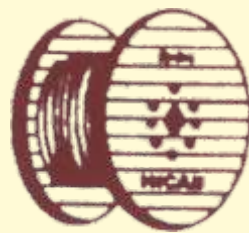


2013-14

हिन्दुस्तान केबल लिमिटेड
HINDUSTAN CABLES LIMITED



६२वाँ वार्षिक प्रतिवेदन एवं लेखा
62nd Annual Reports & Accounts

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BOARD OF DIRECTORS



Shri M. K. Singh



Shri A. K. Deori



Shri G.P. Srivastava



HINDUSTAN CABLES LIMITED

BOARD OF DIRECTORS

- Shri M. K. Singh - Chairman and Managing Director
Shri A.K. Deori - Director
Shri G.P. Srivastava - Director

COMPANY SECRETARY (In Charge)

Shri Subrat Kumer Acharya

STATUTORY AUDITORS

Messers B. K. Shroff & Co.
Kolkata

BRANCH AUDITORS

Messers Rambabu & Co.
Chartered Accountants
Hyderabad

BANKERS

State Bank of India
Bank of India
Indian Overseas Bank
State Bank of Saurashtra

REGISTERD OFFICE

9, Elgin Road
Kolkata- 700 020

हिन्दुस्तान केबल्स लिमिटेड

(भारत सरकार का उपक्रम)

पंजीकृत एवं नैगम कार्यालय

9, एल्गिन रोड, कोलकाता - 700 020, भारत

HINDUSTAN CABLES LIMITED

(A Govt. of India Undertaking)

REGISTERED & CORPORATE OFFICE

9, ELGIN ROAD, KOLKATA - 700 020, INDIA

AN ISO 9001 : 2000 COMPANY

FAX : 2283-2986, PHONES : 2283-2910, 2283-2977, 2283-2987, GRAM : TELECABLES

EMAIL : hicabcal@cal2.vsnl.net.in; AND cmdhcl@cal12.vsnl.net.in WEBSITE: www.hindcables.gov.in

CORP/SEC/62 AGM/2014/1164

October 10, 2014

६२वें वार्षिक साधारण सभा की सूचना

NOTICE OF THE 62ND ANNUAL GENERAL MEETING

एतद्वारा सूचित किया जाता है कि हिन्दुस्तान केबल्स लिमिटेड की ६२वें वार्षिक साधारण सभा शुक्रवार दिनांक 7 नवंबर 2014 को दोपहर 11.00 बजे कंपनी के 9, एल्गिन रोड, कोलकाता - 700 020, स्थित पंजीकृत एवं नैगम कार्यालय में निम्न कार्य निष्पादन हेतु सम्पन्न होगी:

1. 31मार्च 2014 को समाप्त हुए वर्ष के लिए निदेशकों के प्रतिवेदन पर विचार करना और अपनाना।
2. 31मार्च 2014 को को समाप्त हुए वर्ष के लिए लाभ हानि खाता एवं इस दिनांक का तुलन पत्र तथा इस पर लेखापरीक्षकों की रिपोर्ट पर विचार करना और अपनाना।
3. निदेशक मंडल को वर्ष 2014-15 के लिए लेखापरीक्षकों के पारिश्रमिक निर्धारण के लिए पराधिकृत करना।

Notice is hereby given that the 62nd Annual General Meeting of Hindustan Cables Limited will be held on Friday, the 7th November, 2014 at the Company's Registered & Corporate Office at 9 Elgin Road, Kolkata - 700 020 at 11.00 a.m. to transact the following business :

1. To consider and adopt the Report of the Directors for the year ended 31st March, 2014.
2. To consider and adopt the Profit and Loss Account for the year ended 31st March, 2014 and balance Sheet as on that date along with the Report of the Auditors thereon.
3. To authorize the Board of Directors to fix the remuneration of Auditors for the year 2014-15.

To
All Members
Hindustan Cables Limited

By Order of the Board of Directors

M/s. B K SHROFF & CO.
23-A NETAJI SUBHAS ROAD
ROOM NO. 15, 3RD FLOOR
KOLKATA - 700 001

(A. K. BOSE)
Manager (P&A and Legal)

- 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 the proxy need not be a Member of the Company. A blank form of proxy is enclosed, which, if used, should be returned to the Registered Office of the Company duly completed not later than 48 hours before the commencement of the Meeting.
 2. The Register of Members and the Share Transfer Books of the Company will be closed from 6th September 2014 to 15th September 2014 (both days inclusive).



DIRECTORS' REPORT

TO
THE SHAREHOLDERS
HINDUSTAN CABLES LIMITED

Shri M. K. Singh
Chairman and Managing Director



Dear Shareholders,

On behalf of the Board of Directors, I have great pleasure in presenting you the 62nd Annual Report on the working of the Company for the year ended 31st March 2014 along with the Audited Statement of Accounts, Auditors' Report and the Review of the Accounts by the Comptroller & Auditor General of India.

2. PERFORMANCE

2013-14 continued to be another crucial year for the Company with adverse business environment. The demand for Polythene Insulated Jelly Filled (PIJF) cable, which is the main product of the company, has been drastically dropped due to introduction of Wireless Technology. As a result, the company do not have any orders from BSNL/MTNL and the operation in all the units of HCL remained suspended during the year. The company was executing the turnkey job of laying of PIJF cable, which has also been affected adversely due to above reasons. Turnkey Division also could not achieve any turnover during 2013-14.

3. FINANCIAL RESULTS

Summarised position of the Company's results for the year 2013-14 compared to 2012-13 is given below:

		2013-14	2012-13
a)	Gross Income	300	322
b)	Operating Profit/(Loss)	(17081)	(15086)
c)	Less/(Add)		
	(i) Finance Charges	58774	57049
	(ii) Depreciation	519	718
	(iii) Prior period adjustment, provision and tax	1814	15652
d)	Profit/(Loss) for the year	(78188)	(88505)

4. FUTURE OUTLOOK

The demand for PIJF Cable has been drastically reduced due to introduction of Wireless Technology and the revolutionary change in the Telecom Sector. The PIJF cable has become obsolete and the demand for Optic Fibre cable is picking up. In the major units of HCL i.e at Rupnarainpur and Hyderabad units, the main product was PIJF cable, the production of which is adversely affected due to product obsolescence. The Naini plant of HCL which was engaged in the production of Optic Fibre Cable has also become non-operative due to change in product specification which needs complete technology upgradation.

The proposal for takeover of physical assets including the employees of HCL by the Ordnance Factory Board (OFB)/Department of Defence Production (DDP) is under active consideration of the administrative ministry i.e. Ministry of Heavy Industry.

5. STATUS IN BIFR

The company has been registered with the Board for Industrial & Financial Reconstruction (BIFR) in the year 2002 vide case No.505/2002. BIFR is still examining the prospect of revival of the company.

6. SHARE CAPITAL

The Authorised Capital of the Company is Rs.450 crore. The Subscribed and Paid-up Capital as on 31.3.2014 stood at Rs.4,19,36,11,250/- divided into 41,93,61,125 Equity Shares of Rs.10 each.

7. BORROWINGS

During the year, Company received Rs.100.11 crore as non-plan loan from Government of India for payment of salaries/wages and statutory dues to the employees of the Company.

8. CONTRIBUTION TO NATIONAL EXCHEQUER

The Company's contribution to National Exchequer by way of Income Tax etc. aggregating to Rs.0.74 crores.

9. TURNKEY SERVICES

There is no turnkey activity of outdoor Telecom work from 01-04-2013 to 31-03-2014, because of our esteemed client BSNL/MTNL could not place any work order on us since several years.

10. RESEARCH & DEVELOPMENT PROGRAMMES, TECHNOLOGY INDUCTION AND ABSORPTION / UPDATION

The in house R&D Centre at Hyderabad used to provide its services in the following areas of technology absorption, adaptation and innovation:

- (i) Redesign of cost effect Jelly Filled Cables and usage of new cheaper basic raw materials for Jelly Filled Cables.
- (ii) Development of water swellable flooding compound for telecom cable and cross linked polythene for sleeve manufacturing as import substitution.
- (iii) Testing and standardisation of various joint closures and cable raw materials in association with Telecom Engineering Centre (TEC).



- (iv) Testing of telecom cables/raw materials for Indian Railways in association with Research Designs and Standards Organisation (RDSO) on charge basis.
- (v) Providing test facilities to other organizations and project guidance to educational institutions on charge basis.
- (vi) Development and maintenance of quality control instruments used in manufacturing of telecom cables.
- (vii) Development of GD Tube Tester used in Telephone Exchanges for testing gas Discharge Tubes.
- (viii) Development and Testing of Thermoplastic Sleeving on Carbon fibre Tows for Advanced Systems Laboratory (ASL), Defence R&D Organisation, Hyderabad, used in Agni Missiles, Light Combat Aircraft (LCA) and satellites etc.
- (ix) The R&D Centre was approved by Component Approval Centre Telecommunications (CACT), QA, BSNL, Bangalore for testing raw materials and components and is in the process of getting accreditation by National Accreditation Board for Testing and Calibration Laboratories (NABL) to meet ISO/IEC 17025 Quality standards.

However, due to non operation of its units, no expenditure on R&D has been incurred during the year other than salary, wages and depreciation.

11. HUMAN RESOURCE MANAGEMENT

The Company during the year has taken specific initiatives towards development of human resources and employee relations. Efforts were directed towards facilitating the organisation to meet the challenges of the competitive business situation. The manpower strength as on 31.3.2014 was 1698 as against 1832 as on 31.3.2013.

❖ Industrial Relations

Industrial Relations throughout the Company have been conducive during the year under review. Continued efforts are being made to maintain cordial, congenial and peaceful atmosphere in the organization.

❖ Voluntary Retirement Scheme

No employee has opted for VRS during the period 2013-14.

❖ Training

To cope up with the proposed takeover of HCL by OFB/DDP, continuous thrust is being given to achieve optimum utilisation of the human resources through suitable deployment and re-deployment programmes.

❖ Employee Welfare and Family Planning

Attention is being given for furtherance of various welfare schemes by way of providing medical facilities, transport, housing, education, cooperative societies, socio-culture activities, etc.

The Company encourages timely counselling of employees towards family welfare measures. It has taken regular steps in this direction such as providing vaccines, polio, measles, tetanus etc. and other family planning measures. The employees and their dependant family members are provided with the facilities of periodical specialised consultation.

❖ Scheduled Castes and Scheduled Tribes

The Company continues to follow the Government directives in the matter of reservation in all groups of posts for SC/ST communities, OBC, Physically Handicapped, Ex-servicemen and Minority communities etc. Employees in the various categories as on 31.3.2014 stood as follows:

	<u>Gr.A</u>	<u>Gr. B</u>	<u>Gr. C</u>	<u>Gr. D</u>	<u>Total</u>
SC	30	46	128	101	305
ST	06	09	14	21	50
OBC	18	39	85	31	173
Total	54	94	227	153	528
Disabilities					
VH		-	03	03	06
HH	-	0	-	01	0
OH	-	02	11	09	22
Total	-	03	14	13	30 (1.76%)

Other than above there were 6 Nos. ex-servicemen. The total No. of employees as on 31.3.2014 was 1698.

❖ Schemes for welfare of disabled persons

The disabled employees are paid disablement benefit of Rs.100/- per month. They are engaged in light jobs commensurate with their respective physical ability. The talented disabled employees have been given the opportunity to flourish their extracurricular activity.

12. PROGRESS IN IMPLEMENTATION OF OFFICIAL LANGUAGE ACT AND RULES THEREUNDER:

All efforts have been made for the promotion of official language as per Official Language Act, 1961 and Rules thereunder. The Official Language Implementation Committees are effectively functioning in all the units of the Company including Corporate Office and appreciable progress has been achieved. The achievements during the year are enumerated below:

- All the letters received in Hindi are replied in Hindi.
- Signboards, notices, name plates, rubber stamps etc. are made bi-lingual.
- Most of the computers are provided with bi-lingual facilities.
- Hindi-Day was organised wherein High-Level Management, other officers as well as employees actively participated.
- All the Departments and Head of Departments are advised to increase the usage of Hindi in the daily correspondence.



