
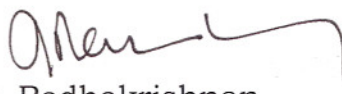
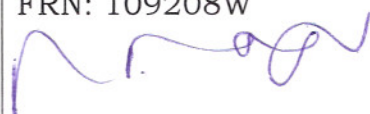
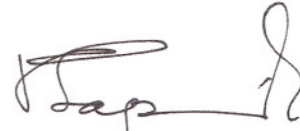


FORM A

**FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT
REPORT TO BE FILLED WITH THE STOCK EXCHANGE**

| | | |
|-----|---|---|
| (1) | Name of the Company | Vindhya Telelinks Ltd. |
| (2) | Annual financial statements for the year ended | 31 st March 2014 |
| (3) | Type of Audit Observation | Un-qualified/Matter of Emphasis: Non provision for the shortfall in the market value of a quoted investment for the stated reason. Refer note no. 35 of the financial statements. |
| (4) | Frequency of Observation | Repetitive/since FY 2011-12 |
| (5) | To be signed by - • CEO/Managing Director • CFO • Auditor of the Company • Audit Committee Chairman |  Y. S. Lodha Managing Director  R. Radhakrishnan President (Commercial) & Secretary/CFO For V Sankar Aiyar & Co. Chartered Accountants FRN: 109208W  R. Raghuraman Partner [Membership No.081350]  R.C. Tapuria Chairman of Audit Committee |





ANNUAL REPORT & ACCOUNTS 2013-14

Linking the World



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 2013-14

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 SHIV DAYAL KAPOOR (w.e.f 19.05.2014)

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 Thirty First Annual General Meeting of the Members of Vindhya Telelinks Limited will be held at the Registered Office of the Company at Udyog Vihar, P.O.Chorhata, Rewa (M.P.) on Tuesday, the August 12, 2014 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Shri Pracheta Majumdar (holding DIN: 00179118), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Messrs V. Sankar Aiyar & Co., Chartered Accountants, (Registration No. 109208W), the retiring auditors, as Statutory Auditors of the Company for the financial year 2014-15 to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration and other terms and conditions as shall be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

5. To appoint Shri Shiv Dayal Kapoor (holding DIN: 00043634) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Shri Shiv Dayal Kapoor (DIN: 00043634), who was appointed as an Additional Director pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to 31st March, 2019, not liable to retire by rotation."
6. To appoint Shri S.K.Misra (holding DIN: 00009411) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Shri S.K. Misra (DIN: 00009411), a Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation."
7. To appoint Shri J.Veeraraghavan (holding DIN: 00078998) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Shri J.Veeraraghavan (DIN: 00078998), a Director of the Company whose period of office is liable to determination by retirement of director by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation."
8. To appoint Shri R.C.Tapuriah (holding DIN: 00359997) as an Independent Director and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Shri R.C.Tapuriah (DIN: 00359997), a Director of the Company whose period of office is liable to determination by retirement of director by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation."
9. To ratify/approve the remuneration of the Cost Auditors for the financial year 2014-15 and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Messrs D. Sabyasachi & Co., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company relating to manufacture of cables for the financial year 2014-15, be paid the remuneration of Rs.45,000/- plus service tax, if applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred for the purpose by the said Cost Auditors.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office:
Udyog Vihar,
P.O.Chorhata,
Rewa - 486 006 (M.P.)
June 21, 2014

By Order of the Board

R.Radhakrishnan
President(Commercial)& Secretary

**NOTES FOR MEMBERS' ATTENTION**

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF OR HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS (48) BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE, ISSUED ON BEHALF OF THE NOMINATING ORGANIZATION.**

A person shall not act as Proxy for more than Fifty (50) members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. A proxy form is annexed herewith.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the August 6, 2014 to Tuesday, the August 12, 2014 (both days inclusive) for the purpose of determining the names of members eligible for dividend on equity shares (if declared) and the Meeting.
4. The dividend on Equity Shares, if declared at the Meeting, will be credited / despatched between August 12, 2014 and September 10, 2014 to those members whose names shall appear on the Company's Register of Members on August 5, 2014. In respect of the shares held in dematerialised form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
5. Messrs Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 continue to act in the capacity of Registrar and Share Transfer Agents for physical shares of the Company. Messrs Link Intime India Pvt. Ltd. is also the depository interface of the Company with both NSDL and CDSL. Members are requested to address all correspondences, including dividend matters, to the said Registrar and Share Transfer Agents.
6. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form are requested to advise any change in their address or bank mandates to the Company/Registrar and Share Transfer Agents.
7. Non-resident Indian Members are requested to inform Registrar and Share Transfer Agents, immediately of:
 - (i) the change in the residential status on return to India for permanent Settlement.
 - (ii) the particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
8. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. The Company has connectivity from the NSDL and CDSL and equity shares of the Company may be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their depository account. The ISIN No. for the Equity Shares of the Company is INE707A01012. In case of any query/difficulty in any matter relating thereto may be addressed to the Registrar and Share Transfer Agents.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company at its Registered Office or to the Registrar and Share Transfer Agents.
10. This Notice of the Meeting (AGM) along with the Attendance Slip, Proxy Form and the Annual Report 2014 are being sent by electronic mode to all the members whose e-mail addresses (IDs) are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
11. All relevant documents referred to in the accompanying Notice and the Statement shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays, upto and including the date of the Meeting. The Register of Directors and key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Meeting (AGM).
12. Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges in respect of the Directors seeking appointment/re-appointment at the Meeting are furnished and forms a part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.
13. 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 to the Company, a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the Meeting. Members who hold shares in de-materialized form are requested to bring their DP I.D. and client I.D. No.(s) for easier identification of attendance at the Meeting.
14. Members desirous of obtaining any information on Annual Accounts of the Company at the Meeting are requested to write to the Company at least 10 (ten) days before the date of the Meeting, so that the information required may be made available at the Meeting.
15. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members the facility of voting through electronic means, as an alternate, to enable them to cast their votes electronically and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity share held by them as on June 30, 2014 (Record Date).
16. The instructions for members for voting electronically are as under:

In case of members receiving Notice of Annual General Meeting through e-mail:

 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the "Vindhya Telelinks Limited" from the drop down menu and click on "SUBMIT".
 - (iv) Now Enter your User ID.



- (a) For CDSL: 16 digits beneficiary ID,
 (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
 (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|--|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details# | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
 (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 (xi) Click on the EVSN of "Vindhya Telelinks Limited" to vote.
 (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving Notice of Annual General Meeting (physical copy) through Post/Courier then please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

17. The voting period begins on August 6, 2014 and ends on August 7, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of June 30, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
18. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
19. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the Record Date.
20. The Company has appointed Shri Rajesh Kumar Mishra, Practicing Company Secretary or failing him Shri Pardeep Nayak, Chartered Accountants as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
21. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
22. The results shall be declared on or after the Meeting (AGM) of the Company. The Results declared, along with the Scrutinizer's Report shall be placed on the Company's website www.vtlrewa.com and on the website of CDSL within two (2) working days of passing of the resolutions at the Meeting (AGM) of the Company and communicated to the Stock Exchanges where the equity shares of the Company are listed viz. BSE Ltd. and National Stock Exchange of India Ltd.

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Shri Shiv Dayal Kapoor as an Additional Director of the Company with effect from 19th May, 2014. In terms of the provisions of Section 161(1) of the Act, Shri Shiv Dayal Kapoor would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Shiv Dayal Kapoor for the office of Director of the Company.

Shri Shiv Dayal Kapoor is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Section 149 of the Act, inter alia, stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term upto 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Shri Shiv Dayal Kapoor that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Shri Shiv Dayal Kapoor possesses appropriate skills, experience and knowledge, inter alia, in the fields of management and technical operations.

In the opinion of the Board, Shri Shiv Dayal Kapoor fulfills the conditions for his appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement with the stock exchanges. Shri Shiv Dayal Kapoor is independent of the management.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Shiv Dayal Kapoor is appointed as an Independent Director. Copy of the draft letter for appointment of Shri Shiv Dayal Kapoor as an Independent Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri Shiv Dayal Kapoor and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

Item No. 6

Shri S. K. Misra is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 27.10.2004.

Shri S.K. Misra retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. It is proposed to appoint Shri S.K.Misra as an Independent Director under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges, to hold office for five (5) consecutive years for a term upto 31st March, 2019. The Company has received a notice in writing from a member along with the deposit of requisite amount proposing the candidature of Shri S.K.Misra for the office of Director of the Company.

In the opinion of the Board, Shri S.K. Misra fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement with stock exchanges. Shri S.K.Misra is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri S.K. Misra as an Independent Director. Copy of the draft letter for appointment of Shri S.K.Misra as an Independent Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri S.K.Misra and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the Members.

Item No. 7

Shri J.Veeraraghavan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 27.10.2004.

Shri J.Veeraraghavan is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri J.Veeraraghavan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years w.e.f. 1st April, 2014. A notice has been received from a member proposing Shri J.Veeraraghavan as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri J.Veeraraghavan fulfills the conditions specified in the Companies Act, 2013 and the Listing Agreement with stock exchanges. Shri J.Veeraraghavan is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri J.Veeraraghavan as an Independent Director. Copy of the draft letter for appointment of Shri J.Veeraraghavan as an Independent Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri J.Veeraraghavan and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the Members.

Item No. 8

Shri R.C.Tapuriah is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 19.08.1985.

Shri R.C.Tapuriah is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri R.C.Tapuriah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years w.e.f. 1st April, 2014. A notice has been received from a member proposing Shri R.C.Tapuriah as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri R.C.Tapuriah fulfills the conditions specified in the Companies Act, 2013 and the Listing Agreement with stock exchanges. Shri R.C.Tapuriah is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri R.C.Tapuriah as an Independent Director. Copy of the draft letter for appointment of Shri R.C.Tapuriah as an Independent Director is available for



inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri R.C. Tapuriah and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.8 of the Notice for approval by the Members.

Item No. 9

Messrs D. Sabyasachi & Co., Cost Accountants, were appointed as Cost Auditors by the Board of Directors to audit the cost records maintained by the Company in connection with manufacture of Cables for the Financial Year 2014-15 on the recommendation of the Audit Committee at a remuneration of Rs.45,000/- plus Service Tax as applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred for the purpose.

As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors as approved by the Board is required to be ratified subsequently by the Members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No.9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors/Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the members.

Details of Directors seeking appointment/re-appointment in the ensuing annual General Meeting scheduled to be held on August 12, 2014:

| | |
|---|--|
| Name of Director | Shri Pracheta Majumdar |
| Date of Birth | 15.08.1944 |
| Date of Appointment | 27.10.2004 |
| Expertise in specific functional areas | Mechanical Engineer and Management Advisor by profession. Possesses more than 45 years of rich and varied experience in diverse fields viz. design & project management of chemicals, petrochemicals & fertilizer plants and setting up of large Greenfield projects. Spearheaded setting up of large projects both in India and abroad including an international joint venture project with a large US based multinational. Held the position of Managing Director at Ceat Tyres Ltd. and was on the Supervisory Board of RPG Group. Worked for about 12 years in Project and Manufacturing Department of Hindustan Unilever Ltd. (HUL). At the time of leaving, held the position of manufacturing head of the then largest plant of HUL. Attended various international management courses organised by HUL and Executive Development Programmes and Advanced Management Programmes conducted by Stanford University and Harvard Business School. He joined Birla Corporation Ltd. in 2003 as an Independent Director and now he holds the position of Wholetime Director designated as the Chief Management Advisor of Birla Corporation Ltd. |
| List of outside Directorships held* | Birla Corporation Ltd. |
| Chairman/Member of the Committee of the Board of Directors of the Company | Member - Audit Committee - Share Transfer-cum-Investors' Grievance Committee |
| Chairman/Member of the Committee of the Board of Directors of other Public Companies | Member - Share Transfer and Shareholders'/Investors' Grievance Committee of Birla Corporation Ltd. |
| Shareholding of the Non-Executive Director | Nil |
| Relationship between Directors inter-se | None |

| | |
|---|---|
| Name of Director | Shri Shiv Dayal Kapoor |
| Date of Birth | 01.08.1946 |
| Date of Appointment | 19.05.2014 |
| Expertise in specific functional areas | Passed his graduation in Metallurgical Engineering from Banaras Hindu University and MBA from University of Leeds, U.K. Shri S.D.Kapoor has over 45 years of rich experience in the minerals and metals industry. He served as the Chairman of MMTC Limited and Neelanchal Ispat Nigam Ltd. and was also on the Board of many renowned Public Sector Enterprises. He is a recipient of the Best Chief Executive Gold Award - Rajiv Ratna National Award 2005 and Top CEO of the year Award 2000 - Indian Institute of Marketing & Management. |
| List of outside Directorships held* | Era Infra Engineering Limited, Era Buildsys Limited, IIDC Limited, Hindustan Dorr-Oliver Limited, VISA Resources India Limited, VISA Steel Limited, VISA BAO Limited and VISA SunCoke Limited. |
| Chairman/Member of the Committee of the Board of Directors of the Company | Nil |
| Chairman/Member of the Committee of the Board of Directors of other Public Companies | Chairman - Audit Committee of Visa Resources India Ltd., Visa Steel Limited and Hindustan Dorr-Oliver Limited Member - Audit Committee of Era Buildsys Limited and Visa SunCoke Limited Member - Shareholders Investor Grievance Committee of Era Buildsys Limited and Visa Steel Limited |
| Shareholding of the Non-Executive Director | Nil |
| Relationship between Directors inter-se | None |



| | |
|---|--|
| Name of Director | Shri S.K.Misra |
| Date of Birth | 28.04.1933 |
| Date of Appointment | 27.10.2004 |
| Expertise in specific functional areas | Retired Senior IAS Officer who had served as Secretary to the Govt. of India including Principal Secretary to the Prime Minister. While in Government of India as Secretary (Tourism), he was responsible for initiating the Suraj Kund Crafts Mela, which has now recognised as an international event. As Development Commissioner (Handlooms), he initiated the setting up of National Institute of Fashion Technology. Appointed as Director General, Festivals of India, in France, USA, the then Soviet Union and Japan where he show cased very comprehensively India's rich cultural traditions in the fields of visual and performing arts, theatre, exhibitions relating to design, textiles and achievements in the scientific field, film retrospectives and academic exchanges. Held the position of Emeritus Vice Chairman in "The Indian National Trust for Art and Cultural Heritage" (INTACH). After leaving INTACH, he has launched a new organisation called 'The Indian Trust for Rural Heritage and Development' which has become a Member of the International National Trusts Organisation (INTO). In 2009, the President of India conferred on him the prestigious Padma Bhushan award, for his rendering distinguished services in the fields of Civil Service and Tourism. |
| List of outside Directorships held* | None |
| Chairman/Member of the Committee of the Board of Directors of the Company | Member - Audit Committee |
| Chairman/Member of the Committee of the Board of Directors of other Public Companies | None |
| Shareholding of the Non-Executive Director | Nil |
| Relationship between Directors inter-se | None |

| | |
|---|--|
| Name of Director | Shri J.Veeraraghavan |
| Date of Birth | 04.03.1932 |
| Date of Appointment | 27.10.2004 |
| Expertise in specific functional areas | Retired Senior IAS Officer who has served as Secretary to the Government of India including of the HRD Ministry. |
| List of outside Directorships held* | None |
| Chairman/Member of the Committee of the Board of Directors of the Company | Chairman - Share Transfer-cum-Investors' Grievance Committee Member - Audit Committee |
| Chairman/Member of the Committee of the Board of Directors of other Public Companies | None |
| Shareholding of the Non-Executive Director | Nil |
| Relationship between Directors inter-se | None |

| | |
|---|---|
| Name of Director | Shri R.C.Tapuriah |
| Date of Birth | 15.06.1942 |
| Date of Appointment | 17.08.1985 |
| Expertise in specific functional areas | Industrialist with wide experience in Business and Industry. |
| List of outside Directorships held* | Alfred Herbert (India) Ltd., Birla Ericsson Optical Ltd., The Calcutta Investment Co. Ltd., Maxworth Industrial Services Ltd., Mohta Carbide & Chemicals Ltd., New India Retailing & Investment Ltd. and The United Investment Co. Ltd. |
| Chairman/Member of the Committee of the Board of Directors of the Company | Chairman - Audit Committee |
| Chairman/Member of the Committee of the Board of Directors of other Public Companies | Chairman - Audit Committee of Birla Ericsson Optical Ltd. Member - Audit Committee & Investors' Grievance Committee of Alfred Herbert (India) Ltd. and New India Retailing & Investment Ltd. - Share Transfer-cum-Investors' Grievance Committee of Birla Ericsson Optical Ltd. |
| Shareholding of the Non-Executive Director | Nil |
| Relationship between Directors inter-se | None |

* Number of other Directorships held by the Directors, as mentioned above, do not include Alternate Directorships and Directorships held in Foreign Companies, Indian Private Limited Companies and LLP's besides trustees/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 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.

Registered Office:
Udyog Vihar,
P.O.Chorhata,
Rewa - 486 006 (M.P.)
June 21, 2014

By Order of the Board

R.Radhakrishnan
President (Commercial) & Secretary



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, 2014.

ACCOUNTS & FINANCIAL MATTERS

| | 2013-14 | 2012-13 |
|--|-------------------|------------|
| | Rs.in lacs | Rs.in lacs |
| Revenue from operations (gross) | 45237.86 | 35815.84 |
| Other income | 636.81 | 917.40 |
| | 45874.67 | 36733.24 |
| The year's working shows a | | |
| Gross Profit (after Interest) of - | 3127.38 | 1064.37 |
| Less : Depreciation and Amortisation expense | 552.82 | 476.62 |
| Profit before Tax | 2574.56 | 587.75 |
| Current Tax(MAT) | 484.25 | 13.81 |
| Income Tax for earlier years | 4.08 | - |
| Net Profit for the year | 2086.23 | 573.94 |

GENERAL & CORPORATE MATTERS

During the year under review, your Company has reported a continued improved performance when viewed against the backdrop of extremely challenging business context in which it was achieved. Gross revenue from operations for the year grew by 26.30% to Rs. 45237.86 lacs as compared to Rs. 35815.84 lacs during the previous year. The Exports revenue including project exports, stood at Rs. 4185.07 lacs during the year under review as compared to Rs. 3824.19 lacs for the previous year. Despite a significant increase in finance costs with interest rates remaining at elevated levels throughout the year, the Gross Profit (before interest) for the year increased by 193.82% and stood at Rs. 3127.38 lacs as compared to Rs. 1064.37 lacs in the previous year mainly due to increased revenue from cables business segment. Although the EPC business segment recorded moderate growth in Revenue which increased by 12.54% to Rs. 15344.19 lacs, its profitability was impacted on account of the competitive market environment coupled with slow down in the business verticals in which EPC segment of the Company operates. 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 and a special emphasis on sewerage pipelines and telecommunication networks in which the Company possesses requisite skill and knowledge quotient meeting the contemporary technological requirements.

The domestic telecom cable industry is expected to grow at a reasonable pace over the medium-term. During the year under review, your Company consolidated its pre-eminent position in the industry through capacity augmentation and new product launches at its OFC plant which became operational at the end of the financial year. The full benefit of expansion is expected to accrue in future which will further strengthen the performance of the Company. To keep abreast with the latest trends in the industry, your Company shall continue to accord priority for technological upgradation of its production facilities, with the aim of improving assets performance and cost competitiveness. Your Company's consciously pursued strategy of de-risking the infrastructure of traditional PIJF Cables business by scaling up the production facilities for Quad, Railway Signaling and other specialty copper cables has yielded positive results in terms of sustained market share and margin improvement.

