



*Annual Report  
and  
Accounts  
1996-97*

**Vindhya Telelinks Limited**



MD	✓			BKC	✓
CS	✓			DPY	✓
RO	✓			DIV	✓
TRA	NP			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		

# VINDHYA TELELINKS LIMITED

## ANNUAL REPORT 1996-97

### DIRECTORS

SMT. PRIYAMVADA BIRLA *Chairman*  
 SHRI V.D. JAIN  
 SHRI M.P. RAJAN  
 SHRI I.H. FAROOQI  
 SHRI R.C. TAPURIAH  
 SHRI P.K. RAI  
 SHRI D.R. BANSAL  
 SHRI R.G. MUNDRA *Managing Director*

### PRESIDENT

SHRI R.K. JAIN

### SOLICITORS

KHAITAN & KHAITAN

### AUDITORS

S.R. BATLIBOI & COMPANY  
 Chartered Accountants

### BANKERS

STATE BANK OF INDIA

### REGISTERED OFFICE

UDYOG VIHAR,  
 P.O. CHORHATA,  
 REWA - 486 006 (M.P.)





# NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting 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 12th August, 1997 at 11 A.M. to transact the following business :-

1. To receive and consider the Report of the Directors and to pass the Audited Accounts of the Company for the year ended 31st March, 1997.
2. To declare a dividend.
3. To appoint Director in place of Shri R.C. Tapuriah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Shri D.R. Bansal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and for that purpose to pass, with or without modification, the following resolution as a Special Resolution.

"RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s S.R. Batliboi & Co., Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed Auditors of the Company to hold Office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration and sanction travelling and other incidental expenses that may be incurred by them in connection with the audit of accounts of the Company."

Registered Office:

Udyog Vihar,  
P.O. Chorhata,  
Rewa - 486 006 (M.P.)  
May 9, 1997.

By order of the Board  
R.K. Jain  
President & Secretary

## NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (b) The Register of Members and Share Transfer Books of the Company will be closed from Friday, the 1st August, 1997 to Tuesday, the 12th August, 1997, both days inclusive.
- (c) The Directors recommend payment of Dividend for the year as follows :
  - i) On 60,37,066 Equity Shares of Rs. 10/- each, fully paid-up @ Rs. 3.50 per Share (i.e. 35%).
  - ii) On 58,12,097 Equity Shares of Rs. 10/- each, fully paid-up @ Rs. 2.36 per Share on pro-rata basis with respect to amount paid-up and period (i.e. 35%).
  - iii) On 1,700 Equity Shares of Rs. 10/- each, fully paid-up @ Rs. 1.75 per Share on pro-rata basis with respect to amount paid-up and period (i.e. 35%).

The Dividend when sanctioned will be made available on or after 12th September, 1997 in accordance with the resolution to be passed by the Shareholders of the Company, to those Shareholders whose names will appear on the Register of Members of the Company on Tuesday, the 12th August, 1997 or to their mandates.
- (d) The Members are requested to -
  - i) intimate to the Company, changes, if any, in their Registered Addresses.
  - ii) furnish their Bank Account numbers, name of Banks and Branches in order to enable the Company to draw Dividend Warrants in favour of the Banks and Branches, for credit to account of the respective Shareholders which shall minimise the possibility of fraudulent encashments.
- (e) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the Financial Year ended 31st March, 1993 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants for the said period, are requested to claim the amount from the Registrar of Companies, Madhya Pradesh, Gwalior.



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

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

I/We \_\_\_\_\_  
 of \_\_\_\_\_ in the district of \_\_\_\_\_  
 being a member/members of the above named Company, hereby appoint  
 Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_ in the  
 district of \_\_\_\_\_ or failing him/her Mr./Mrs. \_\_\_\_\_  
 of \_\_\_\_\_ in the district of \_\_\_\_\_  
 as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday,  
 the 12th August, 1997, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 1997.

Affix  
 Revenue  
 Stamp of  
 Thirty  
 Paise

Signature \_\_\_\_\_

This proxy form must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the Meeting.

**VINDHYA TELELINKS LIMITED****ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall

Full name of the  
 Member attending : \_\_\_\_\_  
 Full name of the  
 first joint-holder : \_\_\_\_\_

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

Name of Proxy : \_\_\_\_\_  
 (To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the ANNUAL GENERAL MEETING being held at the Registered Office of the Company on Tuesday, the 12th August, 1997.

Registered Folio No. : \_\_\_\_\_

No. of Shares held : \_\_\_\_\_

\_\_\_\_\_  
 Member's/Proxy's Signature  
 (To be signed at the time of handing over this slip)

Note : Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.





# Directors' Report

## TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Annual Report, together with the Audited Accounts of the Company for the year ended 31st March, 1997.