- (f) More employees are motivated to learn Hindi.
- (g) Our employees participated successfully in annual functions organised by Town Official Language Implementation Committees.
- (h) Company's web site is maintained bilingual.
- (i) The employees were motivated to put their respective signatures in Hindi in the attendance registers.

13. FORESTRY AND ENVIRONMENT PROTECTION

The Company has been consistently putting its dedicated efforts to check the pollution and enhance quality of work life as well as environment through sustained efforts for plantation of trees in and around the factory premises and in the townships for promoting greeneries and ecological balance.

14. ENERGY USE AND CONSERVATION MEASURES

To minimise the consumption of energy, the Company has undertaken various energy conservation measures at its Units. The details are as under:

- (a) Cleanliness of transparent roof sheets has been maintained to maximise the usage of natural light.
- (b) Residential lightings are monitored effectively in phased manner through utility of photocell and effective distribution throughout the complex.
- (c) Lighting arrangements are being duly monitored and energy consumption is being regulated to the maximum extent by adopting various "Need based Energy Consumption Methods", such as, restricting the illumination to limited areas. Switching off the equipments when not required, improving cross window ventilation wherever possible and removal of fuses wherever not necessary.
- (d) Steps have been initiated to create awareness among the employees and officers on minimising the energy consumption by switching off the lights, fans, ACs and other electrical machinery, when not required.
- (e) Installed Timers for street lights inside the factory premises and closely monitored to function at pre-set times. Timers put off the lights in the morning at the pre-set time. This directly saves the electrical energy.
- (f) Regular checking of electrical installations are maintained in planned manner and stress is emphasized to ensure economic usage of lighting of all levels

15. VIGILANCE

During the year, Vigilance Department expanded its activities and visits/checks in different units and also suggested in improving systems and procedures. Preventive vigilance activities were also reinforced. CVC circulars/guidelines were circulated for implementation.

16. CORPORATE GOVERNANCE REPORT

As per clause 49 of the Listing Agreements with the stock exchanges, a Report on Corporate Governance together with a certificate from the auditors regarding compliance of conditions of corporate governance is annexed and forms part of this annual report.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company confirm:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- ii. That the selected accounting policies were applied consistently and the directors made judgement 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 March 31, 2014 and of the loss of the Company for the year ended on that date.
- iii. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the annual accounts have been prepared on a going concern basis.

18. AUDIT COMMITTEE

The Audit Committee comprised of Shri Dipankar Saha, Director and Chairman of the Audit Committee, Shri S Jainendra Kumar, Director and Member (Acting Chariman) of Audit Committee. The terms of reference of the Audit Committee are to review and discuss with the Auditors periodically about internal control systems, the scope of audit and the observations of the Auditors, review of financial statements before submission to the Board, adequacy of internal control systems and any matter referred by the Board. During the year 2013-14, the Audit Committee met once on 26-09-2013.

19. BOARD OF DIRECTORS

Shri A.K.Deori, Director, Department of Heavy Industry was appointed as Part Time Official Director on the Board of Hindustan Cables Limited (HCL) w.e.f. 11-07-2014 vice Shri S.Jainendra Kumar, Director, Department of Heavy Industry (superannuated from the services in May 2014).

The Board of Directors place on record its appreciation for the service rendered by Shri S.Jainendra Kumar as Part Time Official Director.

Shri G.P. Srivastava, DDG(DS), Department of Telecommunications, Ministry of Communication & IT, as Government Director on the Board of HCL w.e.f. 02-12-2013 vice Shri Somnath Maity, CGM, CTD, Kolkata, Department of Telecommunications, Ministry of Communications & IT, superannuated on 28-02-2013.

The Board meets with prior notice and circulation of the agenda papers in advance. The meetings focus on strategy formulation, policy and control, review of the performance, annual operating plan and budgets and for considering statutorily required matters. During the year 2013-14, the Board met 4 times.

The whole time directors of the Company are appointed by the Government of India and are being paid remuneration as per the terms of their appointment. Hence, the Company has not constituted a remuneration committee.

20. AUDITORS

For the year 2013-14, M/s B K Shroff & Co., Chartered Accountants, Kolkata, were reappointed as Statutory Auditors of the Company for auditing the accounts relating to Rupnarainpur Unit, Machine Tool Works, Fibre Optics Project, Turnkey Project Division and consolidation of Company's Accounts.



M/s Rambabu & Co., Chartered Accountants, Hyderabad were reappointed as Branch Auditors of the Company for auditing the Accounts of Hyderabad Unit and R&D Centre including Pilot Plant at Hyderabad.

21. AUDIT REVIEW

The comments of the Comptroller and Auditor General of India, Statutory Auditors' Report to the members and replies of the Management to the observations are *annexed*.

22. LISTING OF SHARES AND OTHER INFORMATION

The disinvested Shares of the Company are listed with the Calcutta Stock Exchange (Regional Stock Exchange), Delhi Stock Exchange and Ahmedabad Stock Exchange. The company could not pay listing fees for the financial year 2013-14 owing to its sickness and financial crisis. The Shares were not traded at any of the Stock Exchanges. The share transfers taking place are amongst the nominees of the President of India. The distribution of shareholding as on 31st March, 2014 was as under:

Sl.No.	Category	No. of Shares held	% age
1	President of India	417692325	99.60
2	Mutual Fund	1668800	0.40
	Total	419361125	100.00

The last 3 Annual General Meetings were held on 30.09.2011, 28.9.2012 (adjourned to 5.10.2012) and 25-11-2013 (adjourned to 02-12-2013) at Kolkata.

23. ACKNOWLEDGEMENT

The Directors are grateful for the support, guidance and assistance received from the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Ministry of Communication, Ministry of Finance and other Ministries of Government of India and State Governments of West Bengal, Andhra Pradesh and Uttar Pradesh. The Board thankfully acknowledge the valuable support, co-operation and assistance rendered by State Bank of India, Bank of India, Indian Overseas Bank, State Bank of Saurashtra, Bank of Baroda, Unit Trust of India, Life Insurance Corporation of India, Industrial Finance Corporation of India Ltd., Bharat Sanchar Nigam Ltd., Mahanagar Telephone Nigam Ltd. and Garden Reach Shipbuilders & Engineers Ltd. The Directors also convey their thanks for the co-operation and support received from the office of Comptroller and Auditor General of India and the Principal Director of Commercial Audit.

The Directors take this opportunity to express their appreciation for the support, co-operation and contribution from the employees of the Company in meeting various challenges during the year under review.

For and on behalf of the
Board of Directors

REGISTERED OFFICE
9, LALA LAJPAT RAI SARANI
(ELGIN ROAD)
KOLKATA 700 020
DATED : 07.11.2014

(M K SINGH)
CHAIRMAN & MANAGING DIRECTOR

REPORT ON CORPORATE GOVERNANCE

1. **Company's philosophy** – The Company as a responsible corporate citizen believes in practicing good corporate governance in relation to ensuring the transparency, professionalism, accountability, integrity and to promote ethical conduct throughout the organization with the main object to enhance the value of all stake holders.
2. **Board of Directors** – In terms of company's corporate governance policy, all statutory and other significant and material information are placed before the Board of Directors to enable it to discharge the responsibilities of strategic supervision of the company as trustees of its shareholders.
- 2.1 **Composition** – The composition of the board of directors of the company consist of eminently qualified executive and non-executive directors. Total number of directors of the company as on 31.3.2014 were three of which one was Chairman & Managing Director (Additional Charge) and the rest two were non-executive Directors. The composition of the board of directors and their number of other directorship and membership/chairmanship held by the directors in the committees of various companies during the year 2013-14 are given below:

Name of the Director	Category of directorship	No. of other directorship held as on 31,03,2014	Committee membership held in other companies
Shri M. K. Singh	Chairman & Managing Director (additional charge)	1. Director (Project Management)/ Bridge & Roof Co.(I) Ltd. 2. Director (Technical), Bharat Bhari Udyog Nigam Ltd. 3. CMD, National Bicycle Corpn. of India Ltd. 4. Director(Part-time),Braithwaite Burn& Jessop Construction Co. Ltd. 5. Director (Part-time), Lagan Engineering Co. Ltd.	-
Shri S. Jainendra Kumar	Part time official Director		-
Shri G.P. Srivastava*	Government Director		-

*Note: Director for a period less than one year

- 2.2 **Meeting and attendance** – During the financial year ended 31.3.2014, there were 4 meetings of board of directors held on 26-06-2013, 26-09-2013, 27-12-2013 and 21-03-2014 Attendance of directors at board meetings and the annual general meeting are given below:



Name of Director	No. of board meetings attended	Attendance at the last AGM held on 02-12-2013
Shri MK Singh	4	-
Shri S Jainendra Kumar	4	Proxy
Shri G.P.Srivastava*	2	-

*Note: Director for a period less than one year.

3. **Audit Committee** – The Company is having an audit committee consisting of directors duly constituted by the board of directors, for last several years. The terms of reference of audit committee are to review and discuss with the Auditors periodically about internal control systems, the scope of audit and the observations of the Auditors, review of financial statements before submission to the board, adequacy of internal control systems and any matter referred by the Board. During the year, one audit committee meeting was held on 26-09-2013. During the year, the audit committee comprised of the following member:

Committee member	Designation	Status in the committee	No. of meetings attended
Shri S. Jainendra Kumar	Director, Ministry of Heavy Industries & Public Enterprises, Govt. of India	(Member (Acting Chairman)	1

4. **Subsidiary Companies -**

There was no listed or non-listed subsidiary company.

5. **Remuneration Committee -**

- a) The need for constitution of a remuneration committee is not felt by the company in view of the fact that company is a government company in terms of section 2(45) of the Companies Act, 2013, the remuneration of the whole time functional directors and other terms and conditions are fixed by the Govt. of India.
- b) The remuneration of the whole time functional directors include basic salary, allowances and perquisites as determined by Govt. of India and also as per the rules of the company. The details of remuneration paid to all the whole time functional directors during the year ended 31.3.2014 are given below:

Name of the Director	Salary (Rs. in lakhs)
Shri MK Singh	Not Applicable

6. **Shareholders Committee** – The matters relating to redressal of shareholders complaints are being looked after by the Directors of the Company. No complaint was received from the shareholders during the year 2013-14 and no complaint is lying pending with the company. Shri Subrat Kumar Acharya is the compliance officer of the company.
7. **General body meetings** – The last general body meeting took place on 25-11-2013 at Kolkata (adjourned to 02-12-2013). There was no special resolution passed in last AGMs. There was no special resolution passed in the last AGM through postal ballot.

8. **Disclosure** – There was no transaction of material nature with its promoter, directors or their relatives etc. that may have potential conflict of interest with the company at large. There were no instance of non compliance by the company, the penalties strictures imposed on the company by stock exchange or SEBI or any other statutory authority on any matter relating to the capital market during the last three years. There is no personnel who has been denied access to the audit committee of the company.
9. **Means of communication** – Since there is no production at our units for last ten years and the company is a sick company registered with BIFR and passing through severe financial crisis, the quarterly results are not published. Details of the company are displayed in the website www.hindcables.gov.in.
10. **General Information for Shareholders-**
- | | | |
|----------------------------------|---|--------------------------------------------------------------------------------------------------------|
| (i) AGM : Date, time and venue – | : | 7th November, 2014 at 11 AM
at Registered & Corporate Office,
9, Elgin Road, Kolkata-700 020 |
| (ii) Financial year : | : | 1st April 2013 – 31 st March 2014 |
| (iii) Date of book closure : | : | 06-09-2014 to 15-09-2014 (both
days inclusive) |
| (iv) Dividend payment date : | : | Not applicable. |
| (v) Listing of stock exchanges: | : | The Calcutta Stock Exchange Ltd.
The Delhi Stock Exchange Ltd.
The Ahmedabad Stock Exchange Ltd. |
- Listing fees from the financial year 2013-14 could not be paid to the three stock exchanges, owing to sickness and financial crisis of the company.
- | | | |
|----------------------------------------------------------------------------------------------------------------------|---|----------------------------------------------------------|
| (vi) Market price data | : | Not traded |
| (vii) Performance in comparison to
broad based indices | : | Not applicable |
| (viii) Distribution of shareholding - Govt. of India | : | 99.6% |
| - Canbank Mutual Fund | : | 0.4% |
| (ix) Dematerialization of shares and liquidity | : | Our shares are not traded.
Hence not applicable. |
| (x) Outstanding GDRs/ADRs/Warrants or any
convertible instruments, conversion date
and likely impact on equity | : | Not applicable. |
| (xi) Plant locations: | | |
| Rupnarainpur Unit, P.O Hindustan Cables Rupnarainpur 713 335, Burdwan, West Bengal. | | |
| Hyderabad Unit, P.O Hindustan Cables, Hyderabad 500 051, Andhra Pradesh | | |
| Naini Unit, UPSIDC Industrial Area, P.O TSL, Naini, Allahabad 211 010. | | |
| Machine Tool Works, P.O Narendrapur 743 508, Dist: 24 Parganas (S), West Bengal. | | |
| (xii) Address for correspondence : | | Regd. & Corporate Office, 9 Elgin Road, Kolkata 700 020. |
11. Non-mandatory requirement relating to shareholder's right to receive half yearly declaration of financial performance including summary of the significant events in the last six months has not been complied.



