
ANNUAL REPORT

2011-2012



S G N TELECOMS LTD.

Manufacturers of :

All types of Power, XLPE, Control,
Data cables and AAAC, AAC & ACSR Conductors

Regd. Office : E-58, 59, Phase-VIII, S.A.S. Nagar, Mohali (PUNJAB), PIN - 160 055.

E-mail : sgntelecom@rediffmail.com & sgntelecomsltd@gmail.com

Phone : 0172-5063378, Fax : 0172-5093378

BOARD OF DIRECTORS

Mr. Surinder Singh	Chairman cum Managing Director
Mr. Devender Singh	Director
Ms. Parminder Kaur	Director
Ms. Paramjit Kaur	Director
Mr. Inderjit Singh	Director
Mr. Balvinder Singh	Director
Mr. Rajiv Kishore	Director
Ms. Reeta Devi	Director

AUDITORS

N. Kumar & Co.
Chartered Accountants
220, Sector 40-A,
Chandigarh,

BANKERS

ICICI Bank Ltd

REGD. OFFICE & WORKS

E 58-59, Industrial Area,
Phase 8, Mohali.
Punjab.

REGISTRAR & SHARE TRANSFER AGENT

MAS Services Limited
T-34, IInd Floor,
Okhla Industrial Area,
Phase II,
New Delhi.

NOTICE

Notice is hereby given that Annual General Meeting of M/S SGN TELECOMS LIMITED will be held on Saturday, 29th September, 2012 at 9.00 A.M. at regd. office Plot No. 58-59, Industrial Area, Phase VIII-B, SAS Nagar, Mohali to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2012 and statement of profit and loss during the year ended on that date along with the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Inderjit Singh who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Rajiv Kishore who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
4. TO APPOINT THE STATUTORY AUDITORS OF THE COMPANY AND IN THIS REGARD TO PASS THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:

"Resolved that M/s N Kumar & Co, Chartered Accountant, the retiring Statutory Auditors of the company, be and are hereby reappointed as Statutory Auditors of the company from the conclusion of this Annual General Meeting until the conclusion of next annual general meeting at a remuneration to be decided by the Board."

For Board of Directors
M/S SGN TELECOMS LTD.

DATE :04/09/2012
PLACE : Mohali

Sd/-
CHAIRMAN CUM MG DIRECTOR

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not to be the member of the company.
2. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
3. Members who holds shares in physical form are requested to notify any change in their registered address to Registrar and share transfer agent i.e. MAS Services Limited, New Delhi.
4. Members are requested to bring the copy of annual report and attendance slip duly filled in the meeting. Members who are holding shares in demat form are requested bring their Client Id and DP Id for easing identification of attendance.
5. Register of members and register of transfer will remain closed from 27th September 2012 to 29th September 2012 both days inclusive.
6. Nomination forms for availing the nomination facility are available at registered office.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has, pursuant to its Green Initiative in the Corporate Governance, allowed paperless compliances by companies. It has issued circulars allowing the companies to service notice/documents including Annual Report by email to its members. We request the shareholders, who have not registered their email addresses so far, may, as a support to this initiative, register their email addresses, in respect of electronic holdings, with the Depository through their respective Depository Participant. Members who hold shares in physical mode are requested to register their email address with MAS Services Limited, New Delhi, the share transfer agent of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT 1956

LISTING AGREEMENT

As required under Clause 49 (IV) G of the Listing Agreement, given below are the details of the Directors who retire by rotation and are eligible for re-appointment:

ITEM NO. 2 & 3

- A. Name : Mr. Inderjit Singh
 Age : 63 years (Date of Birth : 13.08.1949)
 Qualification : Graduate
 Expertise : More than 35 years experience in trading of garments, toys
 and electronic Goods.
 Other Directorships : Nil

Committee membership : 3
Shareholding in the co : Nil

B. Name : Mr. Rajiv Kishore
Age : 55 years (Date of Birth : 07.04.1957)
Qualification : Graduate
Expertise : More than 28 years of working experience in household item.
Other Directorships : Nil
Committee membership : Nil
Shareholding in the co : Nil

DIRECTORS REPORT

Your Directors are pleased to present their Annual Report for the financial year ended on 31st March 2012.

FINANCIAL RESULTS:

PARTICULARS	31 st March 2012 (Rs. In Lacs)	31 st March 2011 (Rs. In Lacs)
Total Income	374.28	134.04
Profit Before Depreciation	17.54	2.93
Depreciation	14.53	8.26
Net Profit/(loss)	3.01	(5.33)
Extraordinary Items	(391.11)	Nil
Transfer to Balance sheet	(388.10)	(5.33)

DIVIDEND:

In the absence of any adequate profits, the management has decided not to declare any dividend.

FIXED DEPOSIT:

The Company has not accepted any deposit from the public with in the meaning of section 58-A of the Companies Act,1956.

DIRECTORS:

Mr. Inderjit Singh and Mr. Rajiv Kishore, Directors of the company who retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

ALLOTMENT OF SHARES ON PREFERENTIAL BASIS

During the year under review, the shareholders in their Extra Ordinary General Meeting held on 19th January 2012 had approved the issue and allotment of upto 80,00,000 (Eighty Lacs) convertible warrants of Rs. 1/- each. Pursuant to their approval the company has issued and allotted 80,00,000 (Eighty Lacs) convertible warrants which have been converted into equity shares in the current financial year.

