



ANNUAL REPORT & ACCOUNTS 2012-13



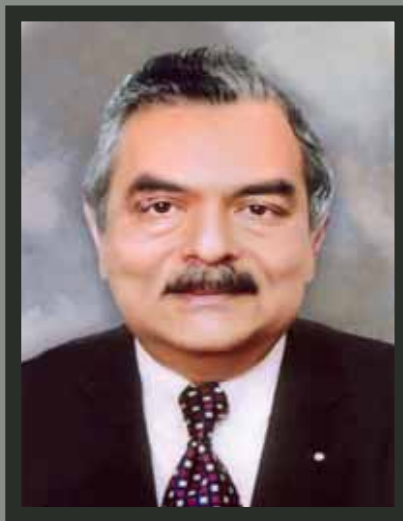
Vindhya Telelinks Ltd.



Syt. Madhav Prasadji Birla
(1918-1990)



Smt. Priyamvadaji Birla
(1928-2004)



Syt. Rajendra Singhji Lodha
(1942-2008)

Our source of Inspiration

VINDHYA TELELINKS LIMITED

ANNUAL REPORT 2012-13

BOARD OF DIRECTORS

SHRI HARSH V.LODHA

Chairman

SHRI J.VEERARAGHAVAN

SHRI S.K.MISRA

SHRI R.C.TAPURIAH

SHRI D.R. BANSAL

SHRI PRACHETA MAJUMDAR

SHRI Y.S.LODHA

Managing Director

AUDIT COMMITTEE

SHRI R.C.TAPURIAH

Chairman

SHRI J.VEERARAGHAVAN

SHRI S.K.MISRA

SHRI PRACHETA MAJUMDAR

PRESIDENT (COMMERCIAL) & SECRETARY

SHRI R.RADHAKRISHNAN

AUDITORS

V.SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

NEW DELHI

SOLICITORS

NMS & COMPANY

NEW DELHI

BANKERS

STATE BANK OF INDIA

STATE BANK OF PATIALA

REGISTERED OFFICE & WORKS

UDYOG VIHAR

P.O.CHORHATA

REWA - 486 006 (M.P.)

EPC DIVISION

605 & 608, DDA BUILDING NO.2

DISTRICT CENTRE

JANAKPURI

NEW DELHI - 110 058

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NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Members of the Company will be held at the Registered Office of the Company at Udyog Vihar, P.O.Chorhata, Rewa (M.P.) on Tuesday, the July 9, 2013 at 4.00 p.m. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2013, the Statement of Profit & Loss for the year ended on that date and Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Harsh V.Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri J.Veeraraghavan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration and reimbursement of out-of-pocket expenses as the Board may decide, based on the recommendation of the Audit Committee.

Registered Office:
Udyog Vihar,
P.O. Chorhata,
Rewa - 486 006 (M.P.)
May 21, 2013

By order of the Board

R. Radhakrishnan
President (Commercial) & Secretary

NOTES FOR MEMBERS' ATTENTION

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF SUCH MEMBER, A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
- (b) The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the July 3, 2013 to Tuesday, the July 9, 2013 (both days inclusive).
- (c) Messrs Link Intime India Pvt.Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai - 400 078 is the Registrar and Share Transfer Agent for physical shares of the Company. Link Intime India Pvt. Ltd. is also the depository interface of the Company with both NSDL and CDSL.
- (d) Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
- (e) The Ministry of Corporate Affairs has taken a green initiative by permitting companies to send various documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. to its Members through electronic mode. Keeping in spirit with the said initiative, we request all esteemed Members to register/update email addresses with their respective Depository Participants in case of shares held in dematerialized form and with Registrar & Share Transfer Agent Messrs Link Intime India Pvt. Ltd. in case of shares held in physical form. Your Company supports this green initiative and has decided to send all permitted communications electronically to the preferred email addresses of the Members.
- (f) Additional information pursuant to Clause 49 of the Listing Agreement(s) with Stock Exchanges, on Directors recommended for re-appointment at the forthcoming Annual General Meeting, are given in the Annexure to the Notice.
- (g) Members/Proxies are requested to deposit the Attendance Slip duly filled in and signed for attending the Meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and, on a poll, to vote on their behalf at the Annual General Meeting. Members who hold shares in de-materialised form are requested to bring their DP I.D. and client I.D. No.(s) for easier identification of attendance at the meeting.

**ANNEXURE TO NOTICE**

Details of Directors seeking re-appointment in ensuing Annual General Meeting scheduled to be held on July 9, 2013.

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

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



Directors' Report

TO THE SHAREHOLDERS

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

ACCOUNTS & FINANCIAL MATTERS

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

Your Directors regret their inability to recommend any equity dividend for the year in order to conserve cash resources for future business requirements.

GENERAL & CORPORATE MATTERS

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

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

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

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

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



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

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis, Report on Corporate Governance and a Certificate by the Managing Director (CEO) confirming compliance by all the Board Members and Senior Management Personnel with Company's Code of Conduct and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief and according to the information and explanation obtained by them, state that:

- in the preparation of the Annual Accounts for the year ended March 31, 2013, the applicable accounting standards have been followed;
- the Company has selected such accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2012-13 and of the profit for the year ended March 31, 2013;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the attached Annual Statement of Accounts for the year ended March 31, 2013 have been prepared on a 'going concern' basis.

JOINT VENTURE

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

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincere and hard work, loyalty, dedicated efforts and contribution of all the employees in most difficult and challenging business environment during the year.

The Company continues to accord a very high priority to both industrial safety and environmental protection and these are ongoing process at the Company's plant and facilities.