**CERTIFICATE TO THE MEMBERS OF HINDUSTAN CABLES LIMITED ON THE COMPLIANCE
OF THE CONDITIONS OF CORPORATE GOVERNANCE,
AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT
WITH THE STOCK EXCHANGES**

We have the examined the compliance of Corporate Governance by Hindustan Cables Limited for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with stock Exchanges.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited 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 Company. In our opinion and to the best of our information and according to the explanations given to us, subject to the following :

1. Non-Compliance of Clause 49(II)(B) regarding the holding of a minimum number of 4 Audit committee meetings in a year, as against which only one meeting of the Audit Committee was held on the 5th September 2014.
2. Non-Copliance of Clause 49 (IV) (G) (II) regarding the communication of quarterly results.
3. Non-Copliance of Clause 49 (VI)(II) regarding the submission of quarterly compliance report to the stock exchanges within 15 days from the close of the quarter.

We certify that the company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending against the Company as per the records maintained by the Company.

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 N Behera & Company
Chartered Accountants

Place : Kolkata
Date : 26.09.2014

C A Niranjan Behera
Proprietor
M. No. 069888

COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF
INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
HINDUSTAN CABLES LIMITED, KOLKATA FOR
THE YEAR ENDED 31ST MARCH 2014.

The preparation of financial statements of Hindustan Cables Limited, Kolkata for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 619 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independence audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 05-09-14.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619 (3) (b) of the Companies Act, 1956 of the financial statements of Hindustan Cables Limited, Kolkata for the year ended 31st March 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report under section 619 (4) of the Companies Act, 1956.

For and on behalf of the
Comptroller & Auditor General of India

Place : Kolkata
Date : 26.09.2014

(Pramod Kumar)
Principle Director of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata



SL No.	STATUTORY AUDITOR'S COMMENTS	MANAGEMENT'S REPLIES
1.	<p>The accounts of the Company has been prepared by the management on the basis of 'Going Concern' concept contrary to negative net worth and prima facie opinion of BIFR regarding non-revival of the company on a long term basis coupled with the fact that all the production units completely closed for more than ten/eleven years and the order of BIFR directing issue of show Cause Notice (SCN) for proposed winding up of the Company. We are therefore, unable to comment on the extent of adjustments called for against assets, liabilities and loss if the Company ceases to maintain going concern identity following the above stated unfavorable from BIFR. Thus A-S 1 (Disclosure of accounting Policies) issued by ICAI with reference to going concern basis has not been complied with.</p>	<p>Note No. 45 of the notes to financial statements for the year ended 31.04.2014 may be referred.</p>
2.	<p>On basis of records available to us, book balance of Secured Loans of Rs.264285.04 lacs (inclusive of interest accrued and due) calls for reclassification into unsecured since all the production units remaining closed unmaintained for more than ten/ eleven years, movable assets have become redundant, defunct and technically non usable, trade receivables remain unconfirmed, disputed and unrealized over long periods and inventories are mostly in the form of scrap, the value of securities has reduced substantially. However, in the absence of valuation of the said securities, we are unable to determine the deterioration in their value and consequential impact in the accounts.</p>	<p>The Department of Defence production (DDP), Ministry of Defence conveyed "in principle" approval for carrying out due diligence in connection with take over of Hindustan Cables Limited (HCL) by Ordnance Factory Board (OFB) in resolving the various issues involved in February' 2013. The take over, inter-alia, envisage that it should be on a clean slate and DHI shall obtain requisite approval in writing off accumulated losses, waiver of Govt. Loans (including interest) and provision of money for retiring all liabilities including dues of employees prior to take over. The resolution of issues related to utilization of employees of HCL and due diligence in respect of non-financial liabilities are required to be resolved. The "in principle" approval also envisage that DHI shall subsume all the assets and liabilities of HCL and thereafter all assets, free from all encumbrances are to be transferred to OFB. Based on the direction of DHI, the Company initiated consultation with all the secured creditors to formulate One Time Settlement (OTS) to address the secured liabilities of the Company. After a series of meetings, the secured creditors have agreed for an OTS amount of Rs. 422.53 crores, principal including outstanding interest for settlement of the dues. The Company in turn conveyed the fact to DHI for its fund support for payment of the OTS amount. When the fund support will be sanctioned by DHI, the entire liabilities of secured creditors will be settled.</p>

HINDUSTAN CABLES LIMITED

SL No.	STATUTORY AUDITOR'S COMMENTS	MANAGEMENT'S REPLIES
3.	There has been shortfall of Rs. 57611,13 lacs (including interest accrued and due of Rs. 53283.29 lacs accounted for) in Redemption Reserve Fund in respect of Debentures and Bonds issued in earlier years which became overdue for redemption long back. (Refer Note No, 34 of Notes to Financial Statements)	Please refer to Note No. 34 of the notes to financial statement for the year ended 31.03.2014. However, the amount required for Debentures Redemption Reserve have been indicated in the financial liabilities of the Company sent to the Govt. of India for providing fund support.
4.	The Company despite of all the production units remaining closed unmaintained for more than ten/eleven years did not undertake the teste impairment of fixed assets in terms of AS-28 for "Impairment of Assets" issued by the ICAI and the loss on these assets has not been assessed and remains unprovided for in the accounts and the amount is not quantifiable in the absence of such long back overdue exercise (Refer Note No. 52 of Notes to Financial Statements)	The present value of fixed assets is approximately 8.34% of their original cost as it is adequately depreciated over a period of time. Although no formal test of impairment as required under AS-28 has been done but the Company obtained the approval from BIFR to constitute an Assets Sale Committee for disposal of all fixed assets excluding land and building. Necessary steps have already been initiated for disposal of these assets. Please refer to Note No. 52 of the notes to financial statement for the year ended 31.03.2014.
5.	Adjustment of Suspense Accounts of Rs. 76.48 lacs included in Current Liabilities due to invocation of Bank Guarantee issued by M/s REPL in earlier years against joining Kits Project of Rupnarainpur unit under Capital Work in progress has not been made. No adjustment has also been made in respect of inter unit balance of Rs. 389.04 lacs included in Current Liabilities pending reconciliation (Refer Note No. 46 of Notes to financial Statements), Financial impact on the accounts in respect of the above is not ascertainable pending such reconciliation and adjustment.	The Company is not in a position to adjust the amount of Rs. 76.48 lacs included in Current Liabilities arising out of forfeiture by Bank Guarantee issued by M/s REPL as the matter is sub-judice in the Trial Court of Mumbai City Civil Court. Note No 46 of the Notes to financial statement for the year ended 31.03.2014 may be referred regarding reconciliation of inter-unit balance of Rs. 389.04 lacs.
6.	Balance due to GOI, Bank of Baroda, IFCI, GRSE and MTNL for different loans including interest accrued thereon are without confirmations and have been considered at book balances which are subject to reconciliation and confirmation, the financial impact of which is not determinable. However balance due to GOI has been reconciled upto 31.03.2013	The Company has lodged an appeal to Govt. of India waiver of principal and outstanding interest of GOI loan as a pre-requisite of take over of the Company by OFB. The Company requested Bank of Baroda, GRSE and MTNL for balance confirmation, the reptiles are still awaited. IFCI being a secured creditor has agreed to an OTS amount of Rs.87.10 crores (principal + accumulated interest) which is included in the total OTS amount of Rs. 422.53 crores mentioned in our reply no.2.



SL No.	STATUTORY AUDITOR'S COMMENTS	MANAGEMENT'S REPLIES
7.	<p>Consequent to (i) Custom duty liability on account of import estimated at Rs.929.55 lacs not provided for (Refer Note No. 27 of Notes to Financial Statements) and (ii) Liability for Excise Duty and interest accrued estimated at Rs. 1814.21 lacs not been provided for (Refer Note No. 27 of Notes to Financial Statements), financial impact on inventories/consumption is not ascertainable.</p>	<p>The Company has recognized this liabilities as Contingent Liabilities as disclosed in Note No. 27 (c) (iii) and (xi) respectively, as such no provision is required to made.</p>
8.	<p>Fixed assets of Rs. 2868.90 lacs (net of land and Building) remain unused and unmaintained for more than ten/eleven years result the same redundant, defunct and technically non usable which tantamount to retirement from active life. In the absence of reconciliation between physical verification records and book records. non ascertainment of present status vis-a-vis revaluation and non testing of impairment of fixed assets, the loss on account of impairment in the value of fixed assets has not been determined. Thus, AS-10 (Accounting for Fixed Assets) issued by ICAI has not been complied with. In the absence of any valuation of the said fixed assets, we are unable to quantify the loss on impairment and consequential effect on the accounts.</p>	<p>The reply to point No. 4 may please be referred.</p>
9.	<p>The Capital Work-in-Progress of Rs. 5334.60 lacs comprising of two project of Rupnarainpur unit remains incomplete for more than ten/eleven years without any efforts being taken for completion and commencement of commercial production on technically viable basis resulting the same, more or less fully impaired and tantamount to retirement from active life. A provision of Rs. 5069.52 lacs has been made which we consider inadequate. In our opinion a provision for impairment in Capital Work in Progress is to be made after due valuation. AS-10 (Accounting for Fixed Assets) issued by ICAI has not been complied with. However from the financial year 2010-11, the Company has started writhing off the CWIP over a period of 5 years. The impairment loss on Account of Capital Work in Progress should be recognized in the statement of profit and loss. In the absence of any valuation of the said Capital Work in Progress. We are unable to quantify the loss on impairment and consequential effect on the accounts.</p>	<p>Considering 5% realizable value, 95% of the original cost of Rs. 5337.60 lacs has been provided uniformly for a period of 5 years since 2010-11. The amount of accumulated provision is Rs. 5072.53 lacs as on 31.03.14.</p>

