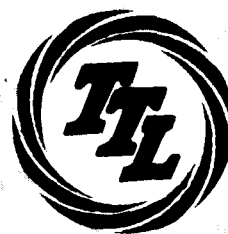


15th
Annual Report
2002-2003

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TAMILNADU
TELECOMMUNICATIONS
LIMITED

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REGISTRAR & SHARE TRANSFER AGENTS

Cameo Corporate Services Limited

"Subramanian Building"
 No.1, Club House Road
 Chennai - 600 002
 ☎ : 2846 0390

TAMILNADU TELECOMMUNICATIONS LIMITED

Registered Office: Gee Gee Complex, 3rd Floor, 42, Anna Salai, Chennai - 600 002. © 28552668

BOARD OF DIRECTORS

Shri Arun Ramanathan, I.A.S., <i>Chairman & Managing Director - TIDCO, Chennai</i>	Chairman
Shri G. D. Gaiha <i>Chairman & Managing Director - TCIL, New Delhi</i>	Director
Shri A.K. Chandra Shekhar <i>Director (Finance) - TCIL, New Delhi</i>	Director
Shri S.K. Verma <i>Executive Director (BD) - TCIL, New Delhi</i>	Director
Shri T. Willington <i>General Manager - TIDCO, Chennai</i>	Director
Shri S. Susai <i>Secretary - TIDCO, Chennai</i>	Director
Shri Tsutomu Aoki <i>Director - Fujikura Ltd., Japan</i>	Director
Shri Toshitaka Takahashi <i>Senior Manager - Fujikura Ltd., Japan</i>	Director
Shri M.K. Jain <i>Dy. Director General (IR), DoT, New Delhi</i>	Director
Shri Kanwal Monga <i>Managing Director - Virgo Marketing Pvt. Ltd., New Delhi</i>	Alternate Director
Shri H. Yokosuka <i>Acting Director - Fujikura Ltd., Japan</i>	Alternate Director
Shri M. Sengupta	Managing Director
Shri M.V. Narasimhaa Rao <i>General Manager (Finance) cum Company Secretary</i>	

PROMOTERS

Telecommunications Consultants India Ltd.,
(A Government of India Undertaking)
TCIL Bhavan, Greater Kailash - I,
New Delhi - 110 048.

Tamilnadu Industrial Development Corpn. Ltd.,
(A Government of Tamil Nadu Undertaking)
19-A, Rukmini Lakshmipathy Road,
Egmore, Chennai - 600 008.

FACTORIES

Jelly Filled Telecom Cable
Tiruvallur Road, Shaw Nagar,
Arakkonam - 631 004 (Tamilnadu)

Optical Fibre Cable
CMDA Industrial Complex,
Maraimalai Nagar - 603 209 (Chennai)

TECHNICAL COLLABORATORS

Jelly Filled Telecom Cable
Essex Group Inc. USA
1510, Wall Street, P.O. Box. 1510
Fort Wayne, Indiana 46801 - 1510

Optical Fibre Cable
Fujikura Limited
1-5-1, Kiba, Koto-ku
Tokyo, Japan

BANKERS

State Bank of India, IF Branch, Anna Salai, Chennai
Punjab National Bank, Anna Salai, Chennai
Andhra Bank, Anna Salai, Chennai

AUDITORS

M/s. ESSVEEYAR
Chartered Accountants
Chennai

TAMILNADU TELECOMMUNICATIONS LIMITED**NOTICE FOR THE FIFTEENTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the members of Tamilnadu Telecommunications Limited is scheduled to be held at The Music Academy (Mini Hall), No.306, TTK Road, Chennai – 600 014 on Tuesday, the 30th day of September 2003 at 16:00 hrs to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2003, the Profit and Loss Account for the financial year ended on that date and the Directors' and Auditor's Report.
2. To appoint a director in place of Shri S. Susai, Director, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri S.K. Verma, Director, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Toshitaka Takahashi, Director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as ORDINARY resolution:

"RESOLVED THAT consent of the Company be and is hereby accorded pursuant to the provisions of Section 269, 198 (4), 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act to the appointment of Shri M. Sengupta as Managing Director of the Company initially for a period of 5 years with effect from 01.07.2003 on the following terms and conditions:

1. Salary:

The pay scale of Managing Director is Rs.20500–500–26500 with an initial basic of Rs.20,500/-. The Dearness Allowance is payable on IDA terms in accordance with the applicable percentages announced by the authorities concerned from time to time.

