) Finance Lease:

The Parent Company has entered into an Indefeasible Right of Usage (IRU) agreement with a customer for providing telecommunication cable network connectivity for a period of fifteen years. The required disclosure is given herein:

Rs.in lacs

Sl. No.	Particulars	2012-13	2011-12
(a)	Lease revenue recognised as an outright sale	**741.93**	-
(b)	Cost of sales	**599.30**	-
(c)	Profit recognised (a-b)	**142.63**	-

43. Deferred Taxes:

Rs.in lacs

Sl. No.	Particulars	As at March 31, 2013	As at March 31, 2012
(a)	Deferred Tax Liability -Depreciation on fixed Assets	 **596.79**	 623.72
	Total (a)	**596.79**	623.72
(b)	Deferred Tax Assets -Unabsorbed Depreciation* -Expenses allowable for tax purpose when paid	 **455.71** **141.08**	 448.24 175.48
	Total (b)	**596.79**	623.72
	Net Deferred Tax Liability or Assets	**Nil**	Nil

*The Deferred Tax Assets amounting to Rs 455.71 lacs (Rs. 448.24 lacs) in respect of carry forward unabsorbed depreciation has been recognised considering the possible reversal of deferred tax liabilities in future years.

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

45. 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, 2013	As at March 31, 2012
(a)	the principal amount and interest due thereon remaining unpaid to any supplier - Principal amount - Interest thereon	 **485.97** **-**	 577.24 10.40
(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
(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 deductable expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	**Nil**	Nil

46. 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.

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

R.Raghuraman
Partner
Membership No.081350

New Delhi, May 21, 2013

Signatures to Notes 1 to 46

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

New Delhi, May 21, 2013

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(Rs.in lacs)

Sl. No.	Name of Subsidiary Company	As at March 31, 2013							For the year ended March 31, 2013				
		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	2580.29	4109.39	4109.39	2977.67	-	2977.67	539.42	533.82	32.28	501.54	-
2	Insilco Agents Limited	1500.02	2567.97	4070.76	4070.76	3162.62	-	3162.62	536.05	529.47	37.34	492.13	-
3	Laneseda Agents Limited	1500.02	2604.07	4107.35	4107.35	2838.40	-	2838.40	522.96	518.11	43.23	474.88	-

Harsh V.Lodha — Chairman

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

Y.S. Lodha — Managing Director

R. Radhakrishnan — President (Commercial) & Secretary

New Delhi, May 21, 2013

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 Thirtieth Annual General Meeting of the Company to be held on Tuesday, the July 9, 2013, and at any adjournment thereof.

Signed this ________ day of ______________, 2013

Signature ____________ Affix Revenue Stamp of Thirty Paise ____________

* Applicable for members holding shares in dematerialised form.

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

Tear here

ATTENDANCE SLIP

VINDHYA TELELINKS LIMITED

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

To be handed over at the entrance of the Meeting Hall

Full name of the Member attending : ____

Full name of the First joint–holder : ____

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

Name of Proxy : ____

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

I hereby record my presence at the THIRTIETH ANNUAL GENERAL MEETING being held at the Registered Office of the Company on Tuesday, the July 9, 2013.

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 ECOC 2012 held at Amsterdam, The Netherlands

BOOK - POST

PRINTED MATTER

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