HINDUSTAN CABLES LIMITED

SL No.	STATUTORY AUDITOR'S COMMENTS	MANAGEMENT'S REPLIES
10.	<p>The inventories of the Company stands at Rs. 4218.70 lacs (excluding WIP of Turnkey Division of Rs. 6.86 lacs against which a provision of Rs 1628.67 lacs has been made out of which.</p> <p>i) No adjust has been made of inventory value of Rs 533.94 lacs which was not found while conducting physical verification of inventory in 2005-06 in Rupnarainpur unit.</p> <p>ii) No Confirmation is available for items lying with Ancillary & Fabricators unit amounting to Rs. 10.72 & 150.52 lacs In our opinion in the absence of valuation of inventories on net realizable value, the provision for Rs. 1628.67 lacs made against inventory is inadequate since the inventories (except WIP of Turnkey Division as mentioned above) are in the form of scrap, In the absence of any valuation of the said inventory, we are unable to quantify the loss on impairment and consequential effect on the accounts.</p>	<p>The facts of shortage of physical inventory from book records of Rupnarainpur Unit has been disclosed in note no. 41 of the notes to financial statement for the year ended 31.03.2014. We will pursue the matter for obtaining appropriate decision from the Board of Directors during the year 2014-15.</p> <p>The Company is yet to get confirmation of the items lying with the Ancillary & Fabricators. In case of any discrepancy, suitable adjustment will be made in the books on account in the relevant year.</p>
11.	<p>Long Term Trade Receivables of Rs. 17304.00 lacs remain unconfirmed disputed and unrealized for a long period with a remote chance of recovery. A provision of Rs. 14862.63 lacs has been made for the same. In our opinion, a further provision of Rs. 2441.37 lacs is required to be made.</p>	<p>In case of very old Trade receivable (more than 15 years) of DOT/BSNL/MTNL, the Company has been making suitable provision of doubtful debts every year since 2009-10. During 2013-14, a further provision of Rs. 2670.98 lacs has been made.</p>
12.	<p>Long Term Trade Loans and Advances of Rs. 1644.29 lacs remain unconfirmed and unrealized for long period with remote chance of recovery. A provision of Rs 839.69 lacs has made for the same. In our opinion, a further provision of Rs. 804.60 lacs is required to be made.</p>	<p>The matter is under security, suitable adjustment will be made on the findings of the security</p>
13.	<p>No provision has been made for Rs. 74.36 lacs payable for three arbitration cases which has gone against the Company. (refer Note No. 27 (f) of Notes to Financial Statement).</p>	<p>Note No 27 (f) of notes to financial statement may please be referred.</p>
14.	<p>No provision has been made in the Accounts in respect of arrear wage and salaries arising out of pay revision with effect from 01.01.1997 which has been disclosed under contingent liabilities.</p>	<p>Note No 27 (c) (iv) and 40 (a) may please be referred.</p>



SL No.	STATUTORY AUDITOR'S COMMENTS	MANAGEMENT'S REPLIES
15.	Reconciliation and confirmation of balances under Sundry Creditors for Goods/Eepenses. Advance from customers, Interest on Advance from BSNL /MTNL and other Account have not been carried out and obtained. In our opinion the consequential impact on the financial statements is not ascertainable pending such reconciliation and confirmation. Moreover, lack of details has come in the way to quantity time barred liabilities and assets and its consequential impact on the accounts.	The Company has made an appeal to the Govt. of India for granting of necessary fund for payment to sundry creditors and other creditors before the take over of HCL by OFB since "in principle" approval of DDP envisages that the take over shall be on a clean slate.
16.	No provision has been made in the accounts for interest and penalty applicable on non/delayed deposit of income tax deducted at source, provident fund, employee state insurance, sales tax, profession tax, excise duty, custom duty, municipal tax etc. The consequential financial impact on the account is not ascertainable in absence of necessary details .	Please refer to the reply at point no. 15 above.
17.	Due liability has not been provided for in the accounts in respect of interest payable on outstanding due to micro, small and medium enterprise in terms of provision of the MSMED act, 2006, the quantum of which is not determinable in absence of necessary details.	The identification of the parties registered under MSMED Act 2006, is very difficult as the Company became non-operational since 2003, However, efforts are continuing for identification of parties and booking of interest on over dues beyond specified period, if any.

SL No.	STATUTORY AUDITOR'S COMMENTS (ANNEXURE TO THE REPORT)	MANAGEMENT'S REPLIES
1.(a)	The company is generally maintaining records showing details and situation of Fixed Assets. However, the Fixed Assets Register is not updated in all units.	All the units have been advised to update the Fixed Assets Register immediately.
(b)	Fixed Assets has not been physically verified during the year by the management and as such discrepancies, if any could not be worked out/reconciled with book records in all Units. Possession of 7.4 acres of land in Rupnarainpur unit is yet to be taken by the Company.	Fixed Assets have been physically verified by the Company and the list of such assets has already been handed over to OFB for further course of action. The non-possession of land of 7.49 acres at Rupnarainpur Unit has been disclosed in Note no. 48 of the notes to financial statement for the year ended 31.03.2014. Efforts are on to take the possession of the same.
2.(a)	The management has not physically verified the inventories including inventories with third parties during the year. In our opinion, frequency of physical verification of inventory is not reasonable except in those cases where verification has been carried out.	The units excepting Hyderabad Unit and R&D Centre, Hyderabad, have been advised to verify the physical inventories including inventories with third parties and suitable adjustment will be made if discrepancy is found.
(b)	In the absence of physical verification of inventories, the reasonability and adequacy of procedure of physical verification cannot be commented upon.	Same as 2(a).
(c)	The units are maintaining proper records of inventory except in Hyderabad Unit. However, we are unable to determine whether discrepancies, if any, between physical stock and book stock have been dealt with in the books of the Company in absence of physical verification.	Same as 2(a).
3.(a)	In our opinion and according to the information and explanations given to us, the Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Profession Tax, Cess etc. with the appropriate authorities. Undisputed amounts in respect to the aforesaid dues outstanding as on 31.03.2014 for a period of more than six months from the respective dates they become payable amounting to Rs 23,722.89 lacs.	The Company has been non-operational for the last decade, so the statutory dues remain unpaid. However, Govt. of India is sanctioning fund under the head of Non-Plan(Loan) to the Company to pay the unpaid salaries and wages and employee related statutory dues. During the year 2013-14, the Company has already paid the unpaid salary and wages and statutory dues of employees upto 31.08.2013. Regarding the other statutory dues, the Company sought fund support from the Govt. of India to liquidate the same.



SL No.	STATUTORY AUDITOR'S COMMENTS (ANNEXURE TO THE REPORT)	MANAGEMENT'S REPLIES										
(b)	<p>According to the information and explanations given to us details of dues of Customs Duty and Excise Duty, Income Tax, Sales Tax, Wealth Tax and Service Tax and Cess which have not been deposited on account of any dispute are as follows :</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Statute</th> <th style="text-align: center;">Nature of Dues</th> <th style="text-align: center;">Forum</th> <th style="text-align: center;">Rs. in Lacs</th> <th style="text-align: center;">Year</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Central Excise Act</td> <td style="text-align: center;">Excise Duty & Interest on Excise Duty</td> <td style="text-align: center;">Commissionerate of Allahabad</td> <td style="text-align: center;">1694.21</td> <td style="text-align: center;">2001-2002</td> </tr> </tbody> </table>	Statute	Nature of Dues	Forum	Rs. in Lacs	Year	Central Excise Act	Excise Duty & Interest on Excise Duty	Commissionerate of Allahabad	1694.21	2001-2002	Same as 3(a)
Statute	Nature of Dues	Forum	Rs. in Lacs	Year								
Central Excise Act	Excise Duty & Interest on Excise Duty	Commissionerate of Allahabad	1694.21	2001-2002								
4.	<p>The Company has defaulted in repayment of dues to financial institutions, banks and debenture holders and bond holders amounting to Rs 276907.23 lacs.</p>	<p>The secured creditors have agreed "in principle" for an OTS amount Rs 422.53 crores. which is under active consideration by DHI. Regarding the unsecured lenders the Company appealed to Govt. of India for releasing fund to pay off their dues before take over.</p>										

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HINDUSTAN CABLES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Hindustan Cables Limited ("The Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information in which are incorporated the audited accounts of the Hyderabad Unit and Hyderabad R & D Centre for the year then ended on that date audited by the Branch Auditors.

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 financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This 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 statement are free from 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 judgement, 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 Company'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 qualified audit opinion.



Basis for Qualified Opinion

We draw attention to :-

- 1. The accounts of the Company have been prepared by the management on the basis of 'Going Concern' concept contrary to negative net worth and prima-facie opinion of BIFR regarding non-revival of the Company on a long term basis coupled with the fact that all the production units remain completely closed for more than ten/eleven years and the order of BIFR directing issue of Show Cause Notice (SCN) for proposed winding up of the Company. We are, therefore, unable to comment on the extent of adjustments called for against assets, liabilities and loss if the Company ceases to maintain going concern identity following the above stated unfavorable order from BIFR. Thus AS-1 (Disclosure of Accounting Policies) issued by ICAI with reference to going concern basis has not been complied with.*
- 2. On the basis of records available to us, book balance of Secured Loans of Rs. 264285.04 lacs (inclusive of interest accrued and due) calls for reclassification into unsecured since all the production units remaining closed / unmaintained for more than ten/eleven years, movable assets have become redundant, defunct and technically non usable, trade receivables remain unconfirmed, disputed and unrealized over long periods and inventories are mostly in the form of scrap, the value of securities has reduced substantially. However, in the absence of valuation of the said securities, we are unable to determine the deterioration in their value and consequential impact in the accounts.*
- 3. There has been shortfall of Rs. 57611.13 lacs (including interest accrued and due of Rs. 53283.29 lacs accounted for) in Redemption Reserve Funds in respect of Debentures and Bonds issued in earlier years which became overdue for redemption long back. (Refer Note No. 34 of Notes to Financial Statements.)*
- 4. The Company despite of all the production units remaining closed unmaintained for more than ten/eleven years did not undertake the test of impairment of fixed assets in terms of AS-28 for "Impairment of Assets" issued by the ICAI and the loss on these assets has not been assessed and remains unprovided for in the accounts and the amount is not quantifiable in the absence of such long back overdue exercise (Refer Note No. 52 of Notes to Financial Statements).*
- 5. Adjustment of Suspense Accounts of Rs 76.48 lacs included in Current Liabilities due to invocation of Bank Guarantee issued by M/s. REPL in earlier years against Joining Kits Project of Rupnarainpur unit under Capital Work in Progress has not been made. No adjustment has also been made in respect of inter unit balance of Rs. 389.04 lacs included in Current Liabilities pending reconciliation (Refer Note No. 46 of Notes to Financial Statements). Financial impact on the accounts in respect of the above is not ascertainable pending such reconciliation and adjustment.*
- 6. Balance due to GOI, Bank of Baroda, IFCI, GRSE and MTNL for different loans including interest accrued thereon are without confirmations and have been considered at book balances which are subject to reconciliation and confirmation, the financial impact of which is not determinable. However balance due to GOI has been reconciled upto 31.03.2013.*
- 7. Consequent to (i) Custom duty liability on account of import estimated at Rs. 929.55 lacs not been provided for (Refer Note No. 27 of Notes to Financial Statements) and (ii) Liability for Excise Duty and interest accrued estimated at Rs. 1814.21 lacs not been provided for (Refer Note No. 27 of Notes to Financial Statements), Financial impact on inventories / consumption is not ascertainable.*
- 8. Fixed Assets of Rs. 2868.90 lacs (net of Land and Building) remain unused and unmaintained for more than ten/eleven years resulting the same redundant, defunct and technically non usable which tantamount to*

retirement from active life. In the absence of reconciliation between physical verification records and book records, non ascertainment of present status vis-a-vis revaluation and non testing of impairment of fixed assets, the loss on account of impairment in the value of fixed assets has not been determined. Thus, AS - 10 (Accounting for Fixed Assets) issued by ICAI has not been complied with. In the absence of any valuation of the said fixed assets, we are unable to quantify the loss on impairment and consequential effect on the accounts.