2. Accommodation:

- a. Furnished leased accommodation provided by the company on recovery of 10% of the Basic pay per month towards rent and 2.5% of Basic pay per month towards furnishing.

(or)

- b. Drawal of HRA at the rate applicable (30%) towards rent and for furnishings as followed in the earlier case.

He can exercise any of the above options.

3. Motor Car:

The Managing Director is entitled to use the car with Driver for official and private use subject to deduction of Rs.250/- per month.

4. Telephone:

Telephones to be provided at the residence as per the applicable guidelines.

5. Medical facilities:

The Managing Director is entitled for reimbursement of all actual medical expenses subject to a maximum of one month Basic + DA, as is being paid to all regular employees of TTL.

6. Leave Travel Concession:

The Managing Director is entitled to the Leave Travel Concession in line with the rules admissible, and the cost thereof will be borne by the company.

7. Provident Fund:

The Managing Director will continue to subscribe to the Contributory Provident Fund of TTL, with a corresponding matching contribution from the company.

8. EL Encashment:

The Managing Director is entitled for EL encashment upto a maximum of 30 days once in each calendar year, as per the rules of the Company."

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 and such proxy need not be a member of the company. The proxy, in order to be effective, must be deposited / lodged at the Registered Office of the Company not less than 48 hours before the meeting.*
2. *The Share Transfer Books and Register of Members of the Company will remain closed from 23.09.2003 to 30.09.2003 (both days inclusive) for the purpose of AGM.*
3. *Members are requested to produce the enclosed attendance slip duly filled and signed as per the specimen signature recorded with the company for admission to the meeting hall.*
4. *Members who hold the shares in physical form are requested to notify change of address, if any, to the company's Registrar & Share Transfer Agent M/s. Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai – 600 002 (Phone : 044- 2846 0390).*

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

Item No.05

Shri B.L. Arora, Managing Director relinquished the charge of the Post of Managing Director w.e.f 01.07.2003 consequent to the appointment of Shri M. Sengupta as Managing Director. The Board of Directors of the Company have approved the appointment of Shri M.Sengupta by a resolution by circulation during 1st week of July 2003, which was later confirmed in the Board Meeting held on 14th August 2003.

As the appointment and remuneration of Managing Director requires the approval of Shareholders, the resolution is accordingly proposed.

None of the Directors other than Shri M. Sengupta shall be deemed to be interested or concerned in respect of the appointment and remuneration as stated in the resolution.

By order of the Board

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Chennai
 28th August, 2003

(M.V. NARASIMHAA RAO)
 General Manager (Finance)
 cum Company Secretary

DIRECTORS' REPORT

To

The Members

Your Directors have the pleasure of presenting their Fifteenth Annual Report, together with the Audited Accounts of the Company for the year ended 31st March 2003.

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

	2002-2003	2001-2002
Gross Sales	4488.17	12810.39
Net Sales	3903.50	11141.47
Other Income	29.92	27.93
Total Expenditures	4934.61	10118.84
Finance Charges	367.21	522.44
Gross Profit after interest before Depreciation & Tax	(1368.40)	528.12
Depreciation	403.45	479.26
Provision for Taxation	-	18.18
Net Profit / (Loss)	(1771.85)	30.68
Retained Profit / (Loss)	-	30.68

The overall operations of your Company have resulted in a Net Loss of Rs.17.71 crores, which is mainly due to decrease in total demand for cables & steep fall in prices.

Consequently, the Board of Directors regret their inability to recommend any dividend for the year 2002-2003.

OPERATIONAL PERFORMANCE DURING THE FINANCIAL YEAR 2002-2003:

JELLY FILLED TELECOM CABLE FACTORY

For the financial year 2002-03, the JFTC factory had shown a total production of 407000 CKM and dispatched to customers were 439271 CKM. Besides BSNL, your company supplied cables to Railway, Tata Teleservices Ltd., etc. Your Company has supplied around 1 LCKM of JFT Cables to Bhutan Telecom. This is the first export order made in respect of JFT Cables.