Your Company continues to focus on developing 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 overall improved operational efficiency.

DIVIDEND

After considering the Company's profitability, cash flow and overall financial performance, the Board of Directors of the Company is pleased to recommend a Dividend of Rs. 2.00 per equity share of Rs. 10/- each (i.e. 20%) for the financial year ended March 31, 2014. The total quantum of Dividend, if approved by the Members, will be about Rs. 237.02 lacs while about Rs. 40.28 lacs will be paid by the Company towards Dividend Distribution Tax and Surcharge thereon. Your Board also recommends a transfer to General Reserve of Rs.200.00 lacs leaving a surplus of Rs. 2419.94 lacs in the statement of Profit and Loss to be carried forward.

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, 2014, 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 2013-14 and of the profit for the year ended March 31, 2014;
- 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, 2014 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 posted encouraging 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 a volatile and uncertain 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 to maintain high awareness levels. The Company has also stressed the need to adopt the highest safety standards on EPC business segment projects with the emphasis on ensuring that safety on all projects under execution are given a great deal of importance. The Company will also revisit its safety standards and norms from time to time in order to raise the bar of safety for its people as well as users and customers.

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 Directors are pleased to inform that Engineering Export Promotion Council – Western Region has awarded the Company with a trophy for "Star Performer" as medium enterprise in the product group of project exports for outstanding contribution to engineering exports during the year 2011-12, which reflects its successful strategies.

DIRECTORS

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company. Accordingly, Shri Pracheta Majumdar, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Shri Shiv Dayal Kapoor was appointed as an Additional Director designated as an Independent Director w.e.f. May 19, 2014 and he shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Shri Shiv Dayal Kapoor for appointment as an Independent Director, not liable to retire by rotation at the ensuing Annual General Meeting.

Pursuant to Section 149(6) of the Companies Act, 2013, Directors are required to inform their status as to 'Independent Director' (ID) in the first meeting of the Board of Directors held from April 1, 2014. Accordingly three of the Directors of your Company viz. (i) Shri J.Veeraraghavan, (ii) Shri S.K. Misra and (iii) Shri R.C.Tapuriah have declared their adherence to the criteria fixed under Section 149(6) for 'Independent Directors'. The Board of Directors of the Company at its meeting held on May 19, 2014 perused their declarations and other requirements under the Companies Act, 2013 and the Rules made thereunder, as applicable, and found all of them to be meeting with criteria for Independent Director and same were taken on record. The relevant provisions of the Companies Act, 2013 also provide that the IDs shall be appointed as such within a period of 12 months from April 1, 2014. Your Board has deemed it prudent and recommended to the Shareholders their appointment as IDs for a period upto 5 years at the ensuing Annual General Meeting. All IDs shall not be liable to retire by rotation. None of the above mentioned persons is disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Details of Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement with Stock Exchanges 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 (Registration No.109208W), were appointed as Statutory Auditors to hold office until the conclusion of the ensuing Annual General Meeting of the Company. Section 139 read together with other provisions of Chapter X of the Companies Act, 2013 and the Rules made thereunder, inter alia, provide that no listed company shall appoint/re-appoint an audit firm as auditor for more than two terms of five consecutive years and the period for which the firm has held office as Auditors prior to the commencement of the Companies Act, 2013 shall be taken into account for calculating the period of five or ten consecutive years, as the case may be. In other words, the Company can make appointment of auditors for five years at a time. Since Messrs V. Sankar Aiyar & Co. has been functioning as Auditors of the Company since last four consecutive years, the Board of Directors unanimously agreeing to the recommendation of the Audit Committee, further recommends re-appointment of Messrs V.Sankar Aiyar & Co. as Statutory Auditors of the Company for one year to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, subject to ratification by shareholders.

The Board of Directors has appointed Messrs D. Sabyasachi & Co., Cost Accountants, as Cost Auditors for conducting audit of the cost accounts maintained by the Company in respect of cables and fixed their remuneration based on the recommendation of the Audit Committee. The remuneration payable to Cost Auditors is subject to ratification by the shareholders in the ensuing Annual General Meeting of the Company.

The due date and actual date of filing of the Cost Audit Report of the Company for the financial year 2012-13 were September 27,2013 and September 05, 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. 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.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit & Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said Circular.

The Financial Statements of the subsidiary companies and other detailed information shall be made available to the members seeking such information at any point of time. The annual accounts of the subsidiary companies will also be available for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

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. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

| | |
|-------------------|-------------------|
| Yours faithfully, | |
| Harsh V.Lodha | Chairman |
| J.Veeraraghavan | } |
| S.K.Misra | |
| R.C.Tapuriah | |
| D.R.Bansal | |
| Y.S.Lodha | Managing Director |

New Delhi, May 19, 2014

**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, 2014.****(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. The Company is conscious of environmental impact of its operations and always strives to reduce energy consumption. Towards this end, some of the steps taken during the year are described below:

- Re-alignment of plant layout for better process flow, efficiency and minimal material movement.
- Installation of under deck insulation in Fibre Colouring and Fibre Ribbon production areas for reducing the air conditioning load.
- Consistent quality power supply to critical production machinery through UPS system(s) resulting in improved power factor, reduced dependence on captive power and avoidance of uninformed power outages.
- Installation of new energy efficient compressor with VFD.
- Replacement of 250W HPMV lamps with 85W CFL's for plant lighting and conventional tube lights with LED lights.
- Putting off one Transformer by load optimization.
- Energy saving by continuously maintaining unity Power Factor.

(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 Micromodule based product line offering flexible and easy access to fiber modules. (d) Development of Dry Tube Ribbon (Cabinet Cables) with HFFR Plastic Tube. (e) Review and revision of design/ proprocess parameters for improved proproducts, based on end use requirement of the customer. |
| 2. Benefits derived as a result of the above R&D | (a) 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. 46(a), 46(b) & 46(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 19, 2014



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. Jelly Filled Telephone Cable (JFTC) has been passing through a very difficult time in the last decade. The number of fixed line telephone subscribers in India is witnessing stagnant or declining trend whereas wireless services continue to grow at a phenomenal pace leading to anemic demand coupled with unremunerative prices for JFTC. The fluctuation in the price of copper and the volatile exchange rate are the other challenges faced by the vendors in the industry. The volatility of copper pricing has been escalating consistently in the last three years. Keeping a steady price for copper based products has become a challenge for every cable manufacturer.

Optical Fibre Cable (OFC) is mainly used in long distance networks and generally forms the backbone of all telecom networks. The overall trend for the technologies indicate focused attention on data and converged services as also making the solutions more robust. OFC with its virtual limitless capacity to transfer bandwidth is the noticeable preference of telecom operators for new network rollout and upgrades of existing ones to meet growing bandwidth demand. The deployment of 4G LTE wireless networks is already propelling the growth of OFC in India as the next level of demand of bandwidth for data and video can only be met through investment in optical fibre network infrastructure. The optical fibre market, growth of which is linked solely on growth in OFC business, showed spectacular year-on-year growth in India during the year 2013-14. The total worldwide fibre shipment during the period April, 2013 to March, 2014 was approx.278.50 Million fibre KMs out of which Indian market was estimated to be around 19.50 Million fibre KMs translating a share of about 7% of global demand with a year-on-year growth of approx.30%. The growth momentum is likely to continue for few more years given the significant investments planned by the telecom operators for 3G and 4G networks infrastructure.

The Government has played a pivotal role in developing broadband infrastructure in the country with the ambitious National Optical Fiber Network (NOFN) project which will unleash the broadband revolution and open up infinite possibilities to connect people to each other, to markets and to reach every citizen in the most seamless way possible. Further, with the rural development ministry having recently agreed to foot the operational expenses for delivering government-to-citizen e-services, the way is paved for creation of a rural broadband ecosystem by leveraging the NOFN project. The much awaited mobile internet movement in India is therefore gaining scale. The recent regulatory changes will provide the necessary impetus to mobile internet growth and drive investment in the sector. Going forward, telecom operators have to tap into three main areas of rural telephony, broadband and digitization services and infrastructure. These will be supported by the requisite back-end infrastructure mainly optical fibre cable based for the next wave of broadband revolution as operators will invest into improving the network speed, coverage and quality of services for consumers. In general, broadband cannot takeoff until fibre optic infrastructure is rolled out.

The EPC Division of the Company currently concentrates on three primary business verticals viz. Telecom, Power and Sewage Projects. In Telecom, it provides solutions in trenching and laying of optical fibre cables, installation and commissioning of telecom equipments, FTTx installation, civil work 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 bank, lighting projects, and end to end LED solutions, etc. The Company has also gained credential in city sewage projects which are being executed through trenchless technology.

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

BUSINESS REVIEW AND OUTLOOK

Since last few years, the telecom sector has been witnessing a downward drift whether it was the viability of the operators offering telecom services or the quality-of-service provided for new connections. The much expected broadband revolution was stalled due to lack of competitiveness, high cost of spectrum through auction process as well as non-availability of PAN India presence of operators for 3G services. The fallout of this on procurement was shortage of capital leading to fall in demand for capacity expansion. However, the year 2013-14 was a turn around year for telecom equipment sector with the launch of certain projects of national importance by the Government and significant rollout of telecom networks by the BWA and other telecom operators.

The National Optical Fibre Network (NOFN) project undertaken by the Government aims at connecting 2,50,000 gram panchayats in the country by laying 4,00,000 KMs of optical fiber cable for creating a robust telecom network and digital highways for providing internet connectivity to about six lacs villages and deliver services like education, healthcare, e-commerce online will be the backbone for mobile networks carrying 3G and 4G services. The NOFN project upon implementation will also provide synergies between wireless networks and optic fibre networks for broadband proliferation. In addition to NOFN project, the Government is set to speed up, after much delay, the process for building an alternative communication network (NFS) for the defence forces to free-up spectrum for telecom department. The state run BSNL, which is entrusted to execute the task is likely to take decision on



tender floated for the said NFS project soon. Other private telecom operators are also aggressively upgrading their existing 2G and 3G networks by providing fibre backhaul and fibre links to the radio base stations. The spread of 4G-LTE mobile network by BWA operators is also driving up the demand for high fibre count optical fibre cables in the mobile backhaul besides deployment of optical fibre in tower verticals in lieu of co-axial cable that runs between the radio heads and ground level base stations. FTTx will obviously be the choice for all the players in the telecom industry to have ultimate experience of triple play services (voice, video, and data) with 100 Mbps download and upload speeds. Accordingly, the deployment of contemporary products e.g. micro optical fibre cable and drop cable in access and last mile connectivity will accelerate the demand growth for a variety of optical fibre cables. All the above projects and initiatives speak for better prospects for telecom cable industry in the near to medium term. However, considering high capital spending requirement, collaboration among operators is likely to increase. Over past one year many operators have entered into several mutually beneficial arrangements for sharing their infrastructure including optical fibre networks, etc., which may restrict anticipated demand growth. Despite this, your Company with its underlying strength of better quality of products with state-of-the-art manufacturing infrastructure will strive to maintain its market share and profitability in the upcoming demand of telecom cables.

The XIth Five Year Plan aims at a sustainable GDP growth rate of more than 7% but there is general consensus that infrastructure inadequacies would constitute a significant constraint in realizing this development potential. To overcome this constraint, an ambitious program 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 sewage pipeline 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 Telecom cables, comprising of PIJF, OFC, Quad cables, etc. increased from Rs.13163.59 lacs in the previous year to Rs. 23819.20 lacs, during the year under review, mainly due to increase in demand from public sector customers, private operators, supplies to Railways and exports.

The increase in revenue from OFC business at Rs.15902.91 lacs as compared to Rs. 5606.95 lacs in the previous year is very significant. The Company has been constantly looking for export opportunities in this area and trying to expand the customer base across wider geography.

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.

It is anticipated that year 2014-15 will be the tipping point for mobile internet on the back of improved regulations, increasing investments by operators in data, increasing consumer adoption and businesses embracing 'mobile' as a content piece of their strategy to engage customers. Latest technological developments in both active and passive equipments are the key to success in the industry for a cost-effective rollout and long-term utility of the broadband networks. All these developments have already made the near term prospects for telecom cable industry exciting particularly in the backdrop of huge infrastructure projects in the pipeline/ under execution .

Other Wires & Cables

There was a slight decrease in other wires & cables sales from Rs. 7811.28 lacs to Rs. 4926.66 lacs in this year, mainly on account of lower sales to Railways.

EPC Contracting/Turnkey Services

As the Company has concentrated on completing the pending orders in the telecom sector, in order to focus its attention on emerging opportunities in certain mega projects besides venturing into other opportunities with better profitability. Various upcoming projects like NOFN, NFS (Defence) by the Government and 4G LTE rollout by private operators are likely to generate big business opportunities in the near to medium term. The Company has also ventured into Sewage projects to be laid through trenchless technology (HDD method) and expects good volumes through this vertical also. In the Power division, the company has a reasonably good order book and will be targeting prestigious projects in pipeline from various government agencies in the ensuing financial year. Most of the projects which were targeted in past and won at low margins in order to build credentials for the company in the respective verticals are near completion. This would give the EPC Division a bigger platform to participate in a number of forthcoming projects adding to its revenue with improved profitability.

Well experienced employees within the organization have been deployed in EPC business 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**

During the year under review, your Company's performance has witnessed significant improvement. The Company has increased its market share in domestic business and also achieved sustained business through exports besides moderate growth in EPC Division business activities.

FINANCIAL REVIEW

- The revenue from operations (gross) increased by approx. 26.30% to Rs.45237.86 lacs in 2013-14 as compared to Rs.35815.84 lacs in the previous year.
- The aggregate other income reduced to Rs.636.81 lacs as against Rs.917.40 lacs compared from the previous year mainly due to lower interest income, lower dividend income, etc.
- The Company achieved profit before depreciation of Rs.3127.38 lacs as against profit before depreciation of Rs.1064.37 lacs as compared to previous year mainly due to higher contribution from both the Divisions.
- The finance costs are higher at Rs.2217.98 lacs (previous year Rs.1994.87 lacs) due to utilization of working capital limits and higher long term borrowings.
- There was no change in the capital structure during the year. However, the increase in Reserves & Surplus by Rs. 2086.23 lacs is because of the net profit in the current year.
- The additions to the fixed assets of Rs.2147.20 lacs during the year mainly consist of capital expenditure incurred for augmenting production capacity of the Company's OFC Unit.
- The inventory has increased to Rs.7597.53 lacs as on March 31, 2014 from Rs.4757.40 lacs as at the end of the previous year mainly due to increase in work-in-progress and raw materials on the back of increased volume of business.
- The trade receivables level at Rs.26274.04 lacs as on March 31, 2014 as compared to Rs.19034.36 lacs as on March 31, 2013 has increased due to higher sales in the 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 Government's mandate to all telecom service providers to procure a minimum percentage of total infrastructure spending by sourcing from local manufacturers and Preferential Market Access Policy (PMA) may provide sustained demand for telecom cables to domestic manufacturers.
- The Indian optical fibre cable manufacturers facilities were operating at low capacities for many years now and they were mainly dependent on exports to utilize a decent capacity to cover costs, since the domestic market has been erratic both in procurement and payments. With changed environment in telecom sector, the industry is finally seeing improved business sentiment with better capacity utilisation mainly due to some of the private operators' thrust in building world class telecom networks using optical fibre cables especially for 4G LTE data centric network.
- The increasing usage of Smartphones across the entire strata of the population both urban and rural parts of our country warrants the deployment of high bandwidth capable optical fibre cables in all backbone, metro, access, subscriber segments of telecom network(s), with the greater exposure to social media networks, the data traffic growth is set to reach exponential levels which can't be catered by the existing network capabilities and huge usage of optical fibre cables is underway across the country.
- With clarity on the licensing and spectrum front workable guidelines around merger and acquisition for telecom operators, allowing 100 percent foreign direct investment, permission to sell and trade spectrum will ensure much needed consolidation and long term viability in the sector. Further, with the satisfactory progress in certain large scale projects e.g. NOFN and dedicated countrywide optical fibre cable network for the defence forces (NFS), the outlook for telecom cable industry seems promising over medium-term.
- The customer base in telecommunication cable industry is relatively concentrated. The Company has, however, been able to retain and expand its customer base in domestic and overseas market places with enlargement of products range and consistent quality.
- The reduction of import duties under various regional and bilateral Free Trade Agreements is impacting the profitability and economic viability of the domestic telecom cable industry. Clearly, there is a need to ensure that the current duty structure are, at the very least, kept unchanged.
- Telecom Sector is impacted substantially by government policies and investment. While no reversal in the planned investment is envisaged, prices and demand are definitely subject to changes in policies on tendering and indenting. However, as explained



above the Government's ambitious targets for telecommunication expansion and broadband penetration seamlessly upto village levels should see favourable regulatory environment in India.

- With the Indian Optical Fibre Cables and other specialty Copper Cable market now forecast to be set for a period of strong growth, some of the global cable manufacturers may enter the market which shall further intensify the competition. Though growth in demand is expected to absorb additional capacity to certain extent, increasing market share and sustaining margins will pose a challenge in the short-term.
- The projects undertaken by the Company's EPC Division are sometimes faced with Right-of-the-Way (RoW) and environmental related challenges which impact the completion timeline of the projects. Large part of project cash flows is linked to the project completion and hence a delay in the completion impacts the working capital cycle. It is hoped that the new Government will simplify the processes, costs and rules in rolling out networks and acquiring permissions, specifically put in place a national framework for enabling the rollout of fibre on the ground and eliminate the mind boggling complexity and liaising with scores of municipal corporations that set their own rules with costs that vary dramatically from one to another.

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; and
- Compliance and regulatory pressures including changes to tax laws.

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

INTERNAL CONTROL FRAMEWORK

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

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

ENVIRONMENT & SAFETY

The Company successfully continued with the implementation of occupational health and safety, quality and environmental protection measures and these are ongoing processes at the Company's plant and facilities. Various proactive measures have also been adopted and implemented which, inter alia, include adoption of cleaner technologies wherever feasible, conservation of resources through waste reduction and training of employees with a focus on sustainable development by improving standards on safety and environment protection. As a recognition of these objectives, the entire range of products of the Company continue to remain certified to the requirement of international standard ISO 14001:2004 by the Det Norske Veritas (DNV).

INDUSTRIAL RELATIONS, HUMAN RESOURCE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITIES

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

Your Company believes that the competence and commitment of the people are the principle drivers of competitive advantage which enhances competitive strength by differentiating it from competitors. The industrial relation climate of your Company continues to remain harmonious with focus on improving productivity, quality and safety. Efforts are being made to strengthen organisational culture in order to attract and retain the best talent in the industry. Training needs are identified in systematic manner and regular training programmes are organised both in house and external. The Board records its appreciation of the commitment and support of the employees. The Company employed 364 numbers of permanent employees on its Roll as on March 31, 2014.



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 Three (3), 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, 2014, four Board Meetings were held on May 21, 2013, August 10, 2013, November 9, 2013 and January 30, 2014. 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 | 2 |
| Shri J.Veeraraghavan | Independent Non-Executive | 4 | No | None | None | None |
| Shri S.K.Misra | Independent Non-Executive | 3 | No | None | None | None |
| Shri R.C.Tapuriah | Independent Non-Executive | 4 | Yes | 7 | 5 | 1 |
| Shri D.R.Bansal | Non-Executive | 3 | No | 4 | 2 | None |
| Shri Pracheta Majumdar | 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, 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 three Independent Non-Executive Directors and one Non-Executive Director 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 (Non-Executive Director)

*Status changed from Independent Non-Executive Director to Non-Executive Director consequent upon his appointment as Wholtime Director in Birla Corporation Ltd.