9. *The Capital Work-in-Progress of Rs. 5334.60 lacs comprising of two projects of Rupnarainpur unit remains incomplete for more than ten/eleven years without any efforts being taken for completion and commencement of commercial production on technically viable basis resulting the same, more or less fully impaired and tantamount to retirement from active life. A provision of Rs. 5069.52 lacs has been made which we consider inadequate. In our opinion a provision for impairment in Capital Work in Progress is to be made after due valuation. AS-10 (Accounting for Fixed Assets) issued by ICAI has not been complied with. However, from the Financial year 2010-11, the Company has started writing off the CWIP over a period of 5 years. The impairment loss on Account of Capital Work in Progress should be recognized in the Statement of Profit & Loss. In the absence of any valuation of the said Capital Work in Progress, we are unable to quantify the loss on impairment and consequential effect on the accounts.*
10. *The inventories of the Company stands at Rs. 4218.70 lacs (excluding WIP of Turnkey Division of Rs. 6.86 lacs) against which a provision of Rs. 1628.67 has been made out of which*
 - i) *No. adjustments has been made of inventory value of Rs. 533.94 lacs which was not found while conducting physical verification of inventory in 2005-06 in Rupnarainpur unit.*
 - ii) *No confirmation is available for items lying with Ancillary & Fabricators unit amounting to Rs. 10.72 & 150.52 lakhs.*

In our opinion in the absence of valuation of inventories on net realizable value, the provision for Rs. 1628.67 lacs made against inventory is inadequate since the inventories (except WIP of Turnkey Division as mentioned above) are in the form of scrap. In the absence of any valuation of the said inventory, we are unable to quantify the loss on impairment and consequential effect on the accounts.
11. *Long Term Trade Receivables of Rs. 17304.00 lacs remain unconfirmed, disputed and unrealized for a long period with a remote change of recovery. A provision of Rs. 14862.63 lacs has been made for the same. In our opinion, a further provision of Rs. 2441.37 lacs is required to be made.*
12. *Long Term Loans and Advances of Rs. 1644.29 lacs remain unconfirmed and unrealized for long period with remote change of recovery. A provision of Rs. 839.69 lacs has been made for the same. In our opinion, a further provision of Rs. 804.60 lacs is required to be made.*
13. *No provision has been made for Rs. 74.36 lacs payable for three arbitration cases which has gone against the Company. (Refer Note No. 27(f) of Notes to Financial Statements).*
14. *No provision has been made in the accounts in respect of arrear wages an salaries arising out of pay revision with effect from 01.01.1997 which has been disclosed under contingent liabilities.*
15. *Reconciliation and confirmation of balances under Sunday Creditors for Goods / Expenses, Advance from customers. Interest on Advance from BSNL / MTNL and other Account have not been carried out and obtained. In our opinion the consequential impact on the financial statement is not ascertainable pending such reconciliation and confirmation. Moreover, lack of details has come in the way to quantify time barred liabilities and assets and its consequential impact on the accounts.*



16. *No provision has been made in the accounts for interest and penalty applicable on non / delayed deposit of income tax deducted at source, provident fund, employee state insurance, sales tax, profession tax, excise duty, custom duty, municipal tax etc. The consequential financial impact on the account is not ascertainable in absence of necessary details.*
17. *Due liability has not been provided for in the accounts in respect of interest payable on outstanding dues to micro, small and medium enterprises in terms of provision of the MSME Act, 2006, the quantum of which is not determinable in absence of necessary details.*

The effect of the above opinion in sub-paragraphs 9 to 13 resulted in understatement of loss by Rs. 6175.43 lacs and a corresponding understatement of provisions (long term and short term) by the same amount. Financial impact of remaining opinion is not quantifiable in the absence of necessary details.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for qualified opinion paragraph, 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 31 March 2014;
- b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory requirements

1. 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 give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the act, we report that :
 - a) Except for the matter described in the basis for qualified opinion paragraph, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) Except for the matter described in the basis for qualified opinion paragraph, 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 report on the accounts of the branch offices i.e. Hyderabad Unit and Hyderabad R & D Centre audited under section 228 by a branch auditor has been forwarded to us as required by clause (C) of sub-section (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us.
 - d) 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;
 - e) Except for the effects of the matter described in the basis for qualified opinion paragraph, 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;

- f) The provisions of Section 274 (1) (g) of the Companies Act, 1956 are not applicable to Government Companies in terms of notification No. GSR 829 (6) dated 21st October, 2003, issued by the Department of Company Affairs, Government of India.

23A, Netaji Subhas Road,
Kolkata, the 5th September, 2014

For B.K. Shroff & Co.
Chartered Accountants
Firm Registration No. 302166E

(L.K. Shroff)
Partner
Membership No. 060742



Annexure referred to in paragraph (1) under the heading of “Report on Other Legal and Regulatory requirements” of our report of even date

1.
 - a) The Company is generally maintaining records showing details and situation of Fixed Assets. However, the Fixed Assets Register is not updated in all units.
 - b) Fixed Assets has not been physically verified during the year by the management and as such discrepancies. If any could not be worked out / reconciled with book records in all Units. Possession of 7.4 acres of land in Rupnarainpur unit is yet to be taken by the Company.
 - c) In our opinion and according to information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
2.
 - a) The management has not physically verified the inventories including inventories with third parties during the year. In our opinion, frequency of physical verification of inventory is not reasonable except in those cases where verification has been carried out.
 - b) In the absence of physical verification of inventories, the reasonability and adequacy of procedure of physical verification cannot be commented upon.
 - c) The units are maintaining proper records of inventory except in Hyderabad Unit. However, we are unable to determine whether discrepancies, if any, between physical stock and book stock have been dealt with in the books of the Company in absence of physical verification.
3.
 - a) The Company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b) The Company has not taken any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of the business for the purchase of inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. In our opinion and according to the information and explanations given to us, there were no transactions that needed to be entered in the register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposit from the public under Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
7. In our opinion, the company has an internal audit system but not commensurate with the size and the nature of its business.
8. No. Cost Audit records have been made available to us by the Company where maintenance of cost records has been prescribed under Section 209 (1) (d) of the Companies Act, 1956 and as such we are unable to comment on the same.
9.
 - a) In our opinion and according to the information and explanations given to us, the Company is not regular in depositing undisputed statutory dues including provident Fund, Employees State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Profession Tax, Cess etc with the appropriate authorities. Undisputed amounts in respect to the aforesaid dues outstanding as on 31.03.2014 for a period of more than six months from the respective dates they become payable, to the extent of available information are detailed below :-

PARTICULARS	Rs. in Lacs
Income Tax (TDS) including interest	209.33
Central Excise Duty including interest / Penalty	1,489.78
Central Sales Tax	28.05
Municipal Tax	1,089.82
Provident Fund including Interest	3,870.23
Sales Tax / VAT including Interest	16,105.33
Professional Tax including Interest	322.97
West Bengal Govt. Duty	566.21
Employees State Insurance	21.43
Customs Duty	19.74
Total	23,722.89

- b) According to the information and explanations given to us details of dues of Customs duty, Excise Duty, Income Tax, Sales Tax, Wealth Tax and Service Tax and Cess which have not been deposited on account of any dispute are as follows :

Status	Nature of Dues	Forum	Rs. in Lacs	Year
Central Excise Act	Excise Duty & Interest on Excise Duty	Commissionerate of Allahabad	1,694.21	2001-2002

10. The accumulated losses of the Company as at 31st March, 2014 exceeds its net worth and the Company had incurred cash losses in the financial year ended on that date as well as in the immediately preceding financial year.
11. The Company has defaulted in repayment of dues to financial institutions, banks and debenture holders and bond holders as detailed below :-

(Upto 31-03-2014)

PARTICULARS	Rs. in Lacs
a) Secured Redeemable Non Convertible Debenture	2,000.00
b) Interest on above	11,763.10
c) Secured Redeemable Non Convertible Bonds	8,000.00
d) Interest on above	41,520.20
e) Loan from IFCI	1,582.50
f) Interest on above	21,670.85
g) Suppliers credit from IFCI	2,663.50
h) Deferred credit from IFCI	22,409.90
i) CC/WCDL from banks including interest	
State Bank of India	86,422.75
Indian Overseas Bank	5,954.15
Bank of India	43,177.32
State Bank of Sourashtra	17,120.78
j) Unsecured Loan from HDFC Ltd.	99.08
k) Interest on above	552.30
l) Other project loan from Corporate bodies	1,079.79
m) Interest on above	9,525.91
n) Deferred credit loan from Bank of Baroda including interest	1,365.10
Total	2,76,907.23



12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year.
17. In our opinion and according to the information and explanations given to us, on an overall examination of the Balance Sheet of the Company there are no funds raised on a short term basis which have been used for long term investment.
18. In our opinion and according to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. In our opinion and according to the information and explanations given to us, the Company has not raised any money by issue of debentures / bonds during the year.
20. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of public issue during the year.
21. Based upon the audit procedure performed and information and explanation given by the Management we report that no fraud on or by the company has been noticed or reported during the year by the management.

23A, Netaji Subhas Road,
Kolkata, the 5th September, 2014

For B.K. Shroff & Co.
Chartered Accountants
Firm Registration No. 302166E

(L.K. Shroff)
Partner
Membership No. 060742

SUMMARISED BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Crore)

BALANCE SHEET	As at 31st March, 2014		As at 31st March, 2013	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
WHAT THE COMPANY OWNED				
Fixed Assets (including Capital W.I.P.)		528.18		578.87
Less : Depreciation		481.72		476.54
		<u>46.46</u>		<u>102.33</u>
Add : Net Current Assets (Working Capital)		(913.02)		(893.96)
Add Deferred Revenue Expenditure not adjusted		-		-
Add Profit & Loss Account not adjusted		6570.58		5788.70
		<u>5704.02</u>		<u>4997.07</u>
Less				
WHAT THE COMPANY OWED :				
Borrowings		-		-
From Banks (including interest)	1526.75		1317.31	
From Govt. (including interest)	2390.75		2062.36	
Others (including interest)	1310.42		1141.30	
		<u>5227.92</u>	<u>1141.30</u>	<u>4520.97</u>
		476.10		476.10
Represented by :				
Equity		419.36		419.36
Reserve and Surplus		56.74		56.74
		<u>476.10</u>		<u>476.10</u>

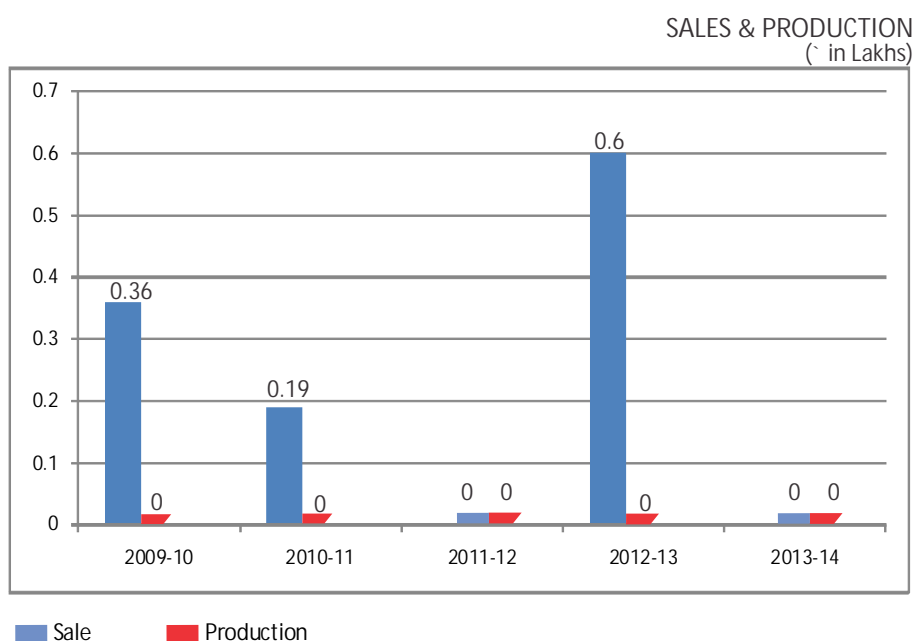


FINANCIAL HIGHLIGHTS

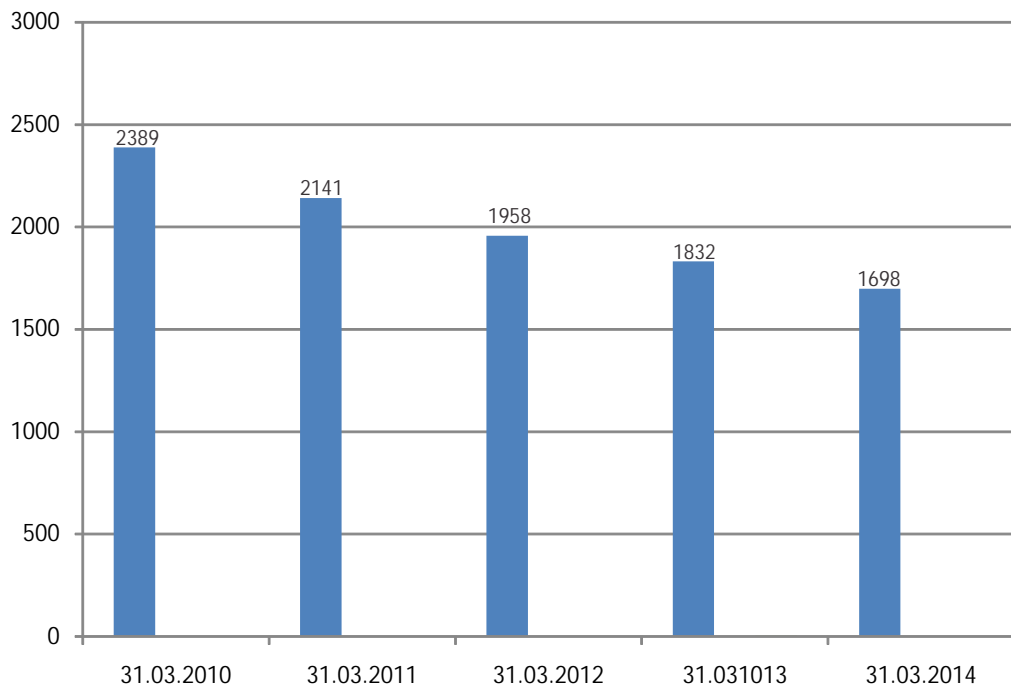
(₹ in Lakhs)