OPTICAL FIBRE CABLE FACTORY

The OFC factory during the financial year 2002-03 had supplied 139497 FKM and the total production was 139497 FKM. During this financial year, your company has successfully executed export orders to Nepal Telecom and composite cables to Tata Teleservices and Videsh Sanchar Nigam Ltd. Your company plans to manufacture Low Water Peak Fibre for supply to Tata Teleservices for their Access Network.

OUTLOOK FOR THE FUTURE

The telecom cable industry as a whole is passing through very difficult times. Even though BSNL, MTNL & Private Operators have an ambitious target to provide the telecom facilities during the year, a substantial portion of this service is being replaced by Wireless Local Loop (WLL) for last mile connectivity (i.e. Direct to Exchange Lines) due to low cost considerations leading to lower offtake by operators. The situation which has arisen because of the change in technology, is as follows:

1. The demand for Jelly Filled Cables has come down, by about 50% during the year. Since the number of manufacturers are more, the share of order for each manufacturer will be very low.
2. Because of the reducing size of BSNL JFTC Tenders as well as realizations, the average realization has come down drastically from Rs.616/- per CKM in 2001-02 to Rs.490/- per CKM during 2002-03.
3. As regards optical fibre cables, the realization has plummeted over the last two financial years. The average realization for OFC has come down drastically from Rs.7500/- per FKM in December 2000 to Rs.1,300/- per FKM in 2002-03.
4. Your company is trying aggressively to face the market situation. Your company has also initiated number of measures for cost cutting such as VSS, etc., and also for increasing the efficiency levels. Because of the difficult domestic market, your company is also trying to tap the export market through TCIL or directly. TTL had recently supplied JFT Cables of about 1 LCKM to Bhutan. It has also supplied 991 Kms of OF Cables to Nepal and 250 Kms of OF Cables to Algeria. Further orders are expected.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis is provided elsewhere in the annual report.

DIRECTORS

During the year under review, TIDCO had nominated Shri Arun Ramanathan, IAS, CMD, TIDCO as Chairman on the Board of TTL in the place of Shri M. Madhavan Nambiar, IAS. The Board took note of the appointment at their meeting held on 30th September 2002. The Directors place on record their appreciation for the invaluable guidance and advice given by Shri M. Madhavan Nambiar, IAS, during his tenure as Chairman of the Company.

Fujikura Ltd., had nominated Shri Toshitaka Takahashi as Director on the Board of TTL in the place of Shri Yoichi Nagahama. The Board took note of the appointment at their meeting held on 30th September 2002. The Directors

place on record their appreciation for the invaluable guidance and advice given by Shri Yoichi Nagahama during his tenure as Director of the Company.

Fujikura Ltd., had nominated Shri H. Yokosuka as Alternate Director to Shri Tsutomu Aoki on the Board of TTL in the place of Shri Sadao Hashimoto. The Board took note of the appointment at their meeting held on 6th February 2003. The Directors place on record their appreciation for the invaluable guidance and advice given by Shri Sadao Hashimoto during his tenure as Alternate Director of the Company.

Shri N. Parameswaran, Dy. Director General (LR), DoT, New Delhi has resigned from the Directorship of the Company, as he has been nominated to the Information and Communication Technology Authority (ICTA), Mauritius by the Govt. of India. The Board took note of his resignation at their meeting held on 6th February 2003.

TCIL had nominated Shri G.D. Gaiha, CMD, TCIL, New Delhi as Director on the Board of TTL in the place of Shri S.K. Tandon. The Board took note of the appointment at their meeting held on 6th February 2003. The Directors place on record their appreciation for the invaluable guidance and advice given by Shri S.K. Tandon during his tenure as Director of the Company.

In accordance with Section 256 of the Companies Act, 1956, and read with Articles 79 & 80 of the Articles of Association of the company, Shri S. Susai, Shri S.K. Verma & Shri Toshitaka Takahashi, Directors, will retire from the Directorship of the company by rotation and being eligible offers themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER THE PROVISIONS CONTAINED IN SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:

Your Directors hereby confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards had been followed.
- ii. They have selected such accounting policies and applied them consistently and made judgements 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 31st March 2003, and of the loss of the Company for the year ended on that date.
- iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. They have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Your Company and its Board is committed to achieving the highest standards of Corporate Governance. Given the importance that your company assigns to Corporate Governance, a detailed report on Corporate Governance has been separately presented.