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 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 20, 2013 | August 9, 2013 | November 8, 2013 | January 29, 2014 |
| Shri R.C.Tapuriah | Yes | Yes | Yes | Yes |
| Shri J.Veeraraghavan | Yes | Yes | Yes | Yes |
| Shri S.K.Misra | Yes | No | Yes | Yes |
| Shri Pracheta Majumdar | No | Yes | Yes | Yes |

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

4. REMUNERATION COMMITTEE

The Remuneration Committee constituted in pursuance of the Listing Agreement and Schedule XIII to the Companies Act, 1956, comprises of all three Independent Non-Executive Directors viz. (i) Shri R.C.Tapuriah; (ii) Shri J.Veeraraghavan; and (iii) Shri S.K.Misra. The members of the Committee shall elect a Chairman from amongst themselves, as and when the meeting of the Remuneration Committee is held.

The Remuneration Committee formulates and recommends to the Board from time to time a compensation structure for whole-time directors of the Board. The Committee did not meet during the financial year ended March 31, 2014. As per terms of reference, the Remuneration Committee vide a circular resolution dated May 18, 2013 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, 2013.

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 of Directors, Audit Committee & Remuneration Committee and Rs.2000/- for each meeting of the Share Transfer-Cum-Investors' Grievance Committee attended by any such Director. The details of remuneration paid to Directors/Managing Director for the financial year ended March 31, 2014, 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 | 1.24 |
| Shri S.K.Misra | 0.90 |
| Shri R.C.Tapuriah | 1.20 |
| Shri D.R.Bansal | 0.49 |
| Shri Pracheta Majumdar | 0.92 |

(b) Managing Director:

| (Rs.in lacs) | | | |
|----------------|--------|-------------------|-------|
| Name | Salary | Perquisites, etc. | Total |
| Shri Y.S.Lodha | 43.34 | 6.96 | 50.30 |

- Notes:**
- (1) Sitting fees include fees paid for attending Committee Meetings.
 - (2) All appointments are non-contractual except that of the Managing Director which is for 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, inter alia, include overseeing and reviewing all matters connected with investor's complaints and redressal mechanism besides approval or authorisations for share transfer/ transmission/ refusal of transfer/consolidation/sub-division/dematerialisation or rematerialisation, issue of duplicate share certificate(s), etc. as per applicable statutory and regulatory provisions.

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

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

*Status changed from Independent Non-Executive Director to Non-Executive Director consequent upon his appointment as Wholtime Director in Birla Corporation Ltd.

Shri J.Veeraraghavan was elected as Chairman of the Committee. The Secretary of the Company has been designated as the Compliance Officer.

During the financial year ended March 31, 2014, two Meetings of the Committee were held on May 20, 2013 and November 8, 2013.

During the year under review, 7 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, 2014.

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 |
|----------------|---|-----------------|------------------------------------|--------------------|
| 2010-11 | Registered Office of the Company - Udyog Vihar, P.O.Chorhata, Rewa - 486 006 (M.P.) | 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. |
| 2012-13 | Same as above | AGM | July 9, 2013 | 4 p.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.

7. DISCLOSURES

- (a) There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. A statement in summary form of transactions with the related parties during the year in the ordinary course of business is disclosed in Note No.40 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, 2014 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 19, 2014.
- (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 : August 12, 2014 at 3.00 P.M.
- Venue : Registered Office of the Company at
Udyog Vihar, P.O.Chorhata, Rewa – 486 006 (M.P.)

**9.2 Financial Calendar (2014-15):**

(tentative)

Quarterly Results :

| | | |
|---------------------------|---|-------------------------------|
| Ending June 30, 2014 | : | Second week of August, 2014 |
| Ending September 30, 2014 | : | Second week of November, 2014 |
| Ending December 31, 2014 | : | Second week of February, 2015 |
| Ending March 31, 2015 | : | Second week of May, 2015 |

9.3 **Book Closure date(s)** : Wednesday, August 6, 2014 to Tuesday, August 12, 2014 (both days inclusive)

9.4 **Dividend Payment date** : On or after August 16, 2014

9.5 **Listing on Stock Exchanges** : (a) BSE 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

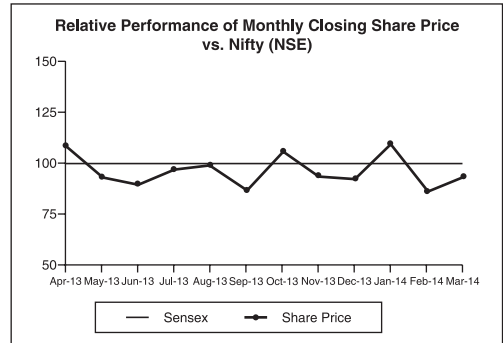
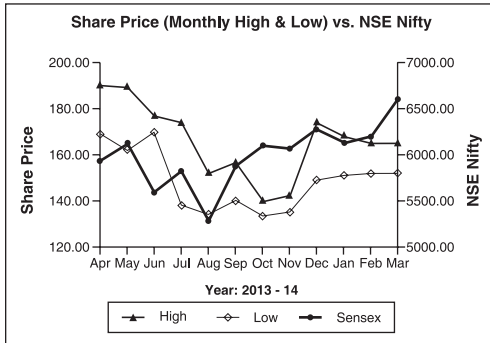
The Company has timely paid the Annual listing fees for the financial year 2013-14 to BSE & NSE.

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 BSE 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, 2013 | 190.00 | 161.00 | 4445 | 189.85 | 169.00 | 1762 |
| May, 2013 | 188.80 | 160.00 | 3096 | 189.50 | 162.00 | 450 |
| June, 2013 | 179.00 | 160.00 | 6304 | 176.80 | 169.75 | 510 |
| July, 2013 | 170.00 | 154.00 | 4394 | 174.00 | 138.15 | 2194 |
| August, 2013 | - | - | - | 152.00 | 134.00 | 1001 |
| September, 2013 | 147.90 | 135.05 | 1185 | 157.00 | 140.00 | 801 |
| October, 2013 | 140.00 | 130.00 | 5427 | 139.90 | 133.20 | 849 |
| November, 2013 | 147.00 | 132.00 | 12746 | 142.10 | 134.95 | 7683 |
| December, 2013 | 173.70 | 143.00 | 4715 | 174.00 | 149.00 | 4758 |
| January, 2014 | 174.70 | 149.55 | 4730 | 168.00 | 151.05 | 4094 |
| February, 2014 | 169.00 | 148.35 | 10383 | 165.00 | 152.00 | 15292 |
| March, 2014 | 170.10 | 145.85 | 11250 | 164.85 | 152.00 | 8663 |

9.8 Share price performance in comparison to broad based indices – NSE Nifty:


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, 2014 :

| No.of Equity Shares held | Number of Shareholders | % of shareholders | No.of shares held | % of shareholding |
|--------------------------|------------------------|-------------------|-------------------|-------------------|
| 1 - 500 | 5045 | 91.92 | 662935 | 5.60 |
| 501 - 1000 | 227 | 4.14 | 166464 | 1.41 |
| 1001 - 2000 | 92 | 1.68 | 134248 | 1.13 |
| 2001 - 3000 | 27 | 0.49 | 67810 | 0.57 |
| 3001 - 4000 | 11 | 0.20 | 39293 | 0.33 |
| 4001 - 5000 | 10 | 0.18 | 45538 | 0.38 |
| 5001 - 10000 | 24 | 0.44 | 177462 | 1.50 |
| 10001 and above | 52 | 0.95 | 10557113 | 89.08 |
| GRAND TOTAL | 5488 | 100.00 | 11850863 | 100.00 |
| Physical Mode | 2308 | 42.06 | 404444 | 3.41 |
| Electronic Mode | 3180 | 57.94 | 11446419 | 96.59 |

(b) **Category of Shareholders as on March 31, 2014:**

| Category | No. of Shareholders | % of shareholders | No. of shares held | % of shareholding |
|---|---------------------|-------------------|--------------------|-------------------|
| Promoter and Promoter Group* | 12 | 0.22 | 5157305 | 43.52 |
| Resident Individuals & Corporates | 5173 | 94.26 | 4225211 | 35.65 |
| Financial Institutions/Banks/Mutual Funds | 18 | 0.33 | 6846 | 0.06 |
| NRIs/FIIs | 266 | 4.85 | 1192903 | 10.07 |
| Societies** | 6 | 0.11 | 1253886 | 10.58 |
| Clearing Member | 13 | 0.23 | 14712 | 0.12 |
| GRAND TOTAL | 5488 | 100.00 | 11850863 | 100.00 |

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

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

- 9.12 **Dematerialisation of Shares and liquidity:** 11446419 Equity Shares representing 96.59% 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, 2014.

Company's shares are reasonably liquid. However, they were infrequently traded on the BSE Ltd.(BSE) and National Stock Exchange of India Ltd.(NSE) during the financial year 2013-14. Relevant data for the approximate average daily turnover in terms of volume for the financial year 2013-14 is given below :

| BSE | NSE | BSE + NSE |
|-----|-----|-----------|
| 392 | 312 | 704 |

[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.), India

- 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@vindhyaatelinks.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 Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct, for the financial year ended 31st March, 2014.

For Vindhya Telelinks Limited

Place : New Delhi
Date : May 18, 2014

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 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : New Delhi
Date : 19th May, 2014

R. Raghuraman
Partner
Membership No. 081350



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 2014, 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

The Company's 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 section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 2014;
- (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. 35 to the financial statements regarding non provision for the shortfall in the market value of a quoted investment 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 Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013; and
 - (e) on the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31.03.2014 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
Firm Registration No.109208W

R. Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : 19th May, 2014

Annexure referred to in paragraph 2 of the Auditors' report to the shareholders of Vindhya Telelinks Limited for the year ended 31st March, 2014

1. (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 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.
- (c) The disputed dues on account of sales tax which have remained unpaid as on 31.03.2014 are as follows :-

| Name of the Statute | Nature of dues | Amount (Rs. in lacs) | Period to which amount relates | Forum where dispute pending |
|---------------------|----------------|----------------------|--------------------------------|---|
| WBVAT Act, 2003 | Sales tax | 9.39 | FY 2009-10 | Sales Tax Appellate Tribunal, West Bengal |

10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the current financial year and 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. 10,700 lakhs as stated in Note No. 31 (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. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
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 material fraud on or by the Company has been noticed or reported during the year under audit.

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

R. Raghuraman
Partner

Membership No. 081350

Place : New Delhi
Date : 19th May, 2014



BALANCE SHEET AS AT MARCH 31, 2014

| | Note No. | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--------------------------------|--------------|---|---|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share capital | 3 | 1184.08 | 1184.08 |
| Reserves and surplus | 4 | 23165.85 | 21357.23 |
| | | <u>24349.93</u> | <u>22541.31</u> |
| NON-CURRENT LIABILITIES | | | |
| Long-term borrowings | 5 | 6125.83 | - |
| Other long-term liabilities | 6 | - | 55.25 |
| Long-term provisions | 7 | 215.71 | 215.66 |
| | | <u>6341.54</u> | <u>270.91</u> |
| CURRENT LIABILITIES | | | |
| Short-term borrowings | 8 | 12399.53 | 13883.78 |
| Trade payables | 9 | 13370.33 | 7052.80 |
| Other current liabilities | 10 | 1329.07 | 2003.33 |
| Short-term provisions | 11 | 573.71 | 309.61 |
| | | <u>27672.64</u> | <u>23249.52</u> |
| | Total | <u>58364.11</u> | <u>46061.74</u> |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 12 | | |
| Tangible assets | | 5399.48 | 4230.57 |
| Intangible assets | | 14.20 | 24.78 |
| Capital work-in-progress | | 468.80 | 49.24 |
| | | <u>5882.48</u> | <u>4304.59</u> |
| Non-current investments | 13 | 11768.37 | 11768.37 |
| Long-term loans and advances | 14 | 122.25 | 497.74 |
| Other non-current assets | 15 | 1768.53 | 786.46 |
| | | <u>19541.63</u> | <u>17357.16</u> |
| CURRENT ASSETS | | | |
| Inventories | 16 | 7579.53 | 4757.40 |
| Trade receivables | 17 | 26274.04 | 19034.36 |
| Cash and cash equivalents | 18 | 975.98 | 1461.34 |
| Short-term loans and advances | 19 | 2176.58 | 1693.55 |
| Other current assets | 20 | 1816.35 | 1757.93 |
| | | <u>38822.48</u> | <u>28704.58</u> |
| | Total | <u>58364.11</u> | <u>46061.74</u> |

Significant accounting policies

2

The accompanying Notes 1 to 48 form an integral part of the financial statements.

As per our attached report of even date.

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

| | | |
|------------------|---|------------------------------------|
| 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 |

R. Raghuraman
Partner
Membership No.081350
New Delhi, May 19, 2014

New Delhi, May 19, 2014



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

| | Note No. | For the year ended March 31, 2014 Rs. in lacs | For the year ended March 31, 2013 Rs. in lacs |
|--|----------|--|--|
| REVENUE | | | |
| Revenue from operations (gross) | 21 | 45237.86 | 35815.84 |
| Less: Excise duty | | <u>2822.49</u> | <u>2023.82</u> |
| Revenue from operations (net) | | 42415.37 | 33792.02 |
| Other income | 22 | <u>636.81</u> | <u>917.40</u> |
| Total revenue | | <u>43052.18</u> | <u>34709.42</u> |
| EXPENSES | | | |
| Cost of materials consumed | 23 | 21867.06 | 15880.79 |
| Purchase of stock -in-trade (traded goods) | | 108.96 | 150.51 |
| (Increase)/decrease in inventories | 24 | (1303.85) | (648.72) |
| Materials purchased/Subcontract expenses | 25 | 11362.20 | 10997.14 |
| Employee benefits expense | 26 | 2169.40 | 2020.39 |
| Finance costs | 27 | 2217.98 | 1994.87 |
| Other expenses | 28 | <u>3503.05</u> | <u>3250.07</u> |
| Total expenses | | <u>39924.80</u> | <u>33645.05</u> |
| EARNINGS BEFORE DEPRECIATION, AMORTISATION AND TAX | | 3127.38 | 1064.37 |
| Depreciation and amortisation expense | 29 | <u>552.82</u> | <u>476.62</u> |
| PROFIT BEFORE TAX | | 2574.56 | 587.75 |
| Current Tax (MAT) (Refer Note No. 34) | | 484.25 | 13.81 |
| Income tax for earlier years | | <u>4.08</u> | <u>-</u> |
| PROFIT FOR THE YEAR | | <u>2086.23</u> | <u>573.94</u> |
| Earning per equity share (EPS) | | | |
| Basic and diluted EPS (Nominal value of shares Rs.10/- each) | 30 | 17.62 | 4.85 |
| Significant accounting policies | 2 | | |

The accompanying Notes 1 to 48 form an integral part of the financial statements.

As per our attached report of even date.

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

R. Raghuraman
Partner
Membership No.081350
New Delhi, May 19, 2014

| | | |
|-------------------------|---|------------------------------------|
| 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 19, 2014 | | |



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

| | Rs. in lacs | For the year ended March 31, 2014 Rs. in lacs | Rs. in lacs | For the year ended March 31, 2013 Rs. in lacs |
|--|-------------|---|-------------|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before tax | | 2574.56 | | 587.75 |
| Non-cash adjustment to reconcile profit before tax to net cash flows | | | | |
| Depreciation and amortisation | 552.82 | | 476.62 | |
| (Profit)/loss on disposal of fixed assets (net) | 12.42 | | 1.91 | |
| (Gain)/loss on Unrealised foreign exchange rate fluctuations | 6.83 | | 14.52 | |
| Provision for doubtful debts (net) | - | | (97.51) | |
| Interest income | (228.40) | | (300.28) | |
| Dividend income | (287.11) | | (382.81) | |
| Interest expense | 1697.58 | 1754.14 | 1466.16 | 1178.61 |
| Operating Profit/(loss) before working capital changes | | 4328.70 | | 1766.36 |
| Movement in working capital: | | | | |
| Increase/(decrease) in trade payables and provisions | 5564.98 | | 2764.74 | |
| Decrease/(increase) in trade receivables | (6675.20) | | (1802.25) | |
| Decrease/(increase) in inventories | (2822.13) | | (1522.72) | |
| Decrease/(increase) in loans and advances | (397.01) | | (239.33) | |
| Decrease/(increase) in other current assets | (38.58) | (4367.94) | (1206.82) | (2006.38) |
| Cash generated from/(used in) operations | | (39.24) | | (240.02) |
| Direct taxes paid (net of refunds) | | (190.60) | | 311.15 |
| Net cash flow from/(used in) operating activities (A) | | (229.84) | | 71.13 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| (Purchase) of fixed assets | (2147.20) | | (321.15) | |
| Proceeds from sale of fixed assets | 31.94 | | 12.24 | |
| (Investment) in bank deposits | (2387.78) | | (1095.17) | |
| Redemption/maturity of bank deposits | 1095.17 | | 829.81 | |
| Interest received | 180.38 | | 276.40 | |
| Dividend received | 287.11 | | 382.81 | |
| Net cash flow from/(used in) investing activities (B) | | (2940.38) | | 84.94 |



| | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|---|--|--|
| | Rs. in lacs | Rs. in lacs |
| CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (Contd.) | | |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from share capital | - | 0.11 |
| Proceeds from securities premium | - | 0.47 |
| Proceeds from long term borrowings | 5127.46 | - |
| Proceeds/(repayment) from short term borrowings | (479.57) | 1685.45 |
| Interest paid | (1690.37) | (1479.57) |
| Net cash flow from/(used in) financing activities (C) | 2957.52 | 206.46 |
| Net increase/(decrease) in cash and cash equivalents | (212.70) | 362.53 |
| Cash and cash equivalents at the beginning of the year | 475.75 | 113.22 |
| Cash and cash equivalents at the end of the year | 263.05 | 475.75 |
| Components of cash and cash equivalents | | |
| Cash on hand | 1.27 | 0.82 |
| Cheques, drafts on hand | 108.36 | 206.02 |
| In current accounts | 153.42 | 268.91 |
| | 263.05 | 475.75 |

- (a) Difference of Rs.2471.36 lacs (Rs.1178.75 lacs) compared with Note. No. 18 represents short term investments with an original maturity of three months or more.
- (b) The Cash Flow Statement has been prepared under the 'Indirect method' as set out in Accounting Standard (AS-3) on Cash Flow Statement.
- (c) Negative figures have been shown in brackets.

As per our attached report of even date.

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

R. Raghuraman
Partner
Membership No.081350
New Delhi, May 19, 2014

| | | |
|-------------------------|---|------------------------------------|
| 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 19, 2014 | | |

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014****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 read with the General Circular 8/2014 dated 4th April, 2014 issued by the Ministry of Corporate Affairs. All income & expenditure are accounted for on accrual basis except certain insurance claims, which are recognised on acceptance basis, as and when the amount whereof can be ascertained with reasonable certainty.

(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 Transactions

(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, 2014 Rs. in lacs | As at March 31, 2013 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 1.01

1184.08 1184.08

- (a) Reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2014 and March 31, 2013 is as under :

| | As at March 31, 2014 | | As at March 31, 2013 | |
|--|----------------------|-------------|----------------------|-------------|
| | 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/- each. The holders of equity shares are entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. For the year ended 31st March 2014, the amount of per share dividend recognised for distribution to equity shareholders was Rs.2/- per share, subject to approval of shareholders.