### FINANCIAL MATTERS :

	31st March, 1997		31st March, 1996	
	Rupees in lacs	Rupees in lacs	Rupees in lacs	Rupees in lacs
Income for the year was		<u>24461.06</u>		<u>25665.12</u>
The year's working shows a Gross Profit (after interest) of		<u>3951.09</u>		<u>3466.45</u>
Out of which provisions have been made for				
Depreciation	<u>576.35</u>		<u>535.20</u>	
Taxation	<u>935.00</u>	<u>1511.35</u>	<u>825.00</u>	<u>1360.20</u>
Leaving a surplus of		<u>2439.74</u>		<u>2106.25</u>
After adding				
Excess Tax provision for earlier years written back	—		69.17	
Balance brought forward from previous year	<u>405.67</u>	<u>405.67</u>	<u>237.66</u>	<u>306.83</u>
There is a total disposable surplus of		<u>2845.41</u>		<u>2413.08</u>
Which has been appropriated as follows -				
Debenture Redemption Reserve	<u>1000.00</u>		—	
Proposed Dividend	<u>348.49</u>		<u>207.41</u>	
Corporate Dividend Tax	<u>34.85</u>		—	
Transfer to General Reserve	<u>1000.00</u>	<u>2383.34</u>	<u>1800.00</u>	<u>2007.41</u>
and balance carried to Balance Sheet		<u>462.07</u>		<u>405.67</u>

The Directors recommend payment of the following Dividends for the year :

- On 60,37,066 Equity Shares of Rs. 10/- each, fully paid-up @ Rs. 3.50 per Share (i.e. 35%).
- On 58,12,097 Equity Shares of Rs. 10/- each, fully paid-up @ Rs. 2.36 per Share on pro-rata basis with respect to amount paid-up and period (i.e. 35%).
- On 1,700 Equity Shares of Rs. 10/- each, fully paid-up @ Rs. 1.75 per Share on pro-rata basis with respect to amount paid-up and period (i.e. 35%).

### GENERAL & CORPORATE MATTERS :

Turnover of the Company, at Rs. 224.57 crores, is lower than the preceding year because of drop in the international prices of copper, which is the major cost element. However, with continued efficiency in operation, the gross profit, at Rs. 39.51 crores, has improved by 14% as compared to earlier year. In order to meet the ever-increasing challenge of competition in the market for Jelly Filled Telephone Cables, we are making all-round efforts to keep costs under control.

### IS/ISO 9002 QUALITY SYSTEM CERTIFICATION :

The Company has always accorded highest priority to quality of its products and towards this, the Company has received IS/ISO 9002 Certification for manufacture and supply of Jelly Filled Telephone Cables from Bureau of Indian Standards (Accredited by Raad Voor Accreditatie, Netherlands).

**PROMISES Vs. PERFORMANCE (pursuant to Clause 43 of the Listing Agreement)**

The Company had given following projections in the Letter of Offer dated 10th January, 1996 :

	1996-97	
	Projections (Rs. in lacs)	Actual (Rs. in lacs)
Total Income	26608.00	24461.06
Profit after interest but before depreciation	2974.00	3951.09
Profit before Tax	2451.00	3374.74
Profit after Tax	1714.00	2439.74

Total income was low because of reasons mentioned above. However, actual profit was better.

Rs. 58.12 crores collected through Rights Issue for sale of Company's products on deferred payment terms to DoT have been fully utilised.

**INDUSTRIAL RELATIONS :**

Industrial relations remained cordial throughout the year. The Directors wish to record their appreciation of the skill, dedication and painstaking efforts put in by the employees at all levels.

**ACKNOWLEDGEMENT :**

Your Directors are grateful for the assistance and co-operation received from the financial institutions and the Company's Bankers during the year.

The Board also places on record its appreciation of the valuable technical assistance and support received from the Company's foreign collaborators, Ericsson Cables AB of Sweden.

**DIRECTORS :**

Shri R.C. Tapuriah and Shri D.R. Bansal retire by rotation and, being eligible, offer themselves for re-election.

**AUDITORS :**

Messrs S.R. Batliboi & Company, Chartered Accountants, retire as Auditors of the Company and, being eligible, offer themselves for re-appointment.

Messrs S. Gupta & Company, Cost Accountants, have been appointed as Cost Auditors for Cost Audit in respect of Cables.

**PARTICULARS OF EMPLOYEES :**

As required under Section 217(2A) of the Companies Act, 1956 and the rules made therein, the particulars of the concerned employees are given in Annexure I which is attached hereto and forms a part of the Directors' Report.

**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 and foreign exchange earnings and outgo are given in Annexure II, which is attached hereto and forms a part of the Directors' Report.

Yours faithfully,

(Mrs.) Priyamvada Birla	Chairman
V.D. Jain	
I.H. Farooqi	
P.K. Rai	Directors
D.R. Bansal	
R.G. Mundra	Managing Director

Mumbai, May 9, 1997.