PERSONNEL

The dedication and commitment of employees at all levels in the company has been commendable and the Directors wish to acknowledge the contributions made by them in realizing the objectives of the Company for the year.

Information Under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is NIL.

AUDITORS

M/s. ESSVEEYAR, Chartered Accountants have been appointed as the Auditors of the Company for the year 2002-2003 by the Comptroller and Auditor General of India. Pursuant to the resolution passed by the shareholders of the company at their 14th Annual General Meeting held on 30th September 2002, the Board of Directors of the Company at their Meeting held on 6th May 2003 have fixed a remuneration of Rs.30,000/- for the Statutory Auditors for the year 2002-2003, besides reimbursement of travelling and out of pocket expenses at actuals, subject to other terms and conditions as specified by the CAG.

COMMENTS OF THE AUDITORS

The Auditors have recommended the financial statements for adoption without any qualifications.

ACKNOWLEDGEMENTS

The Directors wish to place on record their sincere appreciation for the support and assistance received from Government of India, Government of Tamilnadu and the Company's Bankers – State Bank of India, Punjab National Bank & Andhra Bank, who have provided the working capital as well as long term finances to sustain our operations / growth. The Board of Directors also acknowledge with thanks the active co-operation and support extended by all the Employees, Shareholders, and Promoters M/s. Telecommunications Consultants India Limited (TCIL), M/s. Tamilnadu Industrial Development Corporation Limited (TIDCO) and M/s. Fujikura Limited, Japan, to the operations of the Company.

For and on behalf of the Board

Chennai
28th August, 2003

ARUN RAMANATHAN
Chairman

TAMILNADU TELECOMMUNICATIONS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of particulars as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY:

a. Measures taken for Energy Conservation

JFTC Factory:

- The connected maximum demand of the factory from the TNEB Power Supply has been reduced from 1250 KVA to 900 KVA. Hence, the production process operations have been planned and scheduled in such a way so as to optimize within the available maximum demand of 900 KVA.
- The usage of Raw Water Pump operation has been reduced to 2 hours / day instead of round the clock operation, as done earlier.
- Usage of portable compressors were undertaken whenever there is less load, in order to avoid complete operation of cooling tower pumps / main air compressors.

OFC Factory:

- Power factor maintained at 0.99, thereby the maximum incentives from TNEB on this account could be realized.
- The contracted maximum demand of the factory was reduced from 550 KVA to 450 KVA.
- Preventive maintenance, predictive maintenance and condition monitoring techniques have been effectively implemented in plant & machineries, which will reduce the wear & tear and consequently avoid wastage of energy.
- The maximum demand connected at OFC factory is proposed to be further reduced to 375 KVA.

b. Additional Investment Proposal - NIL

c. Impact of the above measures

JFTC Factory:

- The reduction of Contracted Maximum Demand from 1250 KVA to 900 KVA has saved us an amount of Rs.1,05,000/- per month.
- Reduced Energy Losses
- Maximum utilization of available resources

OFC Factory:

- Reduction of maximum demand from 550 KVA to 450 KVA in OFC factory has saved an amount of Rs.3.6 lakhs per annum.

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are given in prescribed Form - B annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- ##### a. Activities relating to exports: Initiatives taken to increase exports, development of new export markets for products and services and export plans.

Continuous efforts are being made to procure export orders through TCIL as well as directly. A major thrust is being given to tap the export market.

- ##### b. Total Foreign Exchange used and earned: (Rs. in lakhs)

	2002-03	2001-02
Used	1460.59	4057.42
Earned	15.41	53.41

FORM - A

(Form for disclosure of particulars with respect to conservation of energy)

The particulars in respect of conservation of energy in the prescribed form is not applicable to the company and hence it is not being furnished.

FORM - B

(Form for disclosure of particulars with respect to technology absorption)

A. Research & Development (R&D)

- ##### 1. Specific areas in which R&D activities were carried out by the company

JFTC Factory:

- We have designed and developed new cable rewinding / stripping machine in order to rectify and re-process the available damaged sheathed / jacketed cable. The system includes pneumatic controlled caterpillar unit with fine knife cutting arrange-

ments for stripping and the rewinding system consisting of Pay Off (shifted from Sheathing Line - II), Take Up Drive (shifted from Sheathing Line - II) and other related accessories.