- (c) Shareholders holding more than 5% shares based on legal ownership in the subscribed share capital of the Company is set out below :

| Name of the Shareholder | As at March 31, 2014 | | As at March 31, 2013 | |
|--|----------------------|--------|----------------------|--------|
| | 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 |

| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|---|---|
| | | |

4. RESERVES AND SURPLUS

Revaluation reserve - On revaluation of plant and equipment

| | | |
|--|-------------|-------------|
| Opening balance | 2.31 | 2.67 |
| Less : Transferred to Statement of Profit and Loss being difference of depreciation on revalued cost of assets and that on the original cost | 0.31 | 0.36 |
| | <u>2.00</u> | <u>2.31</u> |

Securities premium account

| | | |
|--------------------------------|----------------|----------------|
| Opening balance | 3885.06 | 3884.59 |
| Add : Received during the year | - | 0.47 |
| Closing balance | <u>3885.06</u> | <u>3885.06</u> |

General reserve

| | | |
|--------------------------------|-----------------|-----------------|
| Opening balance | 16658.85 | 16658.85 |
| Add : Transferred from surplus | 200.00 | - |
| Closing balance | <u>16858.85</u> | <u>16658.85</u> |

Surplus in the Statement of Profit and Loss

| | | |
|---|-----------------|-----------------|
| Opening balance | 811.01 | 237.07 |
| Add : Profit for the year | 2086.23 | 573.94 |
| | <u>2897.24</u> | <u>811.01</u> |
| Less: Appropriations | | |
| Proposed dividend | 237.02 | - |
| Corporate dividend tax on proposed dividend | 40.28 | - |
| Transferred to general reserve | 200.00 | - |
| | <u>477.30</u> | <u>-</u> |
| Closing balance | <u>2419.94</u> | <u>811.01</u> |
| | <u>23165.85</u> | <u>21357.23</u> |

5. LONG-TERM BORROWINGS

Secured

| | | |
|------------------|--------|---|
| Suppliers Credit | 725.83 | - |
|------------------|--------|---|

Unsecured

| | | |
|-----------------------|----------------|----------|
| From bodies corporate | 5400.00 | - |
| | <u>6125.83</u> | <u>-</u> |

- (a) The loans from bank are 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, 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,



loans 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. Supplier's credit (in foreign currency) is repayable in full in the year 2016 and carries interest @ 2.04% (rate as on the reporting date).

- (b) As per renewed/revised terms and conditions loans from bodies corporate amounting to Rs. 3000.00 lacs are repayable in full in the year 2015 and Rs. 2400.00 lacs are repayable in the year 2017 respectively. These loans carry interest @ 10.50% and 11.00% (rate as on the reporting date).

| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|---|---|
| 6. OTHER LONG-TERM LIABILITIES | | |
| Sundry deposits | - | 55.25 |
| | - | 55.25 |
| 7. LONG-TERM PROVISIONS | | |
| Provision for employee benefits | | |
| Compensated absences | 187.13 | 183.67 |
| Pension | 28.58 | 31.99 |
| | 215.71 | 215.66 |
| 8. SHORT-TERM BORROWINGS | | |
| Working capital loans/trade credits from banks (Secured) | | |
| Cash credit facilities | 5815.24 | 5638.29 |
| Buyer's credit | 583.02 | 987.18 |
| Export packing credit | 501.27 | 1003.31 |
| | 6899.53 | 7628.78 |
| Other short term loans (Unsecured) | | |
| From bodies corporate (repayable on demand) | 2300.00 | 2500.00 |
| From related parties (repayable on demand) | 3200.00 | 3755.00 |
| | 5500.00 | 6255.00 |
| | 12399.53 | 13883.78 |
| (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. | | |
| 9. TRADE PAYABLES | | |
| Trade payables (Refer Note No. 45 for dues to micro and small enterprises) | 13370.33 | 7052.80 |
| | 13370.33 | 7052.80 |



| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|---|---|
| 10. OTHER CURRENT LIABILITIES | | |
| Sundry deposits | 55.60 | 0.35 |
| Interest accrued but not due on borrowings | 11.66 | 4.45 |
| Interest accrued and due on borrowings | 62.91 | - |
| Other payables | | |
| Mobilisation and other advances from customers | 541.05 | 1415.09 |
| Statutory dues | 408.52 | 479.78 |
| Accrued employee benefits expense | 115.13 | 94.32 |
| For purchase of fixed assets | 134.20 | 9.34 |
| | <u>1329.07</u> | <u>2003.33</u> |

| | | |
|---|---------------|---------------|
| 11. SHORT TERM PROVISIONS | | |
| Provision for income tax (net of advance) | 225.59 | 217.33 |
| Proposed dividend | 237.02 | - |
| Corporate dividend tax | 40.28 | - |
| Provision for employee benefits | | |
| Compensated absences | 30.52 | 23.78 |
| Pension | 4.44 | 4.44 |
| Gratuity | - | 26.88 |
| Others | 35.86 | 37.18 |
| | <u>573.71</u> | <u>309.61</u> |

12. FIXED ASSETS

| Nature of fixed assets | Rs. in lacs | | | | | | | | | |
|--|---------------------|--------------------------------|-------------------------|---------------------|----------------------------|--------------------------------|-------------------------|--------------------|---------------------|---------------------|
| | Gross Block | | | | Depreciation /Amortisation | | | | Net Block | |
| | As at 01.04.2013 | Addition during the year | Disposal/ Deductions | As at 31.03.2014 | Upto 31.03.2013 | Provided during the year | Disposal/ Deductions | Upto 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |
| (A) TANGIBLE ASSETS: | | | | | | | | | | |
| Land | | | | | | | | | | |
| Freehold | 113.18 | - | - | 113.18 | - | - | - | - | 113.18 | 113.18 |
| Leasehold | 44.68 | - | - | 44.68 | 9.26 | 0.68 | - | 9.94 | 34.74 | 35.42 |
| Buildings* | 2055.82 | 9.64 | - | 2065.46 | 1206.71 | 44.18 | - | 1250.89 | 814.57 | 849.11 |
| Plant & Equipments** | 11834.80 | 1671.11 | 159.09 | 13346.82 | 8802.21 | 454.29 | 144.45 | 9112.05 | 4234.77 | 3032.59 |
| Furniture & Fixtures | 259.50 | 18.50 | 7.28 | 270.72 | 185.03 | 8.94 | 5.95 | 188.02 | 82.70 | 74.47 |
| Office Equipments | 110.39 | 11.78 | 2.05 | 120.12 | 83.25 | 11.87 | 1.85 | 93.27 | 26.85 | 27.14 |
| Vehicles | 133.35 | 16.61 | 6.09 | 143.87 | 57.21 | 12.97 | 6.08 | 64.10 | 79.77 | 76.14 |
| Leasehold Improvements | 48.10 | - | - | 48.10 | 25.58 | 9.62 | - | 35.20 | 12.90 | 22.52 |
| TOTAL (A) | <u>14599.82</u> | <u>1727.64</u> | <u>174.51</u> | <u>16152.95</u> | <u>10369.25</u> | <u>542.55</u> | <u>158.33</u> | <u>10753.47</u> | <u>5399.48</u> | <u>4230.57</u> |
| (B) INTANGIBLE ASSETS: | | | | | | | | | | |
| Computer Software | 70.80 | - | - | 70.80 | 46.02 | 10.58 | - | 56.60 | 14.20 | 24.78 |
| TOTAL (B) | <u>70.80</u> | <u>-</u> | <u>-</u> | <u>70.80</u> | <u>46.02</u> | <u>10.58</u> | <u>-</u> | <u>56.60</u> | <u>14.20</u> | <u>24.78</u> |
| (C) CAPITAL WORK IN PROGRESS (at cost): | | | | | | | | | | |
| Under installation/ commissioning | - | - | - | - | - | - | - | - | 388.01 | 30.83 |
| In transit | - | - | - | - | - | - | - | - | 80.79 | 18.41 |
| TOTAL (C) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>468.80</u> | <u>49.24</u> |
| TOTAL (A+B+C) | <u>14670.62</u> | <u>1727.64</u> | <u>174.51</u> | <u>16223.75</u> | <u>10415.27</u> | <u>553.13</u> | <u>158.33</u> | <u>10810.07</u> | <u>5882.48</u> | <u>4304.59</u> |
| Previous Year | 14940.55 | 300.11 | 570.04 | 14670.62 | 10471.93 | 476.98 | 533.64 | 10415.27 | 4255.35 | |

* 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, 2014 is Rs.31.97 lacs (Rs.33.65 lacs) and depreciation charged during the year is Rs.1.68 lacs (Rs.1.78 lacs).

** Gross Block of Plant & equipment includes Rs.754.57 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, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|---|---|---|
| 13. 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 | <u>6011.34</u> | <u>6011.34</u> |
| 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) Lanesea Agents Limited | 1500.02 | 1500.02 |
| | <u>4525.06</u> | <u>4525.06</u> |
| 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 |
| | <u>1231.95</u> | <u>1231.95</u> |
| 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 |
| | <u>0.02</u> | <u>0.02</u> |
| Aggregate amount of unquoted investments | <u>5757.03</u> | <u>5757.03</u> |
| | <u>11768.37</u> | <u>11768.37</u> |
| Aggregate market value of quoted investments (Refer Note No. 35) | <u>20827.55</u> | <u>17448.96</u> |
| 14. LONG-TERM LOANS AND ADVANCES | | |
| (unsecured and considered good) | | |
| Capital advances | 8.44 | 106.39 |
| Loans and advances to employees | 5.59 | 7.98 |
| Security deposits | 86.18 | 64.84 |
| Advance Income Tax/Tax deducted at source (net) | 20.95 | 310.42 |
| Prepaid expenses | 1.09 | 8.11 |
| | <u>122.25</u> | <u>497.74</u> |
| 15. OTHER NON-CURRENT ASSETS | | |
| Long-term trade receivables (unsecured and considered good) | 10.10 | 593.30 |
| Non-current bank balances | 1758.43 | 193.16 |
| | <u>1768.53</u> | <u>786.46</u> |



| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|---|---|
| 16. INVENTORIES [Refer Note No. 2(g) for mode of valuation] | | |
| Raw materials [including in transit Rs.1128.07 lacs (Rs. 379.68 lacs)] | 3102.64 | 1684.51 |
| Packing Material | 120.50 | 61.45 |
| Stores and spares | 252.74 | 211.64 |
| Stock-in-trade | 125.78 | 118.63 |
| Work-in-progress (Refer Note No.24) | 3897.00 | 2668.15 |
| Finished goods | 42.97 | 1.42 |
| Scrap | 37.90 | 11.60 |
| | <u>7579.53</u> | <u>4757.40</u> |
| 17. TRADE RECEIVABLES (Unsecured) | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Considered good | 4306.28 | 5167.16 |
| Considered doubtful | 125.35 | 125.35 |
| | <u>4431.63</u> | <u>5292.51</u> |
| Others | | |
| Considered good | 21967.76 | 13867.20 |
| | <u>26399.39</u> | <u>19159.71</u> |
| Less: Provision for doubtful debts | 125.35 | 125.35 |
| | <u>26274.04</u> | <u>19034.36</u> |
| 18. CASH AND CASH EQUIVALENTS | | |
| Cash on hand | 1.27 | 0.82 |
| Cheques, drafts on hand | 108.36 | 206.02 |
| Balance with banks | | |
| -In current accounts | 153.42 | 268.91 |
| -In term deposit accounts (term deposit receipts pledged with banks towards margin against letter of credit and other commitments) | 2471.36 | 1178.75 |
| | <u>2734.41</u> | <u>1654.50</u> |
| Less: Term deposit account having more than 12 months maturity at the year end (disclosed under Note No. 15) | 1758.43 | 193.16 |
| | <u>975.98</u> | <u>1461.34</u> |
| 19. SHORT-TERM LOANS AND ADVANCES | | |
| (unsecured and considered good) | | |
| Loans and advances to employees | 18.57 | 17.56 |
| Security deposits | 99.94 | 135.32 |
| Advance Income Tax/Tax deducted at source (net) | 157.64 | - |
| Claims, refunds etc. receivable | 321.97 | 327.13 |
| Advance recoverable in cash or kind | 1578.46 | 1213.54 |
| | <u>2176.58</u> | <u>1693.55</u> |



| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|---|---|
| 20. OTHER CURRENT ASSETS | | |
| Interest accrued but not due on term deposits | 112.57 | 64.55 |
| Unbilled revenue | 1695.86 | 1665.00 |
| Unamortised premium on forward contracts | 7.72 | - |
| Assets held for disposal (at lower of net book value and net realisable value) | 0.20 | 28.38 |
| | <u>1816.35</u> | <u>1757.93</u> |

| | For the year ended March 31, 2014 Rs. in lacs | For the year ended March 31, 2013 Rs. in lacs |
|---|--|--|
| 21. REVENUE FROM OPERATIONS | | |
| Sale of products | | |
| Telecommunications Cables | 23819.20 | 13163.59 |
| Other Wires & Cables | 4926.66 | 7811.28 |
| FRP Rods/Glass Rovings | 511.31 | 332.52 |
| Traded goods* | 154.48 | 158.10 |
| | <u>29411.65</u> | <u>21465.49</u> |
| Sale of services | | |
| Contract revenue | 15049.98 | 12754.09 |
| Indefeasible right of use [(IRU) (Refer Note No.41(b))] | 139.17 | 741.93 |
| | <u>15189.15</u> | <u>13496.02</u> |
| Other operating revenues | | |
| Scrap materials | 361.70 | 504.27 |
| Processing & job work income | 119.00 | 200.87 |
| Export incentives | 156.36 | 149.19 |
| | <u>637.06</u> | <u>854.33</u> |
| | <u>45237.86</u> | <u>35815.84</u> |

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

| | | |
|---|---------------|---------------|
| 22. OTHER INCOME | | |
| Interest income | 228.40 | 300.28 |
| Dividend income on non-current investments | 287.11 | 382.81 |
| Provision for doubtful debts written back (net) | - | 97.51 |
| Rent received | 110.14 | 107.86 |
| Other non operating income | 11.16 | 28.94 |
| | <u>636.81</u> | <u>917.40</u> |



| | For the year ended March 31, 2014 Rs. in lacs | For the year ended March 31, 2013 Rs. in lacs |
|---|--|--|
| 23. COST OF MATERIALS CONSUMED | | |
| Opening stock | 1684.51 | 829.18 |
| Add: Purchase [Less : Sales and Claim Rs.1737.79 lacs (Rs. 747.04 lacs)] | 23285.19 | 16736.12 |
| | <u>24969.70</u> | <u>17565.30</u> |
| Less: Closing stock | 3102.64 | 1684.51 |
| | <u>21867.06</u> | <u>15880.79</u> |
| Details of Raw materials consumed | | |
| Copper | 6662.41 | 8060.33 |
| Polyethylene | 2973.61 | 1493.34 |
| Single Mode Optical Fibre | 6037.23 | 2000.31 |
| Others* | 6193.81 | 4326.81 |
| | <u>21867.06</u> | <u>15880.79</u> |
| * None of these individually account for more than 10% of total cost of materials consumed. | | |
| 24. (INCREASE)/DECREASE IN INVENTORIES | | |
| Closing inventories | | |
| Work-in-progress* | 3897.00 | 2668.15 |
| Finished goods | 42.97 | 1.42 |
| Stock-in-trade | 125.78 | 118.63 |
| Scrap materials | 37.90 | 11.60 |
| | <u>4103.65</u> | <u>2799.80</u> |
| Opening 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 |
| | <u>2799.80</u> | <u>2151.08</u> |
| | <u>(1303.85)</u> | <u>(648.72)</u> |
| *Detail of work-in-progress | | |
| Telecommunications Cables | 2044.86 | 696.20 |
| Other Wires & Cables | 25.39 | 165.23 |
| FRP Rods/Glass Rovings | 39.89 | 32.13 |
| Contracts under execution (EPC) | 1786.86 | 1774.59 |
| | <u>3897.00</u> | <u>2668.15</u> |
| 25. MATERIALS PURCHASED/SUBCONTRACT EXPENSES | | |
| Materials purchased | 7522.36 | 7864.86 |
| Other engineering & construction expenses | 3839.84 | 3132.28 |
| | <u>11362.20</u> | <u>10997.14</u> |
| 26. EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, wages, bonus and benefits, etc. | 1838.10 | 1704.98 |
| Contribution to provident and other funds, etc. | 187.17 | 173.12 |
| Welfare expenses | 144.13 | 142.29 |
| | <u>2169.40</u> | <u>2020.39</u> |



| | For the year ended March 31, 2014 Rs. in lacs | For the year ended March 31, 2013 Rs. in lacs |
|-------------------------------------|--|--|
| 27. FINANCE COSTS | | |
| Interest expense | 1697.58 | 1466.16 |
| Foreign exchange rate fluctuation * | 67.12 | 182.82 |
| Other borrowing costs | 453.28 | 345.89 |
| | <u>2217.98</u> | <u>1994.87</u> |

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

28. OTHER EXPENSES

| | | |
|--|----------------|----------------|
| Consumption of stores and spares | 257.45 | 225.17 |
| Packing materials | 649.73 | 495.44 |
| Processing/job work and testing charges | 53.43 | 54.01 |
| Power and fuel | 557.29 | 479.67 |
| Sales commission (other than sole selling agent) | 228.19 | 173.29 |
| Rent | 202.19 | 170.45 |
| Repair & maintenance | | |
| - Plant & machinery | 69.88 | 87.07 |
| - Buildings | 60.05 | 33.28 |
| - Others | 23.92 | 22.08 |
| Insurance | 83.05 | 74.90 |
| Rates & taxes | 199.39 | 404.39 |
| Travelling and conveyance | 330.34 | 331.42 |
| Payment to auditors | | |
| Statutory auditors | | |
| -Audit fees | 8.00 | 6.00 |
| -Tax audit fee | 0.75 | 0.75 |
| -Quarterly reviews | 3.75 | 3.00 |
| -Taxation matters | 0.30 | 0.25 |
| -Certification, etc. | 2.70 | 3.40 |
| -Reimbursement of expenses | 0.61 | 0.88 |
| Cost auditors | | |
| -Audit fees | 0.48 | 0.40 |
| -Certification, etc. | 0.10 | 0.10 |
| -Reimbursement of expenses | 0.20 | 0.20 |
| Legal and professional | 165.76 | 139.43 |
| Loss on disposal of fixed assets (net) | 12.42 | 1.91 |
| Bad debts/sundry balances written off (net) | 145.86 | 125.68 |
| Foreign exchange rate fluctuation (net) | - | 16.91 |
| Excise duty on Increase/(decrease) in stocks | 7.67 | (3.45) |
| Miscellaneous expenses | 439.54 | 403.44 |
| | <u>3503.05</u> | <u>3250.07</u> |

29. DEPRECIATION AND AMORTISATION EXPENSE

| | | |
|--|---------------|---------------|
| On fixed assets (Refer Note No. 12) | 553.13 | 476.98 |
| Less: Transferred from revaluation reserve | 0.31 | 0.36 |
| | <u>552.82</u> | <u>476.62</u> |

**30. Earning per share (EPS):**

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---|-------------------------|-------------------------|
| Basic/ weighted average number of equity shares outstanding during the year | 11850863 | 11850863 |
| Profit for the year (Rs. in lacs) | 2086.23 | 573.94 |
| Nominal value of share (Rs.) | 10.00 | 10.00 |
| EPS (Basic and diluted) | 17.62 | 4.85 |

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

(a) Contingent liabilities :

- (i) Claims against the Company not acknowledged as debts Rs.96.75 lacs (Rs. Nil).
- (ii) Pending cases with income tax appellate authorities where income tax department has preferred appeals – liability not ascertainable.
- (iii) Sales tax matter under litigation Rs. 18.96 lacs (Rs Nil).
- (iv) 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.
- (v) Cross corporate guarantee given by the Company as a collateral security against working capital credit facilities aggregating to Rs.10700.00 lacs (outstanding as on March 31, 2014 Rs.6845.51 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. 277.79 lacs (Rs.352.49 lacs).
- (ii) Commitment relating to Derivatives and lease arrangements are disclosed in Note No. 37 and Note No. 41 respectively.