LISTING:

The company is listed with Bombay Stock Exchange Limited. The shares are being regularly traded there. The company is regular in payment of listing fees and complying with other listing requirements. The other stock Exchanges namely Delhi Stock Exchange and Ludhiana Stock Exchange are not active and no trading is being

taking place there. The company has started proceedings for delisting of these shares from both the stock exchanges.

AUDITORS:

M/s N Kumar & Co, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The company has received a letter from them that their appointment if made will be within the limits as prescribed in the section 224 (1B).

AUDITORS REPORT:

Observation in the Auditors Report are dealt with in the notes to the Accounts and being self explanatory need no further clarifications..

CORPORATE GOVERNANCE REPORT:

As required under listing agreement the Corporate Governance Report along with Auditors certificate regarding compliance of conditions of corporate governance report is enclosed.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

As required under clause 49 (E) of Listing Agreement the Management Discussion & Analysis forms an integral part of the Directors Report.

PARTICULARS OF EMPLOYEES

None of the employees is covered Under Section 217(2A) of the Companies Act ,1956 read with Companies (Particulars of Employees) Rules ,1975 as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under Section 217(1)(e) of the companies Act, 1956, read with Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is as follows:

FORM A**a. Disclosure of Particulars with respect to Conservation of Energy:**

A. Power and fuel consumption	2011-12	2010-11
1. Electricity		
(a) Purchased		
Units	154367	109930
Total amount	926205	593621
Rate/unit	6.00	5.40
(b) Own generation	Nil	Nil
(i) Through diesel generator	Nil	Nil
Unit		
Units per ltr. of diesel oil		
Cost/unit		
(ii) Through steam turbine/generator		
2. Coal	Nil	Nil
3. Furnance oil	Nil	Nil
4. Others/internal generation	Nil	Nil
B. Consumption per unit of production		
Electricity	Nil	Nil

b. Technology Absorption:

The Company is using indigenous technologies in the manufacturing of process. The updation of technology is an ongoing process and Company is complying with all the statutory guidelines in this regard.

c. Foreign Exchange earnings and Outgo:

The Company has not earned any income or incurred any expenditure in foreign exchange during the financial year.

DIRECTORS RESPONSIBILITY STATEMENT :

As required u/s 217 (2AA) of the companies Act ,1956 the Directors states that :

1. That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That Directors had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit or loss of the company for that period.

3. That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That Directors have prepared the annual accounts on going concern basis.

ACKNOWLEDGEMENT

The Directors, place on record their appreciation for the support and assistance received from all concerned during the period under review.

For Board of Directors

DATE : 04/09/2012

PLACE : Mohali

Sd/-

CHAIRMAN CUM MG DIRECTOR

SCHEDULE 15 : NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES :

a) Method of Accounting :

The accounts are prepared on Historical cost concept on an accrual basis and accounting principles generally accepted in India.

b) Fixed Assets & Depreciation :

Fixed assets are stated at original cost including freight, duty, taxes and other incidental and pre-operative expenses relating to the acquisition, installation on appropriate basis. Depreciation has been charged on a straight line method as per the rates and in the manner prescribed by Schedule XIV of the Companies Act, 1956.

c) Inventories :

Closing stocks are valued at cost or market price whichever is less and cost is ascertained on FIFO Method Basis.

d) Gratuity and leave encashment is accounted for on cash basis.

e) Investment :

Long term investment are stated at cost less permanent diminution in value if any.

f) Misc. Expenses :

(To the extent not written off) : These are written off over ten years.

g) Absolute Machinery Amounting to Rs, 23423000/- has been written off during the year.

h) Irrecoverable advances amounting to Rs. 15687700.41 have been written off during the year. Thus the total loss on account of extraordinary is Rs.39110700.41 total amount.

2. Estimated amount of contracts remaining to be executed on capital account not provided for as on 31-3-2012 is Nil (Pre. Year Nil) (as certified by M.D.)
3. Balance on account of various parties are still subject to confirmation / Reconciliation.
4. The figures have been rounded off to the nearest rupee and the figures for the previous year have been re-arranged wherever considered necessary.
5. Current Assets loans & advances are approximately of the value stated in the Balance Sheet if realized in the ordinary course of business.

6. Payment to Directors	Current Year	Previous Year
Remuneration	(Amount in Rs.)	(Amount in Rs.)

----- NIL ----- NIL ----- NIL -----

7. Discloser of related parties/related parties transactions

Name	Relationship	Amount
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-----NIL-----

8. EARNING PER SHARE (AS 20)	<u>2011-12</u>	<u>2010-2011</u>
a) Weighted average number of equity Shares of Rs. 1 each.		
i) Number of shares at the beginning of year	7,28,09,900	7,28,09,900
ii) Number of shares at the end of year	7,28,09,900	7,28,09,900
Weighted average number of equity shares outstanding during the year		
b) Net profit after tax available for Equity shares holder (Rs. in lacs)	----	----
c) Basic and diluted earning per share (in rupees)		

9. SEGMENT INFORMATION

Company is engaged only in one business segment.

10. Payment of Auditors

--- Audit Fee	25,000	30,000
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11. Expenditure in Foreign Currency

A. Travelling Expenses	--	--
B. Value of Imports on CIF Value (Capital Items)	--	--
C. Souvenir expenses	--	--