- We have modified the existing Group Twinner Machine by adding / shifting Jelly Flooding Unit, Mylar Unit and Binder Unit from Sheathing Line - II to manufacture the Jelly Filled Cable Core on the Group Twinner for 5 / 10 / 20 Pairs.
- We have implemented system to re-use damaged cable sheath / jacket material as well as scrap material of LDPE, after re-processing the same into LDPE granules at outside firm.

OFC Factory:

- Development of Composite (G652 & G655) type Optical fibre cables for backbone network.
- Development of ADSS (All dielectric self supporting) Optical fibre cables for aerial / power application.
- Development of compact size of OF Cable for CATV application.

2. Benefits derived as a result of the above R&D

JFTC Factory:

- We have spent Rs.10,000/- for making and setting of New rewinding / stripping machine with available resources and for that we have saved complete procurement of new machine costing around Rs.4,00,000/-. With this arrangement, we have also got benefit of repairing the faulty cables to a large extent.
- We have spent Rs.10,000/- to incorporate jelly filling operation on Group Twinner for the cable sizes of 5 / 10 / 20 Pair, which has resulted in process improvement and elimination of Stranding Operation.
- Already made provision in one Tandem Insulating Line for manufacturing Foam Skin Cables. We have proposed to manufacture the same on a regular basis in order to supply the product to overseas countries in view of projected heavy demand.

OFC Factory:

- Enhanced product range
- Reduction in RM consumption
- Increased productivity and reduced rejection.

3. Future Plan of Action

JFTC Factory:

- Manufacture of foam skin cable
- Manufacture of House wiring cables & power cables.

OFC Factory:

- Manufacturing of Submarine / OPGW Cables
- Manufacturing composite (Fibre + Copper) Cables

4. Expenditure on R&D

JFTC Factory: The expenditure on all the above Research and Development works was Rs.20,000/-

OFC Factory: The expenditure on all the above R&D works was about Rs.0.5 lakhs only.

B. Technology, absorption, adaptation and Innovation

JFTC Factory:

- We have successfully produced 200 Kms of 0.9mm Conductor size Drop Wire and exported to Bhutan Telecom.
- We have successfully developed and manufactured tin coated Jumper Wires with available resources on drop wire for the Bhutan Telecom Order.

OFC Factory:

- Designed and fabricated steel tape loader inhouse for load- ing steel tape in armouring line, which has resulted in a saving of approximately Rs.50,000/- to the company.
- Modification in Loose tube line for manufacture of Ribbon Loose tube was done inhouse, which has resulted in a saving of Rs.1 Lakh to the company.
- Design and developed mechanical testing equipments for snatch test and flexing test, which has resulted in saving of Rs.1 Lakh to the company.

CORPORATE GOVERNANCE**1. Company's Philosophy:**

Tamilnadu Telecommunications Limited firmly believes that implementation of good Corporate Governance will help the Company achieve corporate goals and enhance shareholders value. It has been our endeavor to give importance on ensuring fairness, transparency, accountability and responsibility to shareholders besides implementing practices voluntarily that would give optimum information and benefit to the shareholders.

2. Board of Directors:

Name	Category	No. of Board Meetings Attended	Attendance at last AGM	Directorship in other Public Limited Company	Committee Membership	
					Chairman	Member
<u>Promoter Non Executive Directors</u>						
Shri. Arun Ramanathan, IAS (Appointed as Director & Chairman w.e.f 30.09.2002)	Chairman	3	Yes	14	-	-
Shri. G.D. Gaiha (Appointed as Director w.e.f 06.02.2003)	Director	1	-	5	-	-
Shri. Tsutomu Aoki	Director	1	Yes	-	-	-
Shri. Toshitaka Takahashi (Appointed as Director w.e.f 30.09.2002)	Director	1	Yes	-	-	-
<u>Executive Director</u>						
Shri. B.L. Arora	MD	5	Yes	-	1	2
<u>Non Executive Independent Directors</u>						
Shri. A.K. Chandra Shekhar	Director	4	Yes	5	1	-
Shri. S.K.Verma	Director	2	No	-	-	-
Shri. T. Willington	Director	5	Yes	11	-	2
Shri. S.Susai	Director	5	Yes	7	1	2
<u>Nominee Director</u>						
Shri. M.K. Jain	Director	1	No	-	-	-
<u>Alternate Directors</u>						
Shri. Kanwal Monga		4	-	-	-	1
Shri. H. Yokosuka (Appointed as Director w.e.f 06.02.2003)		1	-	-	-	-