- 32.** 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.3974.88 lacs as at 31st March, 2014, 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.
- 33.** Trade receivables (considered good) and outstanding include Rs. 195.86 lacs (Rs. 191.93 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.
- 34.** 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.
- 35.** In the opinion of the management, the decline in the market value of quoted Non-current investment (trade) in a Company (carrying cost Rs.3193.75 lacs) by Rs.1937.79 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. However, there is no diminution in the value of quoted Non-current investments, if market value of all Non-current investments is taken together.

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

| Particulars | | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|-------------|---|------------------------|------------------------|
| (a) | Contract Revenue recognized for the year | 15038.26 | 12754.09 |
| (b) | The relevant information relating to Contracts in progress at the reporting date are given below: | | |
| (i) | Aggregate amount of cost incurred | 17468.93 | 21549.55 |
| (ii) | Recognized profit upto the reporting date | 476.40 | 102.38 |
| (iii) | Amount of advance received | 495.01 | 1374.46 |
| (iv) | Amount of outstandings/retentions | 9820.14 | 8946.78 |
| (v) | Contracts under execution | 1786.86 | 1774.59 |
| (vi) | Advance billing to customers | Nil | Nil |

37. 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, 2014 | | | As at March 31, 2013 | | |
|--|----------------------|-------------|---------|----------------------|-------------|---------|
| | In Foreign Currency | Rs. in lacs | | In Foreign Currency | Rs. in lacs | |
| Forward exchange contracts outstanding Payables | USD | 2201640 | 1334.14 | USD | 270651 | 148.59 |
| Total | USD | 2201640 | 1334.14 | USD | 270651 | 148.59 |
| Foreign currency exposures not covered by any derivative instrument Payables | USD | 1862068 | 1127.71 | USD | 2228502 | 1223.71 |
| | NPR | 3385487 | 21.16 | NPR | 3718222 | 23.24 |
| | EUR | 945063 | 789.04 | EUR | - | - |
| Receivables | USD | 1353692 | 802.90 | USD | 1491844 | 805.89 |
| | NPR | 38873832 | 242.96 | NPR | 18007150 | 112.54 |
| | EUR | - | - | EUR | 142866 | 98.66 |
| | SEK | - | - | SEK | 16656 | 1.37 |
| Bank balances | USD | 29 | 0.02 | USD | 29 | 0.02 |
| | NPR | 5505159 | 34.41 | NPR | 9994567 | 62.47 |
| Total | USD | 3215789 | 1930.63 | USD | 3720375 | 2029.62 |
| | NPR | 47764478 | 298.53 | NPR | 31719939 | 198.25 |
| | EUR | 945063 | 789.04 | EUR | 142866 | 98.66 |
| | SEK | - | - | SEK | 16656 | 1.37 |

- (b) A sum of Rs. 7.18 lacs (Rs. 0.14 lac) on account of unamortized foreign exchange premium on outstanding forward contracts is being carried forward to be debited to Statement of Profit and Loss of the subsequent period.

38. 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, 2014 are summarised below:



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

| Particulars | Gratuity | | Pension | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
| Current service cost | 22.35 | 23.29 | - | - |
| Interest cost on benefit obligation | 28.81 | 22.04 | 2.72 | 2.33 |
| Expected return on plan assets | (27.62) | (22.97) | - | - |
| Net actuarial (Gain)/loss recognized in the year | (17.35) | 11.98 | (1.70) | 2.68 |
| Add: Impact of variation in actual and expected return on plan assets | (1.27) | (1.00) | - | - |
| Add: Insurance cost borne by the Company | 1.44 | 1.44 | - | - |
| Net benefits expense | 6.36 | 34.78 | 1.02 | 5.01 |
| Actual return on plan assets | (28.89) | (23.97) | - | - |

(ii) Amount recognized in the Balance Sheet:

| Particulars | Gratuity | | Pension | |
|-------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
| Defined benefit obligation | 339.27 | 321.16 | 33.01 | 36.43 |
| Fair value of the plan assets | 366.02 | 294.27 | - | - |
| Net Asset/(liability) | 26.75 | (26.89) | (33.01) | (36.43) |

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

| Particulars | Gratuity | | Pension | |
|--------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
| Opening defined benefit obligation | 321.16 | 267.53 | 36.43 | 35.86 |
| Interest cost | 28.81 | 22.04 | 2.72 | 2.33 |
| Current service cost | 22.35 | 23.29 | - | - |
| Benefits paid | (15.70) | (3.68) | (4.44) | (4.44) |
| Actuarial (Gain)/Loss on obligations | (17.35) | 11.98 | (1.70) | 2.68 |
| Closing defined benefit obligation | 339.27 | 321.16 | 33.01 | 36.43 |

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

| Particulars | Gratuity | |
|-----------------------------------|------------------------|------------------------|
| | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
| Opening fair value of plan assets | 294.27 | 226.27 |
| Expected return | 27.62 | 22.97 |
| Contributions by employer | 58.56 | 46.56 |
| Benefits paid | (15.70) | (2.53) |
| Actuarial Gain | 1.27 | 1.00 |
| Closing fair value of plan assets | 366.02 | 294.27 |

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

| Particulars | Gratuity | |
|--------------------------|-------------|-------------|
| | 2013-14 (%) | 2012-13 (%) |
| 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 2014-15.



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

| Particulars | Gratuity | | Pension | |
|--------------------------------|-----------------------------|----------------------|-----------------------------|----------------------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| Mortality Table | IAL 2006-08 Ultimate | IAL 2006-08 Ultimate | LIC 1996-98 Ultimate | LIC 1996-98 Ultimate |
| Attrition Rate | 5.00% p.a | 5.00% p.a | N.A. | N.A. |
| Imputed rate of interest | 9.15% p.a | 8.25% p.a | 9.15% 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 | 8.75% | 9.25% | N.A. | N.A. |
| Remaining working life | 14.58 Years | 15.07 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 | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|--|------------------------|------------------------|
| Contribution to Provident and Family Pension Funds | 88.64 | 81.48 |
| Contribution to Superannuation Fund | 30.06 | 33.76 |
| Contribution to ESIC | 8.45 | 9.19 |

39. 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, 2014 and March 31, 2013 and certain liabilities information regarding business segments as at March 31, 2014 and March 31, 2013.

| Business Segments | Year ended March 31, 2014 | | | Year ended March 31, 2013 | | |
|---|---------------------------|--------------------|----------------------|---------------------------|--------------------|----------------------|
| | 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) | 27036.31 | 15344.19 | 42380.50 | 19982.41 | 13654.12 | 33636.53 |
| Inter segment sales | 34.87 | - | 34.87 | 155.49 | - | 155.49 |
| Other income* | 6.61 | 4.55 | 11.16 | 18.13 | 108.32 | 126.45 |
| Total revenue | 27077.79 | 15348.74 | 42426.53 | 20156.03 | 13762.44 | 33918.47 |



| Business Segments | Year ended March 31, 2014 | | | Year ended March 31, 2013 | | |
|--------------------------------------|---------------------------|--------------------|----------------------|---------------------------|--------------------|----------------------|
| | Cables Rs. in lacs | EPC Rs. in lacs | Total Rs. in lacs | Cables Rs. in lacs | EPC Rs. in lacs | Total Rs. in lacs |
| Results | | | | | | |
| Segment result (PBIT) | 2116.54 | 1537.17 | 3653.71 | 335.27 | 934.22 | 1269.49 |
| Unallocable income/ (expenses) (net) | | | 390.03 | | | 484.14 |
| Operating Profit | | | 4043.74 | | | 1753.63 |
| Interest (net) | | | (1469.18) | | | (1165.88) |
| Tax charge (net) | | | (488.33) | | | (13.81) |
| Profit after tax | | | 2086.23 | | | 573.94 |
| Other Information | | | | | | |
| Segment assets | 24992.21 | 21582.58 | 46574.79 | 15313.13 | 18669.82 | 33982.95 |
| Unallocable assets | | | 11789.32 | | | 12078.79 |
| Total Assets | | | 58364.11 | | | 46061.74 |
| Segment liabilities | 9025.43 | 6237.80 | 15263.23 | 4174.68 | 5244.64 | 9419.32 |
| Unallocable liabilities | | | 18750.95 | | | 14101.11 |
| Total liabilities | | | 34014.18 | | | 23520.43 |
| Capital expenditure | 2110.64 | 36.56 | 2147.20 | 289.83 | 31.32 | 321.15 |
| Depreciation and amortisation | 455.55 | 97.27 | 552.82 | 379.84 | 96.78 | 476.62 |
| Other non cash Expenditure | - | - | - | 3.37 | - | 3.37 |

*Excludes Rs.625.65 lacs (Rs. 790.95 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 | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|---------|----------------------------------|------------------------|------------------------|
| (i) | Domestic Market (within India) | 38230.30 | 29967.83 |
| (ii) | Overseas Markets (outside India) | 4185.07 | 3824.19 |
| | Total | 42415.37 | 33792.02 |

- (i) All the assets of the Company, except the carrying amount of assets aggregating to Rs. 770.30 lacs (Rs. 1065.04 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.

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

| | |
|--|--|
| 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 | 2013-14 | | | | | 2012-13 | | | | |
|---------|---|---------|--------|--------|----------|-------|---------|--------|--------|----------|-------|
| | | 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 | - | - | - | 303.41 | 64.77 | - | - | - | 447.71 | 72.99 |
| (iii) | Sale of Raw Materials/Finished Products/ Consumables & Traded Goods | - | - | - | 4769.38 | - | - | - | - | 961.52 | - |
| (iv) | Other Service Charges/Lease Rent Received | - | - | - | 118.47 | - | - | - | - | 160.51 | - |
| (v) | Other Service Charges Paid | - | - | - | 10.79 | - | - | - | - | 25.89 | - |
| (vi) | Inter-Corporate Deposits taken | - | - | - | 12575.00 | - | - | - | - | 12517.00 | - |
| (vii) | Inter-Corporate Deposits repaid | - | - | - | 12075.00 | - | - | - | - | 11462.00 | - |
| (viii) | Interest on Inter-Corporate Deposits paid | 115.50 | 70.88 | 97.12 | 127.28 | - | 115.50 | 70.88 | 97.12 | 143.80 | - |
| (ix) | Cross Corporate Guarantee given | - | - | - | 10700.00 | - | - | - | - | 7000.00 | - |
| (x) | Cross Corporate Guarantee accepted | - | - | - | 22950.00 | - | - | - | - | 17450.00 | - |
| (xi) | Balance outstanding at the year end | | | | | | | | | | |
| | - Payable | 1125.63 | 690.73 | 946.55 | 500.00 | 0.18 | 1100.00 | 675.00 | 925.00 | 1055.00 | 14.96 |
| | - Receivable | - | - | - | - | - | - | - | - | 0.25 | - |

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

| Particulars | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|-------------------------------------|------------------------|------------------------|
| Salary & Benefits* | 50.29 | 42.71 |
| Balance outstanding at the year end | | |
| - Payable | 4.38 | 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.

- No amount has been provided as doubtful debt or advance written off or written back in the year in respect of debts due from/to above related parties.
- Transactions and balances relating to reimbursement of expenses to/from the above related parties have not been considered.
- Transactions with related parties are done at arm's length basis.

41. 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. 81.44 lacs (Rs.66.98 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 | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|---------|--|------------------------|------------------------|
| (a) | Lease revenue recognised as an outright sale | 139.17 | 741.93 |
| (b) | Cost of sales | 103.70 | 599.30 |
| (c) | Profit recognised (a-b) | 35.47 | 142.63 |

**42. Deferred Taxes:**

| Sl. No. | Particulars | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|---------|---|------------------------|------------------------|
| (a) | Deferred Tax Liability - Depreciation on Fixed Assets | 602.28 | 549.13 |
| | | 602.28 | 549.13 |
| (b) | Deferred Tax Assets - Unabsorbed Depreciation* - Expenses allowable for tax purpose when paid | 470.63 131.65 | 415.65 133.48 |
| | | 602.28 | 549.13 |
| | Net Deferred Tax Liability or Assets | NIL | NIL |

*The Deferred Tax Assets amounting to Rs. 470.63 lacs (Rs. 415.65 lacs) in respect of carry forward unabsorbed depreciation has been recognised considering the possible reversal of deferred tax liabilities in future years.

43. 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, 2014 and March 31, 2013 in the above company as per its audited financial statements are as under:

| Particulars | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--------------------------------|--|--|
| Name of Joint Venture | BEOL (Audited) | BEOL (Audited) |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Long-term borrowings | 201.73 | 1.69 |
| Deferred tax liabilities (net) | 45.99 | - |
| Long-term provisions | 15.47 | 14.53 |
| CURRENT LIABILITIES | | |
| Short-term borrowings | 425.97 | 444.74 |
| Trade payables | 1237.43 | 487.02 |
| Other current liabilities | 66.77 | 84.89 |
| Short-term provisions | 60.74 | 14.93 |
| Total | 2054.10 | 1047.80 |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Fixed assets | | |
| Tangible assets | 512.95 | 395.93 |
| Intangible assets | - | 0.15 |
| Capital work-in-progress | 19.24 | 53.54 |
| Non-current investments | 187.45 | 187.45 |
| Long-term loans and advances | 61.33 | 18.41 |
| Other non-current assets | 26.11 | - |
| CURRENT ASSETS | | |
| Inventories | 711.97 | 396.02 |
| Trade receivables | 1252.16 | 497.76 |
| Cash and cash equivalents | 86.57 | 93.42 |
| Short-term loans and advances | 227.50 | 229.17 |
| Other current assets | 8.20 | 5.65 |
| Total | 3093.48 | 1877.50 |



| Particulars | For the year ended March 31, 2014 Rs. in lacs | For the year ended March 31, 2013 Rs. in lacs |
|---|---|---|
| Name of Joint Venture | BEOL (Audited) | BEOL (Audited) |
| REVENUE | | |
| Revenue from operations (net) | 3873.60 | 1650.35 |
| Other income | 29.31 | 41.92 |
| EXPENSES | | |
| Cost of materials consumed | 3064.38 | 1235.67 |
| Purchase of stock -in-trade (traded goods) | 18.18 | 16.42 |
| (Increase)/decrease in inventories | (105.07) | (52.12) |
| Employee benefits expense | 130.40 | 107.69 |
| Finance costs | 118.23 | 65.92 |
| Other expenses | 302.08 | 194.27 |
| Depreciation and amortisation expense | 61.81 | 48.61 |
| Income tax (MAT) and Deferred Tax Charged (Net) | 56.41 | - |
| Contingent Liabilities | 14.52 | 14.52 |
| Capital Commitment | 19.03 | 28.02 |

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”:

| Sl. No. | Particulars | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|---------|---|--|--|
| (a) | the principal amount and interest due thereon remaining unpaid to any supplier - Principal amount - Interest thereon | 1172.18 - - | 485.79 - - |
| (b) | the amount of interest paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day. | - | - |
| (c) | the amount of interest 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. | - | - |
| (e) | the amount of further interest remaining due and payable in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | - | - |

46. 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 | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|---------|-------------|------------------------|------------------------|
| (i) | Interest | 28.50 | 29.57 |
| (ii) | Travelling | 22.76 | 12.35 |
| (iii) | Commission | 9.31 | 6.39 |
| (iv) | Others | 950.52 | 442.47 |

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

| Sl. No. | Particulars | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|---------|---------------|------------------------|------------------------|
| (i) | Raw materials | 9250.66 | 7779.15 |
| (ii) | Spare parts | 45.35 | 59.59 |
| (iii) | Traded goods | 6.55 | 28.46 |
| (iv) | Capital goods | 1395.95 | 106.12 |

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

| Sl. No. | Particulars | 2013-14 | | 2012-13 | |
|---------|--------------------|---------------------|---------------|---------------------|---------------|
| | | Value Rs.in lacs | % to Total | Value Rs.in lacs | % to Total |
| (i) | Raw Materials | | | | |
| | Imported | 8086.00 | 36.98 | 7730.47 | 48.68 |
| | Indigenous | 13781.06 | 63.02 | 8150.32 | 51.32 |
| | Total | 21867.06 | 100.00 | 15880.79 | 100.00 |
| (i) | Stores and Spares* | | | | |
| | Imported | 51.90 | 18.15 | 33.42 | 12.24 |
| | Indigenous | 234.03 | 81.85 | 239.61 | 87.76 |
| | Total | 285.93 | 100.00 | 273.03 | 100.00 |

*Grouped under "Consumption of stores & spares" and "Repairs & maintenance of Plant & machinery" vide Note No. 28.

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

| Sl. No. | Particulars | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|---------|------------------------------|------------------------|------------------------|
| (i) | Export of goods on FOB basis | 3160.04 | 3301.65 |
| (ii) | Contract revenue | 988.15 | 489.16 |
| (iii) | Interest | 1.66 | 3.35 |
| (iv) | Others (Freight & Insurance) | 37.07 | 121.83 |

47. 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.

48. 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
Firm Registration No.109208W

R. Raghuraman
Partner
Membership No.081350
New Delhi, May 19, 2014

Signature to Notes 1 to 48

| | | |
|-------------------------|---|------------------------------------|
| Harsh V. Lodha | } | Chairman |
| J. Veeraraghavan | | Directors |
| S.K. Misra | | |
| R.C. Tapuriah | | |
| D.R. Bansal | | Managing Director |
| Y.S. Lodha | | President (Commercial) & Secretary |
| R. Radhakrishnan | | |
| New Delhi, May 19, 2014 | | |



Independent Auditors' Report

TO THE BOARD OF DIRECTORS OF VINDHYA TELELINKS LIMITED

Report on Financial Statements

We have audited the accompanying consolidated financial statements of **Vindhya Telelinks Limited** ("the Company") and its subsidiaries and joint venture, which comprise the consolidated Balance Sheet as at 31st March 2014, 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 Financial Statements

Management is responsible for the preparation of these 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 the Accounting principles generally accepted in India. This responsibility 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 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 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 fair 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 reports of the other auditors on the financial statement of 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 31st March 2014;
- (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 a 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. 13417.14 lakhs as at 31st March, 2014, the total revenue of Rs. 1259.59 lakhs and cash flows amounting to Rs. (77.22 lakhs) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the report of 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
Firm Registration No.109208W

R. Raghuraman
Partner

Membership No. 081350

Place : New Delhi
Date : 19th May, 2014



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2014

| | Note No. | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--------------------------------|--------------|---|---|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share capital | 3 | 1184.08 | 1184.08 |
| Reserves and surplus | 4 | 32196.25 | 29038.20 |
| | | <u>33380.33</u> | <u>30222.28</u> |
| NON-CURRENT LIABILITIES | | | |
| Long-term borrowings | 5 | 6327.55 | 1.69 |
| Deferred tax liabilities (net) | 6 | 45.99 | - |
| Other long-term liabilities | 7 | - | 55.25 |
| Long-term provisions | 8 | 231.18 | 230.19 |
| | | <u>6604.72</u> | <u>287.13</u> |
| CURRENT LIABILITIES | | | |
| Short-term borrowings | 9 | 9992.20 | 11421.25 |
| Trade payables | 10 | 14609.15 | 7540.22 |
| Other current liabilities | 11 | 1333.11 | 2088.22 |
| Short-term provisions | 12 | 643.23 | 334.23 |
| | | <u>26577.69</u> | <u>21383.92</u> |
| | Total | <u>66562.74</u> | <u>51893.33</u> |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed assets | 13 | | |
| Tangible assets | | 5912.46 | 4625.44 |
| Intangible assets | | 14.21 | 24.95 |
| Capital work-in-progress | | 488.04 | 102.79 |
| | | <u>6414.71</u> | <u>4753.18</u> |
| Non-current investments | 14 | 16614.83 | 15509.41 |
| Long-term loans and advances | 15 | 186.95 | 518.64 |
| Other non-current assets | 16 | 1794.64 | 786.46 |
| | | <u>25011.13</u> | <u>21567.69</u> |
| CURRENT ASSETS | | | |
| Inventories | 17 | 8291.50 | 5153.42 |
| Trade receivables | 18 | 27526.20 | 19532.11 |
| Cash and cash equivalents | 19 | 1083.30 | 1652.73 |
| Short-term loans and advances | 20 | 2813.07 | 2215.43 |
| Other current assets | 21 | 1837.54 | 1771.95 |
| | | <u>41551.61</u> | <u>30325.64</u> |
| | Total | <u>66562.74</u> | <u>51893.33</u> |

Significant accounting policies

2

The accompanying Notes 1 to 45 form an integral part of the financial statements.