PROFIT & LOSS ACCOUNT	2013-14	2012-13
What WE EARNED :		
Sales	-	6.52
Miscellaneous Income	300.25	315.96
Accretion / (Decretion) to work-in-progress and finished goods/scrap	-	4.47
Total I	300.25	326.95
 HOW WE SPENT :		
Raw material	-	-
Stores and Spares	-	0.68
Execution Expenses for Services	-	5.87
Employees remuneration and benefits	11237.02	10104.56
Power and Fuel	41.24	49.98
Excise Duty	-	-
Interest	58774.19	57048.96
Depreciation	519.08	717.97
Other Expenses	919.40	745.90
Total II	<u>71490.93</u>	<u>(68673.92)</u>
Profit on Operation [I-II]	(71190.68)	(68346.97)
Past years adjustments and Provisions	6997.44	20157.72
Profit / (Loss)	<u>(78188.12)</u>	<u>(88504.69)</u>

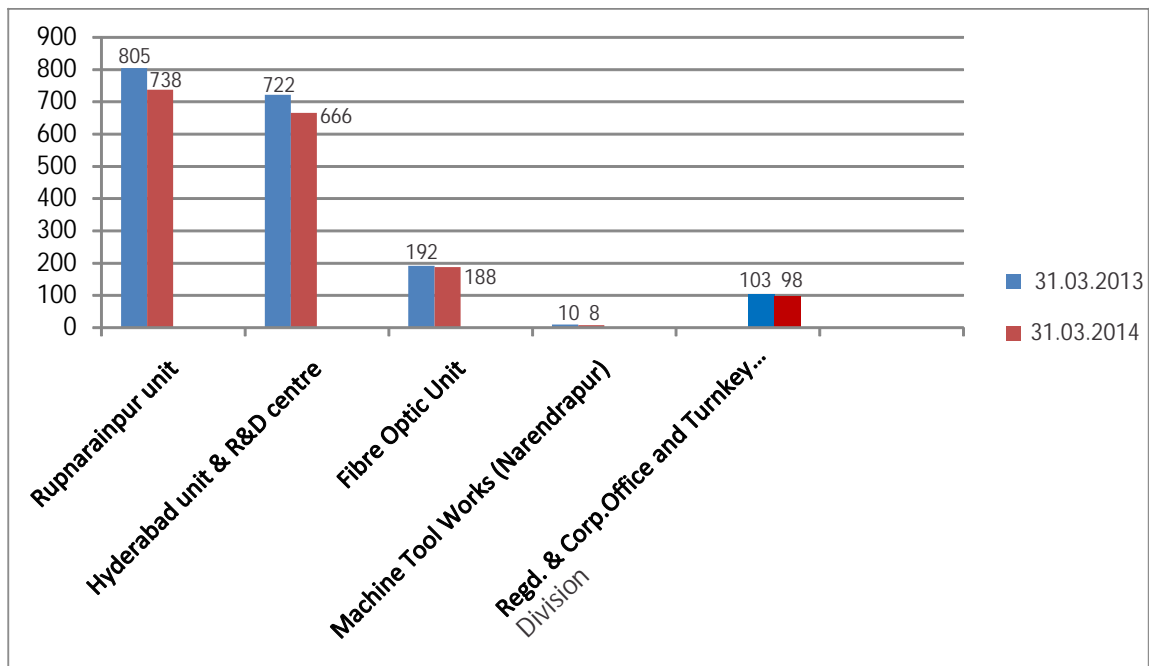
SALES & PRODUCTION



MANPOWER POSITION



MANPOWER DISTRIBUTION



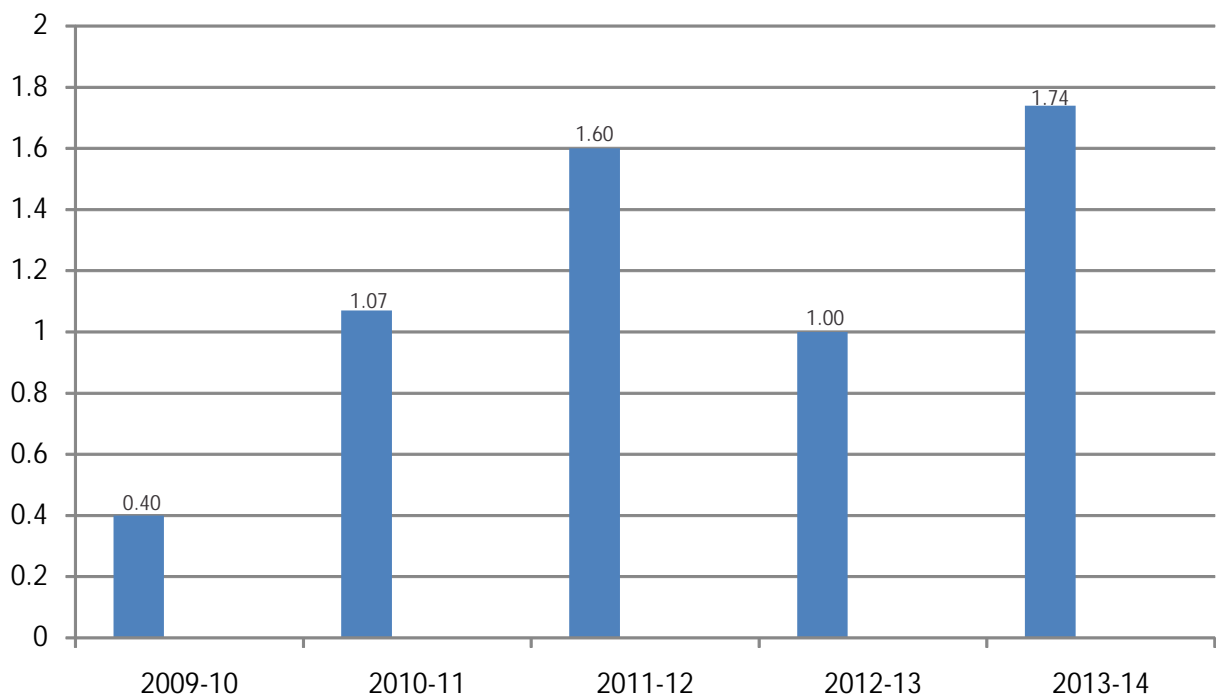


CONTRIBUTION TO NATIONAL EXCHEQUER

Sl. No.	Heads	2009-10	2010-11	2011-12	2012-13	2013-14 (` in Crore)
1.	Sales Tax	0.00	0.00	0.00	0.02	0.00
2.	Central Excise Duty	0.00	0.00	0.00	0.00	0.00
3.	Customs Duty	0.00	0.00	0.00	0.00	0.00
4.	Income Tax on Salaries & wages	0.40	1.07	1.60	0.98	0.74
5.	Rates & Taxes	0.00	0.00	0.00	0.00	1.00
6.	Licence Fees	0.00	0.00	0.00	0.00	0.00
		<u>0.40</u>	<u>1.07</u>	<u>1.60</u>	<u>1.00</u>	<u>1.74</u>

CONTRIBUTION TO NATIONAL EXCHEQUER

(` in Crores)



HINDUSTAN CABLES LIMITED

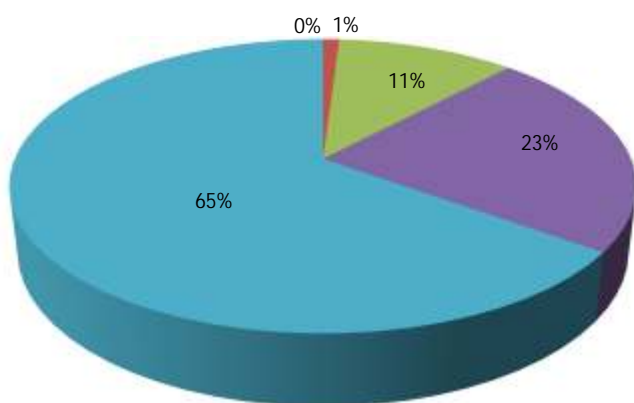
LAST TEN YEARS AT A GLANCE

(` in Crore)

	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
TURNOVER	-	7	0	19	36	123	208	223	685	2,226
NET PROFIT	(78188)	(88505)	(64827)	(60.739)	(45.932)	(44.535)	(43.498)	(31.065)	(29.528)	(27.087)
GROSS BLOCK	52553	52549	52546	52545	52545	52,541	52588	52422	52402	52368
DEPRECIATION PROVISION	16172	47645	46956	45903	44705	43478	42228	40777	39395	37853
NET BLOCK	4381	4895	5590	6642	7840	9063	10360	11645	13007	14514
NET CURRENT ASSETS WORKING CAPITAL	(91302)	(89396)	(70866)	(65697)	(52845)	(40487)	(39757)	(32559)	(30997)	(27137)
CAPITAL EMPLOYED	(86922)	(84501)	(65276)	(59055)	(45006)	(31423)	(29397)	(20914)	(17990)	(12623)
SECURED LOAN	264285	229195	198214	171942	150081	132013	115852	98465	88570	79776
UNSECURED LOAN	251697	215782	182948	151226	127404	113136	86843	69294	51213	36645
SHARE CAPITAL	41936	41936	41936	41936	41936	41936	41936	41036	41936	41936
RESERVES & SURPLUS	5674	5674	5674	5674	5674	5674	5674	5674	5674	5674
ACCUMULATED LOSS	(657058)	(578870)	(490365)	(425538)	(364799)	(318867)	(274330)	(230829)	(199761)	(170228)
NET WORTH	(609448)	(531260)	(442755)	(377928)	(317189)	(271257)	(226270)	(183219)	(152151)	(122618)
NO. OF EMPLOYEES	1698	1832	1958	2141	2389	2909	3016	3105	3153	3178

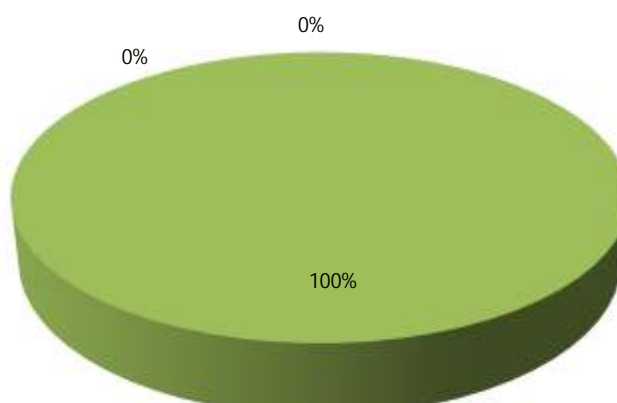
INCLUDES CENTRAL EXCISE DUTY AND SCRAP SALE BUT EXCLUDES INTEREST AND MISCELLANEOUS INCOME
ACCOUNTING PERIOD FOR 18 MONTHS

EXPENDITURE DURING 2013-14



	0.00 (` in lakhs)
Material & Expenditure	0.00
Employees Cost	11237.02
Financial Charges	58774.19
Other Cost	7657.83
Excise Duty	0.00
Depreciation	519.08
Total	78188.12