RECOGNITION

The Company's manufacturing facilities continue to remain certified by independent and reputed external agency as being compliant as well as aligned with the external standards for Quality Management System ISO 9001:2008 and Environmental Management System ISO 14001:2004. During the year, the audits for these Certifications established continuous improvement in performance against these standards.

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

DIRECTORS

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

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Harsh V.Lodha and Shri J.Veeraraghavan, the Directors are due to retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. Details about Directors seeking re-appointment are given in the Notice of the ensuing Annual General Meeting which is being sent to the shareholders along with Annual Report.

**AUDITORS**

Messrs V. Sankar Aiyar & Co., Chartered Accountants, retire as Auditors of the Company and, being eligible, offer themselves for re-appointment.

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

AUDITORS' REPORT

Notes to Financial Statements are self explanatory including with respect to Emphasis of Matter paragraph drawn by the Auditors in their report and therefore, do not call for any further comments or explanations.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard (AS)-21 "Consolidated Financial Statements" read with Accounting Standard (AS)-27 "Financial Reporting of Interests in Joint Venture", the Consolidated Financial Statements form part of the Annual Report. These Group Accounts have been prepared on the basis of audited financial statements received from subsidiaries and a joint venture company, as approved by their respective Board of Directors.

SUBSIDIARY COMPANIES

A statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies is attached and forms part of the Annual Report. In terms of the general exemption granted by the Ministry of Corporate Affairs vide its circular no.02/2011 dated February 8, 2011, the audited Accounts and Reports of Board of Directors and Auditors of the Company's subsidiaries have not been annexed to this Annual Report. The Company has complied with the requirements as prescribed under the said circular. The consolidated financial statements prepared in accordance with Accounting Standard (AS)-21 read with Accounting Standard (AS)-23 forming part of this Annual Report include the financial information of the subsidiary companies. None of the subsidiary companies is a material non-listed Indian Subsidiary company as defined under Clause 49 of the Listing Agreement(s) with stock exchanges.

PARTICULARS OF EMPLOYEES

Particulars of employees in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given as none of the employees qualifies for such disclosure.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the concerned particulars relating to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure, which is attached hereto and forms part of the Directors' Report.

ACKNOWLEDGEMENT

The Board desires to place on record its grateful appreciation for the excellent assistance and co-operation received from the State Government and continued support extended to the Company by the bankers, investors, suppliers and esteemed customers and other business associates.

The Directors appreciate and value the contributions made by every member of the VTL family.

Yours faithfully,

Harsh V. Lodha	Chairman	
J. Veeraraghavan	}	Directors
S.K. Misra		
R.C. Tapuriah		
D.R. Bansal		
Y.S. Lodha		Managing Director

New Delhi, May 21, 2013

**ANNEXURE**

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREIN AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2013.

(A) CONSERVATION OF ENERGY

The Company's operations do not involve substantial consumption of energy in comparison to the cost of production. Nevertheless, the Company continuously reviews energy usage to track and replace energy inefficient equipments, invests in installing processes that reduces energy losses, modifies processes to reduce energy need and proactively carry out energy audits when considered appropriate. Some of the steps taken in this direction during the year are described below:

- Energy saving by continuously maintaining unity Power Factor.
- Putting off one Transformer by load optimization.
- Installing Solenoid valves on pneumatic lines of air wipers to reduce wastage of compressed air.
- Reduced MDI from 2000KVA to 1800KVA in order to reduce MD charges.
- Engineering changes on continual basis to take advantage of the lowest cost energy source in most significant processes.
- Consistent quality power supply to critical production machinery through UPS system resulting in improved power factor, reduced dependence on captive power and avoidance of uninformed power outages.
- Replacement of 250W HPMV lamps with 95W CFL's for plant lighting.

(B) TECHNOLOGY ABSORPTION**I. Research and Development (R&D)**

- | | |
|---|---|
| <p>1. Specific areas in which R&D carried out by the Company</p> <p>2. Benefits derived as a result of the above R&D</p> <p>3. Future plan of action</p> <p>4. Expenditure on R&D</p> | <p>(a) Improvement of manufacturing process capability to attain global benchmarks and cost optimization.</p> <p>(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.</p> <p>(c) Development of Fibre to the Antennae cable with spiral steel strip Armouring.</p> <p>(d) Development of ARP Rods and Water Blocking Glass Roving.</p> <p>(e) Review and revision of design/ process parameters for improved products, based on end use requirement of the customer.</p> <p>(a) Flexible and agile manufacturing, keeping pace with the rapidly changing market needs. Launch of new products, improvement in productivity, and overall operating efficiency.</p> <p>(b) Enhanced products range to address emerging market opportunities.</p> <p>(c) Development of products meeting diversified applications by modifying manufacturing processes.</p> <p>Continuous focus on becoming globally competitive based on evolving industry standards, further cost reduction, improved products quality with safety and ecology.</p> <p>R & D expenditure has not been accounted for separately.</p> |
|---|---|

II. Technology absorption, adaptation and innovation

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|---|--|
| <p>1. Efforts, in brief, made towards technology absorption, adaptation and innovation.</p> <p>2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.</p> | <p>(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.</p> <p>(b) Innovation in manufacturing and engineering technologies through in-house capabilities and indigenous interventions.</p> <p>(a) World class quality and differentiated products.</p> <p>(b) New product launches.</p> <p>(c) Improved productivity and process controls.</p> <p>(d) Import substitution and overall cost reduction.</p> |
|---|--|

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of foreign exchange earnings and outgo are contained in Note No. 45(a), 45(b) & 45(d) respectively of the Notes to the Financial Statements.

Harsh V. Lodha	}	Chairman
J. Veeraraghavan		Directors
S.K. Misra		
R.C. Tapuriah		
D.R. Bansal		
Y.S. Lodha		

New Delhi, May 21, 2013