As per our attached report of even date.

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

R. Raghuraman
Partner
Membership No.081350
New Delhi, May 19, 2014

| | | |
|-------------------------|---|------------------------------------|
| 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 19, 2014 | | |



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

| | Note No. | For the year ended March 31, 2014 Rs. in lacs | For the year ended March 31, 2013 Rs. in lacs |
|--|----------|--|--|
| REVENUE | | | |
| Revenue from operations (gross) | 22 | 49042.68 | 37522.60 |
| Less: Excise duty | | 3159.37 | 2172.84 |
| Revenue from operations (net) | | 45883.31 | 35349.76 |
| Other income | 23 | 1618.22 | 2247.69 |
| Total revenue | | 47501.53 | 37597.45 |
| EXPENSES | | | |
| Cost of materials consumed | 24 | 24543.02 | 17048.70 |
| Purchase of stock -in-trade (traded goods) | | 127.14 | 166.93 |
| (Increase)/decrease in inventories | 25 | (1408.92) | (700.84) |
| Materials purchased/Subcontract expenses | 26 | 11362.20 | 10997.14 |
| Employee benefits expense | 27 | 2311.34 | 2141.55 |
| Finance costs | 28 | 2028.73 | 1751.12 |
| Other expenses | 29 | 3790.16 | 3422.67 |
| Total expenses | | 42753.67 | 34827.27 |
| EARNINGS BEFORE DEPRECIATION, AMORTISATION AND TAX | | 4747.86 | 2770.18 |
| Depreciation and amortisation expense | 30 | 614.61 | 525.21 |
| PROFIT BEFORE TAX | | 4133.25 | 2244.97 |
| Current tax (including MAT) (Refer Note No. 35) | | 653.83 | 128.81 |
| Less: Minimum alternate tax credit entitlement | | (48.65) | - |
| Net current tax | | 605.18 | 128.81 |
| Income tax of earlier years | | (0.37) | (2.15) |
| Deferred tax charge | | 45.99 | - |
| PROFIT FOR THE YEAR | | 3482.45 | 2118.31 |
| Earning per equity share (EPS) | | | |
| Basic and diluted EPS (Nominal value of shares Rs.10/- each) | 31 | 29.41 | 17.89 |
| Significant accounting policies | 2 | | |

The accompanying Notes 1 to 45 form an integral part of the financial statements.

As per our attached report of even date.

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

R. Raghuraman
Partner
Membership No.081350
New Delhi, May 19, 2014

| | | |
|-------------------------|---|------------------------------------|
| Harsh V. Lodha | } | Chairman |
| J. Veeraraghavan | | Directors |
| S.K. Misra | | |
| R.C. Tapuriah | | |
| D.R. Bansal | | Managing Director |
| Y.S. Lodha | | President (Commercial) & Secretary |
| R. Radhakrishnan | | |
| New Delhi, May 19, 2014 | | |



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

| | For the year ended March 31, 2014 | | For the year ended March 31, 2013 | |
|---|---|------------------|---|-------------|
| | Rs. in lacs | Rs. in lacs | Rs. in lacs | Rs. in lacs |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Net Profit before tax | | 4133.25 | | 2244.97 |
| Non-cash adjustment to reconcile profit before tax to net cash flows: | | | | |
| Depreciation and amortisation | 614.61 | | 525.21 | |
| (Profit)/loss on disposal of fixed assets (net) | 17.00 | | 1.53 | |
| (Profit)/loss on sale of Investment | (81.07) | | (136.48) | |
| (Gain)/loss on Unrealised foreign exchange | (1.75) | | (14.22) | |
| Provision for doubtful debts (net) | - | | (97.51) | |
| Interest income | (290.28) | | (361.33) | |
| Dividend income | (1124.68) | | (1503.33) | |
| Interest expense | 1476.19 | 610.02 | 1202.21 | (383.92) |
| Operating Profit before working capital changes | | 4743.27 | | 1861.05 |
| Movement in working capital: | | | | |
| Increase/(decrease) in trade payables and provisions | 6221.89 | | 3088.38 | |
| Decrease/(increase) in trade receivables | (7393.05) | | (1900.02) | |
| Decrease/(increase) in inventories | (3138.08) | | (1684.72) | |
| Decrease/(increase) in loans and advances | (595.10) | (4904.34) | (1452.43) | (1948.79) |
| Cash generated from/(used in) operations | | (161.07) | | (87.74) |
| Direct taxes paid (net of refunds) | | (308.03) | | 204.17 |
| Net cash flow from/(used in) operating activities (A) | | (469.10) | | 116.43 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| (Purchase) of fixed assets | (2302.65) | | (393.32) | |
| Proceeds from sale of fixed assets | 36.01 | | 16.38 | |
| (Purchase) of Investment | (2893.42) | | (2546.88) | |
| Sale of Investment | 1869.07 | | 1316.32 | |
| Investment in bank deposits | (2561.46) | | (265.49) | |
| Redemption/maturity of bank deposits | 1244.08 | | - | |
| Interest received | 230.60 | | 336.75 | |
| Dividend received | 1131.69 | | 1496.32 | |
| Net cash flow from/(used in) investing activities (B) | | (3246.08) | | (39.92) |



| | For the year ended March 31, 2014 | For the year ended March 31, 2013 |
|--|---|---|
| | Rs. in lacs | Rs. in lacs |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (Contd.)**C. CASH FLOW FROM FINANCING ACTIVITIES**

| | | |
|--|-----------------|---------------|
| Proceeds from share capital | - | 0.11 |
| Proceeds from securities premium | - | 0.47 |
| Proceeds/(repayment) of long term borrowings | 6325.81 | - |
| Proceeds/(repayment) of short term borrowings | (1438.53) | 1608.50 |
| Interest paid | (1467.53) | (1216.61) |
| Net cash flow from/(used in) financing activities (C) | 3419.75 | 392.47 |
| Net increase/(decrease) in cash and cash equivalents | (295.43) | 468.98 |
| Cash and cash equivalents at the beginning of the year | 601.81 | 132.83 |
| Cash and cash equivalents at the end of the year | 306.38 | 601.81 |
| Components of cash and cash equivalents | | |
| Cash on hand | 2.14 | 1.43 |
| Cheques/drafts on hand | 130.11 | 231.14 |
| In current accounts | 174.13 | 369.24 |
| | 306.38 | 601.81 |

- (a) Difference of Rs. 2561.46 lacs (Rs. 1244.08 lacs) compared with Note No. 19 represents short term investments with an original maturity of three months or more.
- (b) The Cash Flow Statement has been prepared under the 'Indirect method' as set out in Accounting Standard (AS-3) on Cash Flow Statements.
- (c) Negative figures have been shown in brackets.

As per our attached report of even date.

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

R. Raghuraman
Partner
Membership No.081350
New Delhi, May 19, 2014

| | | |
|-------------------------|---|------------------------------------|
| 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 19, 2014 | | |

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

NOTES annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2014, 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, 2014.
 - (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. 66.65 lacs (Rs. 140.60 lacs) and intra group transactions Rs. 492.58 lacs (Rs. 53.98 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 read with the General Circular 8/2014 dated 4th April, 2014 issued by the Ministry of Corporate Affairs. 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 Transactions
(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, 2014 Rs. in lacs | As at March 31, 2013 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 | 1.01 |
| | | 1184.08 | 1184.08 |

- (a) Reconciliation of number of shares outstanding and the amount of share capital as at March 31, 2014 and March 31, 2013 is as under:-

| | As at March 31, 2014 | | As at March 31, 2013 | |
|--|-----------------------------|--------------------|----------------------|-------------|
| | 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/- each. The holders of equity shares are entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting. For the year ended 31st March 2014, the amount of per share dividend recognised for distribution to equity shareholders was Rs.2/- per share, subject to approval of shareholders.
- (c) Shareholders holding more than 5% shares based on legal ownership in the subscribed share capital of the Company is set out below :

| Name of the Shareholder | As at M arch 31, 2014 | | As at March 31, 2013 | |
|--|------------------------------|---------------|----------------------|--------|
| | 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 |



| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|---|---|
| 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 | 2.31 | 2.67 |
| Less : Transferred to Statement of Profit and Loss being difference of depreciation on revalued cost of assets and that on the original cost | 0.31 | 0.36 |
| | <u>2.00</u> | <u>2.31</u> |
| Securities premium account | | |
| Opening balance | 4069.40 | 4068.93 |
| Add : Received during the year | - | 0.47 |
| Closing balance | <u>4069.40</u> | <u>4069.40</u> |
| Reserve Fund (Under the Reserve Bank of India Act, 1934) | | |
| Opening balance | 1607.44 | 1313.72 |
| Add: Created during the year | 227.94 | 293.72 |
| Closing balance | <u>1835.38</u> | <u>1607.44</u> |
| General reserve | | |
| Opening balance | 19335.79 | 19260.79 |
| Add : Amount transferred from surplus | 275.00 | 75.00 |
| Closing balance | <u>19610.79</u> | <u>19335.79</u> |
| Surplus in the Statement of Profit and Loss | | |
| Opening balance | 4023.23 | 2273.64 |
| Add : Profit of the year | 3482.45 | 2118.31 |
| | <u>7505.68</u> | <u>4391.95</u> |
| Less : Appropriations | | |
| Transferred to reserve fund (Under the RBI Act, 1934) | 227.94 | 293.72 |
| Proposed Dividend | 277.01 | - |
| Corporate Dividend Tax on proposed Dividend | 47.08 | - |
| Transferred to general reserve | 275.00 | 75.00 |
| | <u>827.03</u> | <u>368.72</u> |
| Closing balance | <u>6678.65</u> | <u>4023.23</u> |
| | <u>32196.25</u> | <u>29038.20</u> |



| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|---|---|---|
| 5. LONG-TERM BORROWINGS | | |
| Secured | | |
| Buyer's credit | - | 8.41 |
| Suppliers Credit | 789.26 | - |
| Term loan from bank | 11.66 | - |
| Unsecured | | |
| Sales tax loans (Interest free) | 1.69 | 1.69 |
| From bodies corporate | 5533.30 | - |
| | <u>6335.91</u> | <u>10.10</u> |
| Less: Current maturities of long-term borrowings at the year end (disclosed under Note No. 11) | | |
| Buyer's credit | - | 8.41 |
| Term loan from bank | 6.67 | - |
| Sales tax loans (Interest free) | 1.69 | - |
| | <u>8.36</u> | <u>8.41</u> |
| | <u>6327.55</u> | <u>1.69</u> |

- (a) The loans of Parent Company from banks are 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, 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, Parent Company loans are additionally secured by way of pledge of 12,50,000 equity shares and cross corporate guarantee of Joint venture. Supplier's credit (in foreign currency) is repayable in full in the year 2016 and carries interest @ 2.04% (rate as on the reporting date).
- (b) The loans of Joint venture from banks are 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 the Company. As a collateral security these loans are also backed by a cross corporate guarantee of the Parent Company. Term loan is repayable in eight quarterly instalments commencing from March, 2014 and carries interest @ 13.30% (rate as on the reporting date). Supplier's credit (in foreign currency) is repayable in full in the year 2016 and carries interest @ 1.98% - 2.04% (rate as on the reporting date).
- (c) As per renewed/revised terms and conditions, loans taken by Parent Company from bodies corporate amounting to Rs. 3000.00 lacs are repayable in full in the year 2015 and Rs. 2400.00 lacs are repayable in the year 2017 respectively. These loans carry interest @ 10.50% and 11.00% (rate as on the reporting date).
- (d) Loans taken by Joint venture from bodies corporate are repayable in full in the year 2015 and carries interest @ 10.50% (rate as on the reporting date).



| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|---|---|
| 6. DEFERRED TAX LIABILITIES (NET) | | |
| (a) Deferred tax liability | | |
| Depreciation on fixed assets | 659.33 | 596.79 |
| | <u>659.33</u> | <u>596.79</u> |
| (b) Deferred tax assets | | |
| Unabsorbed depreciation | 470.63 | 455.71 |
| Expenses allowable for tax purpose when paid | 142.71 | 141.08 |
| | <u>613.34</u> | <u>596.79</u> |
| Net deferred tax liability | <u>45.99</u> | <u>-</u> |

Note : In parent company, the deferred tax assets amounting to Rs. 470.63 lacs (Rs. 415.65 lacs) in respect of carry forward unabsorbed depreciation has been recognised considering the possible reversal of deferred tax liabilities in future years.

7. OTHER LONG-TERM LIABILITIES

| | | |
|-----------------|----------|--------------|
| Sundry deposits | - | 55.25 |
| | <u>-</u> | <u>55.25</u> |

8. LONG-TERM PROVISIONS

| | | |
|---------------------------------|---------------|---------------|
| Provision for employee benefits | | |
| Compensated absences | 199.91 | 195.19 |
| Pension | 31.27 | 35.00 |
| | <u>231.18</u> | <u>230.19</u> |

9. SHORT-TERM BORROWINGS**Working capital loans/trade credits from banks (Secured)**

| | | |
|------------------------|----------------|----------------|
| Cash credit facilities | 5941.46 | 5761.44 |
| Buyer's credit | 695.07 | 1081.65 |
| Export packing credit | 529.01 | 1070.48 |
| | <u>7165.54</u> | <u>7913.57</u> |

Other short term loans (Unsecured)

| | | |
|---|----------------|-----------------|
| From bodies corporate (repayable on demand) | 2393.31 | 2593.31 |
| From Related Parties (repayable on demand) | 433.35 | 914.37 |
| | <u>2826.66</u> | <u>3507.68</u> |
| | <u>9992.20</u> | <u>11421.25</u> |

- (a) Working capital loans/trade credits from banks being working capital credit facilities, sanctioned by banks are generally renewable within twelve months from the date of sanction or immediately previous renewal, unless otherwise stated. The lender banks have a right to cancel the credit limits(either fully or partially) and, inter alia, demand repayment in case of non-compliance of terms and conditions of sanctions or deterioration in the loan accounts in any manner.



- (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.

| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|---|---|
| 10. TRADE PAYABLES | | |
| Trade payables [Refer Note No. 44 for dues to micro and small enterprises] | 14609.15 | 7540.22 |
| | 14609.15 | 7540.22 |
| 11. OTHER CURRENT LIABILITIES | | |
| Current maturities of long-term borrowings at the year end | 8.36 | 8.41 |
| Sundry deposits | 55.60 | 0.35 |
| Interest accrued but not due on borrowings | 13.66 | 5.00 |
| Other payables | | |
| Mobilisation and other advances from customers | 552.35 | 1427.05 |
| Statutory dues | 431.44 | 496.84 |
| Accrued employee benefits expense | 118.91 | 97.33 |
| For purchase of fixed assets | 152.79 | 53.24 |
| | 1333.11 | 2088.22 |
| 12. SHORT TERM PROVISIONS | | |
| Provision for income tax (net of advance) | 234.68 | 227.32 |
| Proposed dividend | 277.01 | - |
| Corporate dividend tax | 47.08 | - |
| Contingent provision against standard assets | 8.00 | 8.00 |
| Provision for employee benefits. | | |
| Compensated absences | 33.78 | 25.92 |
| Gratuity | - | 28.96 |
| Pension | 4.81 | 4.81 |
| Others | 37.87 | 39.22 |
| | 643.23 | 334.23 |



13. FIXED ASSETS

Rs. in lacs

| Nature of fixed assets | Gross Block | | | Depreciation /Amortisation | | | | Net Block | | |
|--|------------------|--------------------------|----------------------|----------------------------|-----------------|--------------------------|----------------------|-----------------|------------------|------------------|
| | As at 01.04.2013 | Addition during the year | Disposal/ Deductions | As at 31.03.2014 | Upto 31.03.2013 | Provided during the year | Disposal/ Deductions | Upto 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |
| (A) TANGIBLE ASSETS: | | | | | | | | | | |
| Land | | | | | | | | | | |
| Freehold | 113.18 | - | - | 113.18 | - | - | - | - | 113.18 | 113.18 |
| Leasehold | 47.93 | - | - | 47.93 | 10.29 | 0.76 | - | 11.05 | 36.88 | 37.64 |
| Building* | 2193.22 | 11.99 | 0.15 | 2205.06 | 1273.33 | 48.03 | 0.10 | 1321.26 | 883.80 | 919.89 |
| Plant & Equipments** | 13161.68 | 1856.55 | 298.71 | 14719.52 | 9816.23 | 510.53 | 274.12 | 10052.64 | 4666.88 | 3345.45 |
| Furniture & Fixtures | 269.41 | 19.40 | 7.33 | 281.48 | 191.77 | 9.26 | 5.95 | 195.08 | 86.40 | 77.64 |
| Office Equipments | 114.48 | 12.85 | 2.05 | 125.28 | 84.38 | 12.61 | 1.88 | 95.11 | 30.17 | 30.10 |
| Vehicles | 139.99 | 16.61 | 6.09 | 150.51 | 60.97 | 13.37 | 6.08 | 68.26 | 82.25 | 79.02 |
| Leasehold Improvements | 48.10 | - | - | 48.10 | 25.58 | 9.62 | - | 35.20 | 12.90 | 22.52 |
| TOTAL (A) | 16087.99 | 1917.40 | 314.33 | 17691.06 | 11462.55 | 604.18 | 288.13 | 11778.60 | 5912.46 | 4625.44 |
| (B) INTANGIBLE ASSETS: | | | | | | | | | | |
| Computer Software | 73.88 | - | - | 73.88 | 48.93 | 10.74 | - | 59.67 | 14.21 | 24.95 |
| TOTAL (B) | 73.88 | - | - | 73.88 | 48.93 | 10.74 | - | 59.67 | 14.21 | 24.95 |
| (C) CAPITAL WORK IN PROGRESS (at cost): | | | | | | | | | | |
| Under installation/ commissioning | - | - | - | - | - | - | - | - | 388.01 | 35.00 |
| In transit | - | - | - | - | - | - | - | - | 100.03 | 67.79 |
| TOTAL (C) | - | - | - | - | - | - | - | - | 488.04 | 102.79 |
| TOTAL (A+B+C) | 16161.87 | 1917.40 | 314.33 | 17764.94 | 11511.48 | 614.92 | 288.13 | 11838.27 | 6414.71 | 4753.18 |
| Previous Year | 16510.94 | 321.28 | 670.35 | 16161.87 | 11613.36 | 525.57 | 627.45 | 11511.48 | 4650.39 | |

* Buildings include Rs.112.79 lacs (Rs.121.32 lacs) given on operating lease. The aggregate written down value of these buildings as on March 31, 2014 is Rs. 31.97 lacs (Rs.40.64 lacs) and depreciation charged during the year is Rs. 1.68 lacs (Rs.1.91 lacs).