REVENUE DURING 2013-14



	0 (` in lakhs)
Jelly Filled Cable	0
Turnkey	0
Scrap & other Income	300
Total	300



BALANCE SHEET AS AT 31ST MARCH, 2014

	Note no.	As at 31st March 2014		As at 31st March 2013	
		Rs.	Rs.	Rs.	Rs.
A. Equity and Liabilities					
1) Shareholders' Funds					
a) Share Capital	2		4,193,611,250		4,193,611,250
b) Reserve & Surplus	3		(65,138,426,402)		(57,319,614,021)
			(60,944,815,152)		(53,126,002,771)
2) Non-Current Liabilities					
a) Long Term Borrowing	4		51,598,251,265		44,597,678,835
b) Other Long Term Liabilities	5		403,353,257		403,921,741
c) Long Term Provisions	6		602,126,814		656,899,246
			52,603,731,336		45,658,499,822
3) Current Liabilities					
a) Current Liabilities	7		9,738,134,958		9,604,949,363
b) Short Term Provisions	8		78,971,912		92,209,571
			9,817,106,870		9,697,158,934
Total			1,476,023,054		2,229,655,985
B Assets					
1) Non Current Assets					
a) Fixed Assets					
i) Tangible Assets	9		438,057,303		489,553,690
ii) Intangible Assets			-		-
iii) Capital Work-in-Progress	10		26,507,483		227,964,350
b) Long Term Loans & Advances	11		80,459,758		95,482,872
c) Other Non Current Assets	12		244,137,367		546,624,596
			789,161,911		1,359,625,508
2) Current Assets					
a) Trade Receivables	13		369,000		945,327
b) Inventories	14		259,688,048		275,110,869
c) Cash and Cash Equivalents	15		264,363,226		453,211,215
d) Short Term Loans and Advances	16		162,440,869		140,763,066
			686,861,143		870,030,477
Total			1,476,023,054		2,229,655,985
Significant Accounting Policies	1				
The notes are an integral part of the financial statements					

In terms of our report of even date.

For B.K. Shroff & Co.
Chartered Accountants
Firm Registration No. 302166E

L.K. Shroff
M. No.060742
Partner
Place : Kolkata
Date : 05.09.2014

M.K. Singh
Chairman & Managing Director

A.K. Deori
Director

V. Pal
Chief of Finance

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

	Note no.	For the year ended 31st March 2014		For the year ended As at 31st March 2013	
		Rs.	Rs.	Rs.	Rs.
Income					
Revenue from Operation			-		651,820
Less Excise Duty			-		-
			-		651,820
Other Income	17		30,024,621		31,595,592
Total Revenue			30,024,621		32,247,412
Expenses					
Raw Materials Consumed	18		-		-
Stores and Spares Consumed	19		-		67,657
Changes in inventory of Finished Goods, WIP and Scrap	20		-		(446,588)
Execution Expenses in respect of Service Activity			-		586,638
Employees Remuneration and Benefits	21		1,123,702,357		1,053,363,083
Manufacturing, Administration, Selling and Distribution Expenses	22		96,063,682		79,406,705
Depreciation	23		51,907,611		71,797,177
Provisions and Write off	24		518,345,139		407,625,016
Finance Charges	25		5,877,419,426		5,704,896,198
Prior Period Adjustments (Net)	26		181,398,787		1,565,240,365
Total Expenses			7,848,837,002		8,882,536,251
Loss before Exceptional item and Tax			(7,818,812,381)		(8,850,288,839)
Loss due to theft/Damage and decayed			-		180,237
Profit / (Loss) for the year			(7,818,812,381)		(8,850,469,076)
Earning per Share - Basic and Diluted			(18.64)		(21.10)
Significant Accounting Policies	1				
The Accompanying notes are an integral part of the financial Statement					

In terms of our report of even date.

For B.K. Shroff & Co.
Chartered Accountants
Firm Registration No. 302166E

L.K. Shroff
M. No.060742
Partner
Place : Kolkata
Date : 05.09.2014

M.K. Singh
Chairman & Managing Director

A.K. Deori
Director

V. Pal
Chief of Finance



Cash flow Statement for the year

2013-14

2012-13

	(Rs.)	(Rs.)	(Rs.)	(Rs.)
A. Cash flow from operating Activities				
Net profit/loss (-) before taxation and extra-ordinary items		(7,818,812,382)		(8,850,469,076)
Add / (Less) Adjustments for :				
Depreciation	51,907,611		71,797,177	
Less Adjustments	<u>47,499</u>	51,955,110	<u>(2,055,636)</u>	69,741,541
Provision for Gratuity		175,285,717		25,385,646
Other Provisions		214,435,071		100,728,433
Provision for Accrued Leave liability		32,242,435		14,439,430
Provision for slow / non moving stores and materials lying with fabricators and ancillaries		-		533,645
Provision for Doubtful Debts		267,098,521		222,153,438
Provision for Doubtful Advances		35,367,600		84,209,500
Interest Income		(17,193,468)		(17,041,802)
Interest Expense		<u>5,999,515,313</u>		<u>5,290,086,882</u>
Operating Cash flow before working capital change		<u>(1,060,106,083)</u>		<u>(3,060,232,363)</u>
Adjustments for :-				
Decrease/(Increase) in inventories		15,422,821		(322,468)
Decrease/(Increase) in Trade Receivables		35,965,034		(360,455)
Decrease/(Increase) in Loans & Advances		(13,774,611)		(29,288,650)
Decrease/(Increase) in Other Non Current Liabilities		(568,484)		297,930
Decrease/(Increase) in Current Liabilities (incl other adjustment)		<u>(145,389,640)</u>		<u>2,139,788,497</u>
		<u>(108,344,880)</u>		<u>2,110,114,854</u>
Less :Direct Tax paid during the year (TDS)		<u>1,172,382</u>		<u>1,168,367</u>
Net Cash from Operating Activities	A	<u>(1,169,623,345)</u>	A	<u>(951,285,876)</u>
B. Cash flow from Investing Activities				
Purchase of Fixed Assets		(504,644)		(272,745)
Fixed Assets sold/discarded		140,919		
Interest received		<u>17,193,468</u>		<u>17,041,802</u>
Net Cash from Investing Activities	B	<u>16,829,743</u>	B	<u>16,769,057</u>
C. Cash flow from Financing Activities				
Loan Received		1,001,057,117		1,188,345,152
Interest and Finance Charges paid (Net of Adjustment)		-		-
Net Cash from Financing Activities	C	<u>1,001,057,117</u>		<u>1,188,345,152</u>
Net Increase / Decrease (-) in Cash & Cash Equivalents (A+B+C)		<u>(151,736,485)</u>		<u>253,828,333</u>
Cash & Cash Equivalents (Opening)		416,099,711		162,271,378
Cash & Cash Equivalents (Closing) (Represented by Cash & Bank Balances)		264,363,226		416,099,711

In terms of our report of even date.

For B.K. Shroff & Co.
Chartered Accountants
Firm Registration No. 302166E

L.K. Shroff
M. No.060742
Partner
Place : Kolkata
Date : 05.09.2014

M.K. Singh
Chairman & Managing Director

A.K. Deori
Director

V. Pal
Chief of Finance

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES :

a) Basis of Accounting

The accounting and financial statements are prepared on the basis of historical cost convention in accordance with the generally accepted accounting policies in India and the provisions of Companies Act, 1956.

b) Fixed Assets :

Cost of Fixed Assets, with the exception of land given by the State Government of West Bengal and Andhra Pradesh free of cost, comprises its purchase price, cost of bringing the asset in its working condition for its intended use and financing cost relating to deferred credit/borrowed fund attributable to construction/acquisition for the period till it is put to use.

Land given to the Company free of cost by West Bengal Government for erection of the factory at Rupnarainpur in 1952-53 is valued at a nominal price of Rs. 1,53,000/-. Similarly, land given by Andhra Pradesh Government free of cost for construction of factory at Hyderabad is valued at a nominal price of Rs. 30,000/-. The valuation of these lands have been accounted for with the appropriate credit in Capital Reserve Account.

The gain or loss arising out of restatement of foreign currency loan at a rate prevailing as on the date of Balance Sheet is treated as adjustment of cost of fixed asset and is included in the carrying amount of the appropriate fixed asset.

c) Depreciation :

Depreciation on fixed assets is charges on straight line method as per rates prescribed in Schedule XIV to the Companies Act, 1956. Provision for extra depreciation for double and triple shift working is made on plant basis. Fixed assets except Land, Building, Furniture and fittings, office Equipments and Appliances, costing individually Rs. 5,000/- or below are fully depreciated in the year of acquisition/commissioning. Depreciation is charged on pro rata monthly basis on additions/disposals of assets during the year taking the first day of the month for acquisition/construction and last day of the month of the disposal. Leasehold land is a mortised over the lease period.

d) Inventories :

The Inventories comprising of finished goods including despatches in transit, work in progress, raw materials, miscellaneous stores and spares and scrap stores are valued at the lower of cost and net realisable value.

e) Liability :

All known and ascertained liabilities, except of immaterial in nature, as on the data of Balance Sheet are taken into Account on accrual basis.

f) Foreign Exchange :

Foreign Exchange differences are dealt with as follows :

- i) All exchange differences in the nature of gain or loss are dealt with in the Profit & Loss Account of the current period.
- ii) All exchange differences in the nature of gain or loss pertaining to Foreign Currency Loan are restated at the rates ruling as on the date of Balance Sheet and any material exchange difference in



the nature of gain or loss arising on such restatement are dealt with in the Profit & Loss Account of the current period

g) Capitalisation of Revenue Expenditure During Construction Period:

The revenue expenditure incurred during the construction period of a project including normal revenue expenses, materials consumed, depreciation on construction equipments and interest on borrowed fund and any advance paid to the contractor s/ suppliers of machinery is being capitalised.

h) Sales and Services :

Sales revenue is recognised on the transfer of title in the property of goods despatched for a price provided no significant uncertainty exists regarding the amount of consideration receivable for which estimated provision is made in the Accounts against Sales Revenue.

Revenue from services is recognised on the basis of proportionate completion method provided there exists no significant uncertainty regarding the amount of consideration and ultimate collection thereof. The provision for contingencies, if material, is made in the accounts against Sales Revenue.

The materials supplied by customers are included in Stores and Spares consumed as well as in Sales.

l) Research and Development

The net revenue expenditure of Research and Development activities is charged to the Profit & Loss Account in the year in which it is incurred.

Fixed Assets installed at Research and Development Centres are capitalised and depreciated in the like manner that of other Fixed Assets.

j) Prior period items :

Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements or one or more prior periods and accounted for accordingly.

k) Gratuity and Retirement Benefits :

Gratuity payable to eligible employees is administered by a separate Trust which has taken master policy under the Group Gratuity Scheme of the Life Insurance Corporation of India, based on the Actuarial Valuation.

Expenditure incurred under voluntary retirement scheme out of Company's funds as well as borrowed funds is charged in the same year in which the same is crystallised and paid off after necessary procedural compliances.