Directors ceased during 2002-2003

Shri. M. Madhavan Nambiar, IAS	Chairman	2	-	13	-	-
Shri. A.S. Bansal	Director	1	-	6	-	-
Shri. S.K. Tandon	Director	1	No	-	-	-
Shri. N. Parameswaran	Director	3	Yes	-	-	-
Shri. Yoichi Nagahama	Director	-	-	-	-	-
Shri. Sadao Hashimoto	Alternate Director	-	-	-	-	-

Number of Board Meetings held :

During the financial year 2002-03, the Board met 5 times on the following dates, namely 22nd April 2002, 29th July 2002, 30th September 2002, 29th October 2002 & 6th February 2003.

3. Audit Committee:**Brief description and terms of reference:**

1. Overseeing of the company's financial reporting process and the disclosures of its Financial information to ensure that the financial statement is correct, sufficient and credible.

TAMILNADU TELECOMMUNICATIONS LIMITED

2. Reviewing with Management the Annual Financial Statements before submission to the Board.
3. Reviewing with the Management, External and Internal Auditors, the adequacy of internal control systems.
4. Reviewing the adequacy of Internal Audit function, including the structure of the Internal Audit Department.
5. Discussion with Internal Auditors any significant findings and follow up thereon.
6. 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.
7. Discussion with External Auditors before the Audit commences on the nature, scope of audit as well as have post-audit discussion to ascertain any area of concern.
8. Reviewing the Company's Financial and Risk Management policies.
9. To look into the reasons for substantial defaults in payments to the Shareholders (in case of non-payment of declared dividends) and Creditors.

Composition, Name of Members and Chairperson of the Audit Committee

Name	Designation	Audit Meeting Held	Attended
Shri A.K. Chandra Shekhar	Chairman	3	2
Shri B.L. Arora	Member	3	3
Shri S. Susai	Member	3	3
Shri Kanwal Monga	Member	3	2

4. Remuneration Committee:

No remuneration either by way of sitting fees or in any other form is paid to Directors. As such, there has been no need to constitute a Remuneration Committee.

5. Shareholders' / Investors' Grievance Committee

The Board has constituted a Share Transfer / Investors' Grievance Committee to approve the Share Transfer, Transmission, Transposition of Name, Issue of Split / Duplicate Certificates and to review the status report on redressal of shareholder and investor complaints received by the Company / Share Transfer Agents.

Composition, Name of Members and Chairman

Composition - 3 Directors

Chairman - Shri S. Susai

Members - MD / TTL, & Shri T. Willington

During the year 255 letters / complaints received from the shareholders, were replied / resolved. As on 31st March 2003, 24 valid transfer deeds involving 3900 Equity Shares were under process. Out of which, 23 proposals involving 3800 Equity shares were subsequently approved during April 2003 and the balance are pending for technical reasons.

6. General Body Meetings

Year	Venue	Held on	Time
1999-2000	Kamaraj Hall, Chennai	28.9.2000	3.30 PM
2000-2001	Music Academy, Chennai	28.9.2001	3.30 PM
2001-2002	Music Academy, Chennai	30.9.2002	4.00 PM

No special resolutions or ordinary resolutions were required to be put through postal ballot at the previous AGM held on 30th September 2002 last year.

No special resolution on matters requiring postal ballot are placed for shareholders' approval at the 15th AGM.

7. Disclosures:

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large.

Disclosures as required are given:

a) List of Related Parties:

- Associate Companies:
- (i) M/s. Fujikura Ltd., Japan – Technical Collaborator & Equity Partner
 - (ii) M/s. Telecommunication Consultants India Ltd., New Delhi - Equity Partner

Key Managerial Personnel:

- (i) Shri B.L. Arora, Managing Director