** Gross Block of Plant & equipment includes Rs.754.57 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, 2014 | As at March 31, 2013 |
|--|----------------------|----------------------|
| | Rs. in lacs | Rs. in lacs |

14. NON-CURRENT INVESTMENT

(Carried at cost unless otherwise stated)

(A) Investment in Equity Instruments

Trade Investments

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 |
| 950,000 (-) | Birla Furukawa Fibre Optics Ltd. | 617.50 | - |
| 299,940 (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 |

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) | | 11912.87 | 11295.37 |



| | | | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|-------------|---|---|---|
| NON-CURRENT INVESTMENT (Contd.) | | | | |
| (B) Investment in debentures or bonds | | | | |
| Redeemable Non Convertible Secured Debenture (Unquoted) | | | | |
| 3,585 | (3,585) | Power Finance Corporation Ltd. | <u>60.60</u> | <u>60.60</u> |
| Total (B) | | | <u>60.60</u> | <u>60.60</u> |
| (C) Investment in mutual funds | | | | |
| Unquoted-Fully paid up units of Rs.10/- each unless otherwise stated) | | | | |
| 454,417 | (454,417) | Canara Robeco Indigo fund - Growth | 50.00 | 50.00 |
| 11,872 | (48,176) | DSP Black Rock equity Fund - Regular Plan - Dividend | 6.40 | 25.10 |
| 166,698 | (432,054) | DWS Treasury Fund - Investment plan - Growth | 19.64 | 50.91 |
| 175,424 | (175,424) | FT India Monthly Income Plan - Growth | 50.00 | 50.00 |
| 30,845 | (135,951) | Franklin India Prima Plus-Dividend Re-investment | 7.30 | 39.13 |
| 61,433 | (327,731) | HDFC Equity Fund - Dividend payout | 28.04 | 150.75 |
| 25,308 | (163,563) | HDFC Top 200 Fund - Dividend Payout | 11.68 | 75.33 |
| 208,356 | (208,356) | HSBC Monthly Income Plan - Growth | 40.00 | 40.00 |
| 1,000,000 | (1,000,000) | ICICI Prudential Fixed Maturity Plan Series 60 - 3 year Plan E - Growth | 100.00 | 100.00 |
| 500,000 | (500,000) | ICICI Prudential FMP Series 60 -3 Years Plan E - Growth | 50.00 | 50.00 |
| 663,143 | (663,143) | JM Short Term Fund Institutional - Growth | 100.00 | 100.00 |
| 827,743 | (827,743) | Kotak Bond(Short Term) - Growth | 165.59 | 165.59 |
| 25,291 | (93,359) | Reliance Growth Fund Retail Plan - Dividend | 14.09 | 50.22 |
| 17,475 | (64,273) | Reliance Diversified Power Sector Fund - Retail - Dividend | 5.96 | 28.97 |
| 12,285 | (46,702) | Reliance Growth Fund Retail - Growth | 6.84 | 25.12 |
| 20,721 | (726,475) | Templeton India Ultra Short Bond Fund - Institutional Plan - Growth | 2.85 | 100.00 |
| 51,216 | (51,216) | BNP Paribas Flexi Debt Fund-Direct Plan - Growth | 10.00 | 10.00 |
| 1,410,496 | (1,410,496) | ICICI Prudential FMP Series - 66-405 Days Plan J-Direct Plan - Cumulative | 141.05 | 141.05 |
| 732,314 | (732,314) | IDFC Dynamic Bond Fund Plan A - Growth | 159.50 | 159.50 |
| 1,025,610 | (1,025,610) | IDFC Dynamic Bond Fund - Growth | 137.57 | 137.57 |
| 266,523 | (266,523) | IDFC Super Saver Income Fund- Medium Term Growth | 50.00 | 50.00 |
| 965,548 | (965,548) | IDFC Super Saver Income Fund- Short Term Plan A Growth | 225.56 | 225.56 |
| 6,792 | (6,792) | Pramerica Fixed Duration Fund - Series 5 Direct Plan - Growth | 67.92 | 67.92 |
| 192,386 | (192,386) | JM G-SEC Fund - Growth | 70.00 | 70.00 |
| 630,051 | (1,260,102) | Templeton India Low Duration Fund - Growth | 75.00 | 150.00 |
| 1,211,358 | (1,211,358) | UTI Dynamic Bond Fund - Growth | 150.00 | 150.00 |
| 821,714 | (821,714) | DWS Premium Bond Fund- Growth | 154.00 | 154.00 |
| 876,440 | (876,440) | DWS Short Maturity Fund - Premium Plus - Growth | 100.00 | 100.00 |
| 322,503 | (322,503) | HDFC Gilt Fund Long Term - Growth | 75.00 | 75.00 |
| 464,058 | (485,428) | HDFC High Interest Fund-STP-Growth | 100.38 | 105.00 |



| | | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs | |
|--|-------------|--|---|----------|
| NON-CURRENT INVESTMENT (Contd.) | | | | |
| 597,170 | (597,170) | HSBC Income Fund Short Term Plan - Growth | 110.00 | 110.00 |
| 1,231,879 | (-) | HDFC Medium Term Opportunities Fund - Growth | 160.00 | - |
| 2,189,367 | (-) | HDFC Short Term Opportunities Fund - Growth | 291.25 | - |
| 3,000,000 | (-) | ICICI Prudential FMP Series - 68-745 Days Plan J-Direct Plan - Cumulative | 300.00 | - |
| 2,920,664 | (-) | IDFC Banking Debt Fund - Growth | 299.00 | - |
| 251,329 | (-) | Kotak Bond Short Term - Growth | 57.27 | - |
| 146,871 | (-) | DSP Black Rock Banking and PSU Debt Fund- Growth | 15.40 | - |
| 146,379 | (-) | Templeton India Ultra Short Bond Fund - Growth | 24.50 | - |
| 200,000 | (-) | DWS Fixed Maturity Plan Series 56 Direct - Growth | 20.00 | - |
| 785,745 | (-) | IDFC Dynamic Bond Fund Direct Plan - Growth | 115.00 | - |
| 2,151,772 | (-) | JM Money Manager Fund Super plus Plan - Growth | 390.00 | - |
| - | (4,08,748) | Birla Sun Life Frontline Equity Fund Plan A - Dividend | - | 95.42 |
| - | (535,372) | Reliance Income Fund Growth | - | 200.00 |
| - | (257,967) | HDFC Floating rate Income Fund-STP-Wholesale - Growth | - | 50.15 |
| - | (85,193) | Birla Sun Life Midcap Fund Plan A - Dividend | - | 22.60 |
| - | (500,000) | Kotak Fixed Maturity Plan Series 67 (18M) - Growth | - | 50.00 |
| - | (1,000,000) | Kotak FMP Series 67 - Growth | - | 100.00 |
| - | (762,754) | Templeton India Ultra Short Bond Fund - Growth | - | 104.00 |
| - | (45,863) | ICICI Prudential Flexible Income Regular Plan Premium - Growth | - | 72.93 |
| - | (5,348,070) | JM Fixed Maturity Fund Series XXIII Plan A (Direct) Growth | - | 534.81 |
| - | (350,977) | HSBC Floating Rate Fund Long Term - Growth | - | 58.60 |
| Unquoted-Fully paid up units of Rs.1000/- each unless otherwise stated) | | | | |
| - | (2,091) | UTI Treasury Advantage Fund - Growth | - | 58.21 |
| 19,923 | (-) | Reliance Money Manager Fund - Growth | 338.57 | - |
| 7,488 | (-) | LIC Nomura MF Liquid Fund - Growth | 174.00 | - |
| 6,669 | (-) | Templeton India Short Term Income retail Plan - Growth | 172.00 | - |
| | | Total (C) | 4641.36 | 4153.44 |
| | | Total (A+B+C) | 16614.83 | 15509.41 |
| | | Aggregate book value of quoted investments | 10063.14 | 10063.14 |
| | | Aggregate market value of quoted investments (Refer Note No.36) | 72022.65 | 61149.16 |
| | | Aggregate book value of unquoted investments | 1849.73 | 1232.23 |
| | | Aggregate book value of bonds | 60.60 | 60.60 |
| | | Aggregate book value of mutual funds | 4641.36 | 4153.44 |
| | | Repurchase price of mutual funds, represented by Net Asset Value | 5020.01 | 5239.06 |



| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|---|---|
| 15. LONG-TERM LOANS AND ADVANCES (Unsecured and considered good) | | |
| Capital advances | 8.44 | 111.56 |
| Loans and advance to employees | 6.75 | 9.58 |
| Loan to related Party (Due from the Manager and Chief Executive Officer) | 0.93 | 1.05 |
| Security deposits | 91.63 | 69.39 |
| Advance Income Tax/Tax Deduced at Source (Net) | 29.46 | 318.88 |
| MAT credit entitlement | 48.65 | - |
| Prepaid expenses | 1.09 | 8.18 |
| | <u>186.95</u> | <u>518.64</u> |
| 16. OTHER NON-CURRENT ASSETS | | |
| Long-term trade receivables (unsecured and considered good) | 10.10 | 593.30 |
| Non-current bank balances | 1784.54 | 193.16 |
| | <u>1794.64</u> | <u>786.46</u> |
| 17. INVENTORIES (Refer Note No. 2 (g) for mode of valuation) | | |
| Raw materials [including in transit Rs. 1272.39 lacs (Rs. 402.75 lacs)] | 3542.02 | 1906.04 |
| Packing Material | 130.40 | 71.92 |
| Stores and spares | 267.21 | 232.51 |
| Stock-in-trade | 125.87 | 120.15 |
| Work-in-progress (Refer Note No. 25) | 4121.62 | 2787.92 |
| Finished goods | 60.48 | 21.84 |
| Scrap | 43.90 | 13.04 |
| | <u>8291.50</u> | <u>5153.42</u> |
| 18. TRADE RECEIVABLES (Unsecured) | | |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| Considered good | 4331.47 | 5192.73 |
| Considered doubtful | 125.35 | 125.35 |
| | <u>4456.82</u> | <u>5318.08</u> |
| Others | | |
| Considered good | 23194.73 | 14339.38 |
| | <u>27651.55</u> | <u>19657.46</u> |
| Less: Provision for doubtful debts | 125.35 | 125.35 |
| | <u>27526.20</u> | <u>19532.11</u> |



| | As at March 31, 2014 Rs. in lacs | As at March 31, 2013 Rs. in lacs |
|--|---|---|
| 19. CASH AND CASH EQUIVALENTS | | |
| Cash on hand | 2.14 | 1.43 |
| Cheques, drafts on hand | 130.11 | 231.14 |
| Balance with banks | | |
| -In current accounts | 174.13 | 369.24 |
| -In term deposit accounts (term deposit receipts pledged with banks towards margin against letter of credit and other commitments) | 2561.46 | 1244.08 |
| | <u>2867.84</u> | <u>1845.89</u> |
| Less: Term deposit account having more than 12 months maturity at the year end (disclosed under Note No. 16) | 1784.54 | 193.16 |
| | <u>1083.30</u> | <u>1652.73</u> |
| 20. SHORT-TERM LOANS AND ADVANCES | | |
| (Unsecured and considered good) | | |
| Loans and advances to employees | 20.51 | 19.31 |
| Loan to related party (Due from the Manager and Chief Executive Officer) | 0.12 | 0.12 |
| Security deposits | 102.63 | 136.72 |
| Advance Income Tax/Tax Deduced at Source (Net) | 161.43 | - |
| Inter corporate deposits (Refer Note. No. 41 (a)(xiv)) | 433.35 | 433.35 |
| Claims, refunds etc. receivable | 382.44 | 352.05 |
| Advance recoverable in cash or kind | 1712.59 | 1273.88 |
| | <u>2813.07</u> | <u>2215.43</u> |
| 21. OTHER CURRENT ASSETS | | |
| Interest accrued but not due on term deposits | 128.33 | 68.65 |
| Dividend receivable | - | 7.01 |
| Unbilled revenue | 1695.86 | 1665.00 |
| Unamortised premium on forward contracts | 8.87 | - |
| Assets held for disposal (at lower of net book value and net realisable value) | 4.48 | 31.29 |
| | <u>1837.54</u> | <u>1771.95</u> |



| | For the year ended March 31, 2014 Rs. in lacs | For the year ended March 31, 2013 Rs. in lacs |
|--|--|--|
| 22. REVENUE FROM OPERATIONS | | |
| Sale of products | | |
| Telecommunications Cables | 27616.49 | 14837.05 |
| Other Wires & Cables | 4941.62 | 7844.87 |
| FRP Rods/Glass Rovings | 443.15 | 289.14 |
| Traded goods* | 176.08 | 178.67 |
| | <u>33177.34</u> | <u>23149.73</u> |
| Sale of services | | |
| Contract revenue | 15049.98 | 12754.09 |
| Indefeasible right of use (IRU) [Refer Note No. 42(b)] | 139.17 | 741.93 |
| | <u>15189.15</u> | <u>13496.02</u> |
| Other operating revenues | | |
| Scrap materials | 371.94 | 520.57 |
| Processing & job work income | 106.73 | 183.00 |
| Export incentives | 197.52 | 173.28 |
| | <u>676.19</u> | <u>876.85</u> |
| | <u>49042.68</u> | <u>37522.60</u> |

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

| | | |
|--|----------------|----------------|
| 23. OTHER INCOME | | |
| Interest income | 290.28 | 361.33 |
| Dividend income on non-current investments | 1124.68 | 1503.33 |
| Provision for doubtful debts written back (net) | - | 97.51 |
| Unspent liabilities/sundry balances written back (net) | - | 10.97 |
| Rent received | 110.46 | 108.50 |
| Profit on sale of long term investments | 71.74 | 68.37 |
| Profit on sale of current investments | 9.33 | 68.11 |
| Other non operating income | 11.73 | 29.57 |
| | <u>1618.22</u> | <u>2247.69</u> |

| | | |
|---|-----------------|-----------------|
| 24. COST OF MATERIALS CONSUMED | | |
| Opening stock | 1906.04 | 939.46 |
| Add: Purchase [Less : Sales and claim Rs. 1885.55 lacs (Rs. 700.70 lacs)] | 26179.00 | 18015.28 |
| | <u>28085.04</u> | <u>18954.74</u> |
| Less: Closing stock | 3542.02 | 1906.04 |
| | <u>24543.02</u> | <u>17048.70</u> |
| Details of Raw materials consumed | | |
| Copper | 6898.58 | 8208.35 |
| Polyethylene | 3381.46 | 1680.78 |
| Single Mode Optical Fibre | 7534.58 | 2571.69 |
| Others* | 6728.40 | 4587.88 |
| | <u>24543.02</u> | <u>17048.70</u> |

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



| | For the year ended March 31, 2014 Rs. in lacs | For the year ended March 31, 2013 Rs. in lacs |
|---|--|--|
| 25. (INCREASE)/DECREASE IN INVENTORIES | | |
| Closing inventories | | |
| Work-in-progress* | 4121.62 | 2787.92 |
| Finished goods | 60.48 | 21.84 |
| Stock-in-trade | 125.87 | 120.15 |
| Scrap materials | 43.90 | 13.04 |
| | <u>4351.87</u> | <u>2942.95</u> |
| Opening 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 |
| | <u>2942.95</u> | <u>2242.11</u> |
| | <u>(1408.92)</u> | <u>(700.84)</u> |
| *Detail of work-in-progress | | |
| Telecommunications Cables | 2269.48 | 815.97 |
| Other Wires & Cables | 25.39 | 165.23 |
| FRP Rods/Glass Rovings | 39.89 | 32.13 |
| Contracts under execution (EPC) | 1786.86 | 1774.59 |
| | <u>4121.62</u> | <u>2787.92</u> |
| 26. MATERIALS PURCHASED/SUBCONTRACT EXPENSES | | |
| Materials purchased | 7522.36 | 7864.86 |
| Other engineering & construction expenses | 3839.84 | 3132.28 |
| | <u>11362.20</u> | <u>10997.14</u> |
| 27. EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, wages, bonus and benefits, etc. | 1958.79 | 1810.30 |
| Contribution to provident and other funds, etc. | 199.38 | 181.27 |
| Welfare expenses | 153.17 | 149.98 |
| | <u>2311.34</u> | <u>2141.55</u> |
| 28. FINANCE COSTS | | |
| Interest expense | 1476.19 | 1202.21 |
| Foreign exchange rate fluctuation * | 79.98 | 194.12 |
| Other borrowing costs | 472.56 | 354.79 |
| | <u>2028.73</u> | <u>1751.12</u> |

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



| | For the year ended March 31, 2014 Rs. in lacs | For the year ended March 31, 2013 Rs. in lacs |
|---|--|--|
| 29. OTHER EXPENSES | | |
| Consumption of stores and spares | 271.84 | 237.61 |
| Packing materials | 729.53 | 532.37 |
| Processing/job work and testing charges | 54.22 | 54.23 |
| Power and fuel | 603.36 | 518.67 |
| Sales commission (other than sole selling agent) | 228.19 | 173.29 |
| Rent | 202.97 | 171.05 |
| Repair & maintenance | | |
| - Plant & machinery | 85.95 | 103.58 |
| - Buildings | 63.61 | 34.73 |
| - Others | 24.19 | 22.26 |
| Insurance | 85.22 | 76.27 |
| Rates & taxes | 204.13 | 408.26 |
| Travelling and conveyance | 346.27 | 342.93 |
| Payment to auditors | | |
| Statutory auditors | | |
| -Audit fees | 9.22 | 6.93 |
| -Tax audit fee | 0.98 | 0.98 |
| -Quarterly reviews | 3.95 | 3.20 |
| -Taxation matter | 0.33 | 0.28 |
| -Certification etc. | 3.33 | 4.18 |
| -Reimbursement of expenses | 0.67 | 0.94 |
| Cost auditors | | |
| -Audit fees | 0.53 | 0.45 |
| -Certification etc. | 0.12 | 0.11 |
| -Reimbursement of expenses | 0.21 | 0.21 |
| Legal and professional | 165.90 | 140.98 |
| Bad debts/sundry Balance written off (net) | 146.48 | 125.68 |
| Deficit on fixed assets sold/ scrapped | 17.00 | 1.53 |
| Foreign exchange rate fluctuation (net) | 6.47 | 16.91 |
| Excise duty on Increase/(decrease) in stocks | 7.96 | (2.72) |
| Miscellaneous expenses | 527.53 | 447.76 |
| | 3790.16 | 3422.67 |
| 30. DEPRECIATION AND AMORTISATION EXPENSES | | |
| On fixed assets (Refer Note No. 13) | 614.92 | 525.57 |
| Less: Transferred from revaluation reserve | 0.31 | 0.36 |
| | 614.61 | 525.21 |

**31. Earning per share (EPS):**

| Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---|-------------------------|-------------------------|
| Basic/ weighted average number of equity shares outstanding during the year | 11850863 | 11850863 |
| Profit for the year (Rs. in lacs) | 3482.45 | 2118.31 |
| Nominal value of share (Rs.) | 10.00 | 10.00 |
| EPS (Basic and diluted) | 29.41 | 17.89 |

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

(a) Contingent liabilities:-

- (i) Claims against the Group not acknowledged as debts Rs. 96.79 lacs (Rs.0.04 lac).
- (ii) Pending cases with income tax appellate authorities where income tax department has preferred appeals – liability not ascertainable.
- (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.33.43 lacs (14.47 lacs).
- (v) Bills of exchange under letter of credit discounted with a bank and outstanding at the end of the year Rs. 325.74 lacs (Rs. Nil).
- (vi) Cross corporate guarantee given by the Parent Company as a collateral security against working capital credit facilities aggregating to Rs. 9273.69 lacs (outstanding as on March 31, 2014 Rs. 5933.00 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. 296.82 lacs (Rs. 380.51 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, inter alia, claiming recovery of an aggregate amount equivalent to Rs. 4504.73 lacs as at 31st March, 2014, 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. 195.86 lacs (Rs. 191.93 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. In the case of Joint Venture Company, MAT credit entitlement has been considered as an asset.
- 36.** In the opinion of the management, the decline in the market value of a quoted Non-current investment (trade) (carrying cost Rs. 3380.91 lacs) by Rs. 2086.64 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”:**

| Particulars | | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|-------------|---|------------------------|------------------------|
| (a) | Contract Revenue recognized for the year | 15038.26 | 12754.09 |
| (b) | The relevant information relating to Contracts in progress at the reporting date are given below: | | |
| (i) | Aggregate amount of cost incurred | 17468.93 | 21549.55 |
| (ii) | Recognized profit upto the reporting date | 476.40 | 102.38 |
| (iii) | Amount of advance received | 495.01 | 1374.46 |
| (iv) | Amount of outstandings/retentions | 9820.14 | 8946.78 |
| (v) | Contracts under execution | 1786.86 | 1774.59 |
| (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, 2014 | As at March 31, 2013 |
|---|-------------|-------------------------|-------------------------|
| Forward exchange contracts outstanding | | | |
| Payables | USD | 2534751.50 | 282224.77 |
| | EURO | 1830.21 | - |
| | Rs. in lacs | 1537.57 | 154.96 |
| Total | USD | 2534751.50 | 282224.77 |
| | EURO | 1830.21 | - |
| | Rs. in lacs | 1537.57 | 154.96 |
| Foreign currency exposures not covered by any derivative instrument | | | |
| Payables | USD | 2233243.98 | 2592264.64 |
| | EURO | 946524.23 | 56049.98 |
| | NPR | 3385487.00 | 3718222.00 |
| | GBP | 810.20 | 666.50 |
| | Rs. in lacs | 2182.07 | 1487.02 |
| Receivables | USD | 1399145.17 | 1556443.05 |
| | EURO | 1854.47 | 149105.51 |
| | NPR | 38873832.00 | 18007150.00 |
| | SEK | - | 16656.00 |
| | Rs. in lacs | 1074.50 | 1057.73 |
| Bank balances | USD | 49.66 | 49.66 |
| | NPR | 5505159.00 | 9994567.00 |
| | Rs. in lacs | 34.44 | 62.50 |
| Total | USD | 3632438.81 | 4148757.35 |
| | NPR | 47764478.00 | 31719939.00 |
| | EURO | 948378.70 | 205155.49 |
| | GBP | 810.20 | 666.50 |
| | SEK | - | 16656.00 |
| | Rs. in lacs | 3291.01 | 2607.25 |

- (b) A sum of Rs 7.18 lacs (Rs.0.14 lac) 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, 2014 are summarised below:

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

Rs.in lacs

| Particulars | Gratuity | | Pension | |
|---|----------------|---------|---------------|---------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| Current service cost | 23.88 | 24.71 | - | - |
| Interest cost on benefit obligation | 30.59 | 23.69 | 2.98 | 3.25 |
| Expected return on plan assets | (29.33) | (24.63) | - | - |
| Net Actuarial (Gain)/loss recognized in the year | (18.25) | 11.16 | (1.90) | (6.57) |
| Add: Impact of variation in actual and expected return on plan assets | (1.27) | (1.00) | - | - |
| Add: Insurance cost borne by the Group | 1.44 | 1.44 | - | - |
| Net benefit expense | 7.06 | 35.37 | 1.08 | (3.32) |
| Actual return on plan assets | (30.54) | (25.50) | - | - |

- (ii) Amount recognized in the Balance Sheet

Rs.in lacs

| Particulars | Gratuity | | Pension | |
|-------------------------------|---------------|---------|----------------|---------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| Defined benefit obligation | 360.90 | 340.77 | 36.07 | 39.81 |
| Fair value of the plan assets | 388.16 | 311.80 | - | - |
| Net Asset/(Liability) | 27.26 | (28.97) | (36.07) | (39.81) |

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

Rs.in lacs

| Particulars | Gratuity | | Pension | |
|--------------------------------------|----------------|---------|---------------|---------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| Opening Defined Benefit Obligation | 340.77 | 290.10 | 39.81 | 47.94 |
| Interest Cost | 30.59 | 23.69 | 2.98 | 3.25 |
| Current Service Cost | 23.88 | 24.71 | - | - |
| Benefit paid | (16.03) | (8.73) | (4.82) | (4.81) |
| Actuarial (Gain)/Loss on obligations | (18.31) | 10.98 | (1.90) | (6.57) |
| Closing Defined Benefit Obligation | 360.90 | 340.77 | 36.07 | 39.81 |

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

Rs.in lacs

| Particulars | Gratuity | |
|-----------------------------------|----------------|---------|
| | 2013-14 | 2012-13 |
| Opening Fair value of Plan Assets | 311.80 | 248.76 |
| Expected Return | 27.62 | 24.45 |
| Contribution by employer | 60.21 | 46.92 |
| Benefits paid | (12.42) | (9.33) |
| Actuarial Gain on Plan Assets | 0.94 | 1.00 |
| Closing Fair Value of Plan Assets | 388.15 | 311.80 |



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

| Particulars | Gratuity | |
|--------------------------|-------------|-------------|
| | 2013-14 (%) | 2012-13 (%) |
| Investments with insurer | 100 | 100 |

Rs.in lacs

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. 43.33 lacs to Gratuity Fund during the year 2014-15.

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

| Particulars | Gratuity | | Pension | |
|--------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| Mortality Table | IAL 2006-08 Ultimate | IAL 2006-08 Ultimate | LIC 1996-98 Ultimate | LIC 1996-98 Ultimate |
| Attrition Rate | 5.00% p.a. | 5.00% p.a. | N.A. | N.A. |
| Imputed rate of interest | 9.15% p.a. | 8.25% p.a. | 9.15% p.a. | 8.60% p.a. |
| Salary rise | 7.50% p.a. | 7.50% p.a. | N.A. | N.A. |
| Return on plan assets | 8.75% | 9.25% | N.A. | N.A. |
| Remaining working life | 14.58 Years | 15.07 Years | N.A. | N.A. |

Rs.in lacs

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.

| Defined Contribution Plan | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|--|------------------------|------------------------|
| Contribution to Provident and Family Pension Funds | 95.24 | 92.79 |
| Contribution to Superannuation Fund | 32.34 | 35.85 |
| Contribution to ESIC | 8.45 | 9.19 |

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, 2014 and March 31, 2013 and certain assets and liabilities information relating to business segments at March 31, 2014 and March 31, 2013.



Rs.in lacs

| Business Segments | Year ended March 31, 2014 | | | Year ended March 31, 2013 | | |
|---|---------------------------|----------|-----------|---------------------------|----------|----------|
| | Cables | EPC | Total | Cables | EPC | Total |
| Revenue | | | | | | |
| External Sales (net) (including other operating income) | 30504.25 | 15344.19 | 45848.44 | 21540.15 | 13654.12 | 35194.27 |
| Inter segment sales | 34.87 | - | 34.87 | 155.49 | - | 155.49 |
| Other Income* | 7.18 | 4.55 | 11.73 | 29.73 | 108.32 | 138.05 |
| Total Revenue | 30546.30 | 15348.74 | 45895.04 | 21725.37 | 13762.44 | 35487.81 |
| Results | | | | | | |
| Segment result (PBIT) | 2475.10 | 1537.17 | 4012.27 | 412.64 | 934.22 | 1346.86 |
| Unallocable Income/expenses (net) | | | 1306.89 | | | 1738.99 |
| Operating Profit | | | 5319.16 | | | 3085.85 |
| Interest (net) | | | (1185.91) | | | (840.88) |
| Provision for tax (net) | | | (650.80) | | | (126.66) |
| Profit after tax | | | 3482.45 | | | 2118.31 |
| Other Information | | | | | | |
| Segment Assets | 28335.87 | 21582.58 | 49918.45 | 17395.22 | 18669.82 | 36065.04 |
| Unallocable Assets | | | 16644.29 | | | 15828.29 |
| Total Assets | | | 66562.74 | | | 51893.33 |
| Segment Liabilities | 10344.19 | 6237.80 | 16581.99 | 4776.15 | 5244.64 | 10020.79 |
| Unallocable Liabilities | | | 16600.42 | | | 11650.26 |
| Total Liabilities | | | 33182.41 | | | 21671.05 |
| Capital Expenditure | 2266.09 | 36.56 | 2302.65 | 362.00 | 31.32 | 393.32 |
| Depreciation | 517.34 | 97.27 | 614.61 | 428.43 | 96.78 | 525.21 |
| Other Non Cash Expenditure | - | - | - | 3.37 | - | 3.37 |

*Excludes Rs. 1606.49 lacs (Rs. 2109.64 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

| Geographical Segments | 2013-14 | 2012-13 |
|---------------------------------------|-----------------|-----------------|
| (i) Domestic Market (within India) | 41017.94 | 31193.27 |
| (ii) Overseas Markets (Outside India) | 4865.37 | 4156.49 |
| Total | 45883.31 | 35349.76 |

- (i) All the assets of the Group, except the carrying amount of assets aggregating to Rs. 800.68 lacs (Rs. 1103.37 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 R.Sridharan (Manager and CEO of the Joint Venture Company)
 Shri S.K. Daga (Wholetime Director of August Agents Ltd., a subsidiary company)
 Shri D.L. Rathi (Wholetime Director of Insilco Agents Ltd., a subsidiary company)
 Shri K. Damani (Wholetime Director of Laneseda Agents Ltd., a subsidiary company)



Other parties which significantly influence/are influenced by the Parent Company (either individually or with others) : Ericsson Cables AB, Sweden (ECA), being venturer of BEOL Universal Cables Limited (UCL) being venturer of BEOL Shakun Polymers Limited (SPL)

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

Rs.in lacs

| Sl. No. | 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) | |
|---------|---|---|----------|---------------------------------------|---------|--|---------|
| | | 2013-14 | 2012-13 | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| (i) | Purchases of Products /Traded Goods, Raw materials | 262.97 | 388.03 | 2.09 | 1.90 | 78.30 | 92.15 |
| (ii) | Sale of Raw Materials, Stores, Spares and Packing Materials | 4133.62 | 833.35 | 2.70 | 1.68 | - | - |
| (iii) | Sale of products | - | - | 0.49 | - | - | - |
| (iv) | Other Service Charges/Lease Rent Received | 102.68 | 139.12 | 3.78 | 4.17 | - | - |
| (v) | Other Service Charges Paid | 9.35 | 22.44 | 0.02 | - | - | - |
| (vi) | Sale of Fixed Assets | - | 2.56 | 4.16 | 0.84 | - | - |
| (vii) | Interest on Inter-Corporate Deposits paid | 110.31 | 124.63 | - | - | - | - |
| (viii) | Interest on Inter-Corporate Deposits received | 45.50 | 45.50 | 1.61 | - | - | - |
| (ix) | Inter-Corporate Deposits taken | 10898.75 | 10848.48 | - | - | - | - |
| (x) | Inter-Corporate Deposits given | 433.35 | 433.35 | 73.32 | - | - | - |
| (xi) | Inter-Corporate Deposits repaid | 10465.40 | 9934.12 | 73.32 | - | - | - |
| (xii) | Cross Corporate Guarantee given | 9273.69 | 6066.90 | - | - | - | - |
| (xiii) | Cross Corporate Guarantee accepted | 19890.77 | 15123.92 | - | - | - | - |
| (xiv) | Balance Outstanding at the year end | | | | | | |
| | - Payable | 433.35 | 914.37 | - | - | 0.18 | 16.29 |
| | - Receivable | - | 0.22 | - | 0.20 | - | - |

(b) Transaction with Key Management Personnel:

Rs.in lacs

| Sl. No. | Name of Managing Director/Whole-time Directors/Manager | 2013-14 | 2012-13 |
|---------|--|--------------|--------------|
| (i) | Shri Y.S.Lodha* | 50.29 | 42.71 |
| (ii) | Shri D.R. Bansal | - | 1.76 |
| (iii) | Shri R. Shridharan** | 4.22 | 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 | 54.87 | 48.39 |
| | Balance outstanding | | |
| | * Payable | 4.38 | 2.00 |
| | ** Loan refunded | 0.12 | 0.12 |
| | ** Loan recoverable | 1.05 | 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. 81.79 lacs (Rs. 67.31 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:

| Sl. No. | Particulars | 2013-14 Rs. in lacs | 2012-13 Rs. in lacs |
|---------|--|------------------------|------------------------|
| (a) | Lease revenue recognised as an outright sale | 139.17 | 741.93 |
| (b) | Cost of sales | 103.70 | 599.30 |
| (c) | Profit recognised (a-b) | 35.47 | 142.63 |

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

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

Rs.in lacs

| Sl. No. | Particulars | As at March 31, 2014 | As at March 31, 2013 |
|---------|---|-------------------------|-------------------------|
| (a) | the principal amount and interest due thereon remaining unpaid to any supplier - Principal amount - Interest thereon | 1207.81 - | 485.97 - |
| (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 | - | - |
| (e) | the amount of further interest remaining due and payable in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006. | Nil | Nil |

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

As per our attached report of even date.

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

R. Raghuraman
Partner
Membership No.081350
New Delhi, May 19, 2014

Signatures to Notes 1 to 45

| | | |
|-------------------------|---|------------------------------------|
| Harsh V. Lodha | } | Chairman |
| J. Veeraraghavan | | Directors |
| S.K. Misra | | |
| R.C. Tapuriah | | |
| D.R. Bansal | | Managing Director |
| Y.S. Lodha | | President (Commercial) & Secretary |
| R. Radhakrishnan | | |
| New Delhi, May 19, 2014 | | |



(Rs. in lacs)

| Sl. No. | Name of Subsidiary Company | As at March 31, 2014 | | | | For the year ended March 31, 2014 | | | | | | |
|---------|----------------------------|----------------------|--------------------|--------------|-------------------|-----------------------------------|---------|------------------------|------------------------|------------------------|-----------------------|-------------------|
| | | 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 | | | | | |
| 1 | August Agents Limited | 1525.02 | 2952.56 | 4480.47 | 4480.47 | 3339.52 | - | 3339.52 | 406.78 | 34.51 | 372.27 | - |
| 2 | Insilco Agents Limited | 1500.02 | 2951.84 | 4454.98 | 4454.98 | 3524.44 | - | 3524.44 | 412.40 | 28.54 | 383.86 | - |
| 3 | Laneseda Agents Limited | 1500.02 | 2987.68 | 4490.99 | 4490.99 | 3220.14 | - | 3220.14 | 426.61 | 43.00 | 383.61 | - |

Harsh V. Lodha

Chairman

J. Veeraraghavan

S.K. Misra

R.C. Tapuriah

D.R. Bansal

Y.S. Lodha

R. Radhakrishnan

Managing Director

President (Commercial) & Secretary

New Delhi, May 19, 2014

VINDHYA TELELINKS LIMITED

CIN: L31300MP1983PLC002134

Registered Office:

Udyog Vihar, P.O.Chorhata, Rewa - 486 006 (M.P.), India
Telephone No. (07662) 400400 • Fax No. (07662) 400591
Email: headoffice@vtlrewa.com • Website: www.vtlrewa.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| | |
|--------------------------|--|
| Name of the member(s) | |
| Registered address | |
| E-mail Id | |
| Folio No/DP Id/Client Id | |

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

- Name: _____ Address: _____
E-mail Id: _____ Signature: _____, or failing him;
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____, or failing him;
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____.

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirty First Annual General Meeting of the Company, to be held on Tuesday, the August 12, 2014 at 3.00 p.m. at the Registered Office of the Company at Udyog Vihar, P.O. Chorhata, Rewa - 486 006 (M.P.), India and at any adjournment thereof in respect of the following resolutions:

| Resolution No. | Resolution |
|--------------------------|---|
| Ordinary Business | |
| 1. | Adoption of Audited Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2014 |
| 2. | Declaration of Dividend for the year 2013-14 on Equity Shares |
| 3. | Re-appointment of Shri Pracheta Majumdar as a Director, who retires by rotation |
| 4. | Appointment of Auditors and fix their remuneration |
| Special Business | |
| 5. | Appointment of Shri Shiv Dayal Kapoor as an Independent Director |
| 6. | Appointment of Shri S.K.Misra as an Independent Director |
| 7. | Appointment of Shri J.Veeraraghavan as an Independent Director |
| 8. | Appointment of Shri R.C.Tapuriah as an Independent Director |
| 9. | Ratification of Cost Auditors' Remuneration |

Signed this _____ day of _____ 2014

Signature of Shareholder : _____

Signature of Proxy holder(s) : _____



NOTE:

- This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company at Udyog Vihar, P.O. Chorhata, Rewa - 486 006(M.P.), India, not less than FORTY EIGHT (48) hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Thirty First Annual General Meeting.

VINDHYA TELELINKS LIMITED

CIN: L31300MP1983PLC002134

Registered Office:

Udyog Vihar, P.O.Chorhata, Rewa - 486 006 (M.P.), India
Telephone No. (07662) 400400 • Fax No. (07662) 400591
Email: headoffice@vtlrewa.com • Website: www.vtlrewa.com

ATTENDANCE SLIP

| | |
|-------------------------------------|--|
| Folio No. /DP Id/Client Id | |
| Name and Address of the Shareholder | |
| No. of Shares held | |

- (1) I hereby record my presence at the THIRTY FIRST ANNUAL GENERAL MEETING of Vindhya Telelinks Limited being held on Tuesday, the August 12, 2014 at 3.00 p.m. at Udyog Vihar, P.O. Chorhata, Rewa – 486 006 (M.P).
- (2) Signature of the Shareholder/Proxy Present
- (3) Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
- (4) Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

Note: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING

✂.....

| Electronic Voting Sequence Number (EVSN) | User ID | Password |
|--|---------|----------|
| | | |

NOTE: For e-voting, please read the instructions printed under the Note No.16 to the Notice dated June 21, 2014 of the Thirty First Annual General Meeting. The Voting period begins on August 6, 2014 and ends on August 7, 2014. The e-voting module shall be disabled by CDSL for voting thereafter.



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



Company Participated in Futurecom 2013,
held at Rio De Janeiro, Brazil



Company received Star Performer Award
on 5th March, 2014 at Bhopal

BOOK - POST

PRINTED MATTER

REGISTERED OFFICE & WORKS

Udyog Vihar,
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Fax: +91-80-23612484

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Aminjikarai, Chennai - 600 029
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Fax: (044) 23746625

GOA

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Verna Industrial Estate,
Verna, Salcette - 403 722
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Tel.: +91-832-6696400
Fax: +91-832-2782614

HYDERABAD

Plot No. 414, Road No. 22,
Jubilee Hills, Hyderabad - 500 033
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www.vtlrewa.com

If undelivered please return to :

VINDHYA TELELINKS LIMITED

CIN: L31300MP1983PLC002134

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