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

		As at 31st March, 2014		As at 31st March, 2013	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Note 2	Share Capital				
	Authorised:				
	45,00,00,000 Equity Shares @ Rs. 10/- each				
	(Previous year 45,00,00,000 Equity Shares of Rs. 10 each)		4,500,000,000		4,500,000,000
	Issued, Subscribed and paid -up:				
	419,361,125 Equity Shares of Rs. 10 each fully paid-up				
	(Previous year 419,361,125 Equity Shares of Rs. 10 each)		4,193,611,250		4,193,611,250
	a) There is no change/movement in number of Shares outstanding at the beginning and at the end of the reporting period.				
	b) Details of Shareholders holding more than 5% Shares in the Company :				
	Equity Shares of Rs. 10/- each fully paid	No. of Shares	% of Holding	No. of Shares	% of Holding
	President of India	417,692,325	99.60	417,692,325	99.60
	c) No. Calls are unpaid by any Director of the Company during the year.				
	d) No. Shares have been allotted or has been bought back by the Company during the 5 years proceedings the date of which Balance Sheet is prepared				
Note 3	Reserves and Surplus				
	Capital Reserve		183,000		183,000
	(represents the credit for land acquired free of cost from Govt. of AP & WB).				
	Debenture Redemption Reserve		167,503,620		167,503,620
	Bond Redemption Reserve		399,712,698		399,712,698
		A	597,399,318	A	597,399,318
	Surplus/(Deficit)				
	Opening Balance		(57,887,013,339)		(49,036,544,263)
	Add: Net loss for the year		(7,818,812,381)		(8,850,469,076)
	Closing Balance	B	(65,705,825,720)	B	(57,887,013,339)
	Net Balance	A+B	(65,138,426,402)	A+B	(57,319,614,021)



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

		As at 31st March, 2014		As at 31st March, 2013	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Non Current Liabilities					
Note 4	Long Term Borrowings				
	I) Secured Loans				
	A) Debentures :				
	20,00,000 Secured Redeemable Non-Convertible Debentures of Rs. 100/- each redeemable at par as below :				
	Issued to	Amount	Rate of	Date of	
		(Rs. in lacs)	interest	redemption	
	Unit Trust of India	666.666	14% p.a.	01.07.2001	
	-do-	666.667	14% p.a.	01.07.2002	
	-do-	666.667	14% p.a.	01.07.2003	
		<u>2000.000</u>			
			200,000.000		200,000,000
	Add: Interest Accrued and Due		<u>1,176,309,542</u>	1,376,309,542	<u>1,002,122,055</u> 1,202,122,055
	Secured by mortgage of immovable properties, hypothecation of all movable properties excluding book debts and second charge on the stocks and book debts of Rupnarinpue Unit.				
	B) Bonds :				
	8,00,000 Secured Redeemable Non-Convertible Bonds of Rs. 1000/- each redeemable at per as below :				
	Issued to	Amount	Rate of	Date of	
		(Rs. in lacs)	interest	redemption	
	Unit Trust of India	3000.000	13% p.a.	08.08.2001	
	-do-	1000.000	13% p.a.	11.12.2001	
	-do-	3000.000	14% p.a.	14.10.2003	
		<u>7000.000</u>			
	Life Insurance Cor.	1000.000	13% p.a.	10.03.2002	
		<u>8000.000</u>			
			800,000.000		800,000,000
	Add: Interest Accrued and Due		<u>4,152,019,605</u>	4,952,019,605	<u>3,550,034,281</u> 4,350,034281
	Secured by :				
	i) Mortgage by Deposit of Title Deeds by way of constructive delivery				
	a) Over the company's immovable properties situated at Rupnarianpur as and by way of first charge ranking pari passu with the mortgage and / or charge already created by the company over the Rupanarianpur properties for the holders of Debentures and				
	b) Over the company's right, title, interest whatsoever in respect of Hyderabad Unit as and by way of first charge ranking pari passu with the first charge and / or Mortgage already created.				
	ii) Hypothecation of all movable properties subject to the charge created or to be created on the Stocks and Book Debts of the Company in favour of Company's Bankers and Debenture holders.				
	Carried forward		<u>6,328,329,147</u>		<u>5,552,156,336</u>

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

	As at 31st March, 2014		As at 31st March, 2013	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Brought forward		6,328,329,147		5,552,156,336
C) Loan from Industrial Finance Corporation of India Ltd.	158,250,000		158,250,000	
Add : Interest Accrued and Due	<u>2,167,084,563</u>	2,325,334,563	<u>1,882,395,255</u>	2,040,645,255
Secured by :				
i) Mortgage by deposit of Title Deeds of Company's immovable properties (particularly land and building) situated at Rupnarainpur, Hyderabad, Naini and Narendrapur, as and by way of first charge ranking pari passu with the mortgage and/ or charges already created by the Company over the said properties of Rupnarainpur and Hyderabad for the holders of Debentures and Bonds, and				
ii) Hypothecation of all movable properties subject to the charge created or to be created in favour of Company's Bankers by way of security for borrowing of working capital.				
D) Supplier's Credit Loan from industrial Finance Corporation of India Limited - Restructured Secured by creation of pari-passu charge on Fixed Assets of the Company.		266,350,018		266,350,018
E) Deferred Credit Loan from IFCI		2,240,990,448		1,887,270,413
Secured by created of Pari-passu charge on Fixed Assets of the Company				
F) Cash Credit / WCDL (Incl. interest) from :				
i) State Bank of India	8,642,274,723		7,499,850,914	
ii) Bank of India	4,317,732,434		3,670,757,356	
iii) Indian Overseas Bank	595,414,777		516,706,271	
iv) State Bank of Saurashtra	<u>1,712,077,651</u>	15,267,499,585	<u>1,485,757,806</u>	13,173,072,347
Secured by :				
i) Hypothecation of Company's entire stocks of Book Debts, both present and future, ranking pari passu inter-se, with the charges created in favour of members of the Consortium of banks.				
ii) Guarantee of Govt. of India for Rs. 112 crore in favour of members of the Consortium of bank		<u>A 26,428,503,761</u>		<u>22,919,494,369</u>
iii) Unsecured Loans:				
From Government of India	10,933,468,684		9,932,411,567	
Add Interest Accrued & Due	<u>12,974,061,088</u>	23,907,529,772	<u>10,691,187,546</u>	20,623,599,113
Government of India Guaranteed, Non-Convertible Bonds				
13.25% Redeemable on 01.09.2005				
13.50% Redeemable on 01.12.2005				
Add Interest Accrued & Due				
From Housing Development Finance Corporation	9,908,449		9,908,449	
Add : Interest Accrued and Due	<u>55,230,430</u>	65,138,879	<u>51,386,627</u>	61,295,076
Other Project Loans	107,978,543		107,978,543	
Add: Interest Accrued and Due	<u>952,590,669</u>		<u>818,854,201</u>	
Deferred Credit Term Loan with BOB		1,060,569,212		926,832,744
		<u>136,509,641</u>		<u>66,457,533</u>
		<u>B 25,169,747,504</u>		<u>21,678,184,466</u>
Total	A+B	<u>51,598,251,265</u>		<u>44,597,678,835</u>



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

		As at 31st March, 2014		As at 31st March, 2013	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Note 5	Other Long Term Liabilities				
	Trade Payables :				
	For Goods & Services	391,679,079		392,273,416	
	Security Deposit Contractors	11,444,003		11,411,180	
	Advances from Customer	230,145		230,145	
		<u>403,353,257</u>		<u>403,921,741</u>	
Note 6	Long Term Provisions:				
	Provision for Civil Court Case	7,000,000		7,000,000	
	Provision for Gratuity	130,217,493		220,407,029	
	Provision for Eamed Leave Salary	315,535,650		292,775,606	
	Provision for Sick Leave Salary	149,373,671		136,716,611	
		<u>602,126,814</u>		<u>656,899,246</u>	
Note 7	Current Liabilities				
	Trade Payables :				
	For Expenses	1,603,886,921		1,418,039,407	
	For Statutory Liabilities	2,625,872,817		2,400,221,003	
	Advances from Customers	3,925,681,421		3,709,796,610	
	Grant from GOI	21,579,884		18,868,905	
	Inter Unit Adjustment	38,903,529		38,903,529	
	Interest Accrued and Due on MSMED	24,701,530		18,819,426	
	Interest on advance from BSNL	280,223,588		267,438,588	
	Interest on advance from MTNL	205,872,492		190,405,787	
	For leave salary of Ex-Employees	30,798,035		23,968,180	
	Other Liabilities	715,835,001		656,164,509	
	Interest accrued but not due	264,766,865		862,310,544	
		<u>9,738,134,958</u>		<u>9,604,949,363</u>	
Note 8	Short Term Provisions:				
	Provision for Trade Receivables	-		-	
	Provision for Gratuity	45,068,224		55,135,214	
	Provision for leave salary of Ex-employees	-		-	
	Provision for Sick Leave encashment	14,332,308		13,166,105	
	Provision for EL encashment	19,571,380		23,912,252	
		<u>78,971,912</u>		<u>92,209,571</u>	
	Non Current Asset :				
Note 10	Capital work - in - Progress				
	Modemisation, Expension and	170,866,133		170,866,133	
	Diversification Project	-		-	
	Materials and Advances against Capital	3,310,251		3,610,251	
	works	-		-	
	Expenditure during construction pending allocation	359,283,517	533,459,901	259,283,517	533,759,901
	Less Provision for Capital WIP	503,642,167		302,185,300	
	Less Provision for Adv Against Capital Works	3,310,251	506,952,418	3,610,251	305,795,551
		<u>26,507,483</u>		<u>227,964,350</u>	

NOTE 9 : Fixed Asset

Tangible Assets

	Freehold Land	Leasehold Land	Land Development	Factory & Office Building	Building Residential	Water Supply and Sanitation	Plant and Machinery	Railway Siding	Furniture Fittings, off. Equipments	Electrical Installation	Motor Car & Lorry	Fire Fighting Equipments	Telephone Installation	Road Roller	Computers	Total
COST																
As at 31.3.2013	3,106,801	6,757,932	31,139,737	267,038,578	138,933,028	40,512,422	4,509,026,562	2,133,324	83,932,530	147,938,457	9,907,078	597,702	3,618,438	51,299	10,233,908	5,254,927,796
Additions during the year	-	-	-	-	-	159,094	-	-	161,850	-	-	-	-	-	183,700	504,644
Transfer Deductions Adjustments	-	-	-	-	-	-	-	-	(42,175)	(61,200)	-	-	-	-	(37,544)	(1,40,919)
As at 31.3.2014	3,106,801	6,757,932	31,139,737	267,038,578	138,933,028	40,671,516	4,509,026,562	2,133,324	84,052,205	147,877,257	9,907,078	597,702	3,618,438	51,299	10,380,064	5,255,291,521
DEPRECIATION																
As at 31.3.2013	-	1,832,019	16,542,494	204,199,759	64,234,135	36,723,634	4,201,843,854	2,070,377	73,792,950	140,842,939	9,671,643	580,409	3,460,406	51,299	9,608,188	4,765,374,106
For the year	-	69,273	393,218	6,262,785	2,354,905	357,428	42,237,695	-	103,606	63,055	-	1,407	4,230	-	60,009	51,907,611
Transfer/ Deductions Adjustments	-	-	-	-	-	-	-	-	(9,473)	(13,682)	-	-	-	-	(24,344)	(47,499)
As at 31.3.2014	-	1,901,292	16,935,712	210,382,544	66,589,040	37,081,062	4,244,081,549	2,070,377	73,887,083	140,892,312	9,671,643	581,816	3,464,636	51,299	9,643,853	4,817,234,218
NET BLOCK																
As at 31.3.2013	3,106,801	4,925,913	14,597,243	62,918,820	74,698,892	3,788,788	307,182,708	62,947	10,139,580	7,095,518	235,435	17,293	158,032	-	625,720	489,553,690
As at 31.3.2014	3,106,801	4,856,640	14,204,025	56,656,034	72,343,988	3,590,454	264,945,013	62,947	10,165,122	6,984,945	235,435	15,886	153,802	-	736,211	438,057,303

- Note : 1. Rs. 31,618/- is being added to the value of "Freehold Land" by way of adjustment from " Land Development, Culverts, Walls & Fences". No. depreciation has been adjusted in view of the Assets fully depreciated in the earlier year included in the depreciation of the Asset.
2. Leasehold Land Rs. 67,57,932/- include Rs. 5,23,371/- as Land Development which hitherto being not amortized. now amortized coterminous to the amortization of the lease value of the land with adjustment in the P/A/c as necessary.
3. The land development represents the connecting road in the factory, being depreciated at the rate applicable for Roads & Culverts.
4. The figure of transfer out of Land Development, Culverts & Walls, Fences include KMDA Leasehold land Rs. 47,62,350/- surrendered and reclassified as Leasehold land in the current year.



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

		As at 31st March, 2014		As at 31st March, 2013	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Note 11	Long Term Loans and Advances				
	Advance & Claims Recoverable		3,658,000		3,658,000
	Deposit & Advances against supplies incl. Advance recoverable in cash or kind or for value to be received				
	Secured	2,724,689		2,496,989	
	Unsecured - Considered Good	54,448,023		69,211,156	
	Unsecured - Considered Doubtful	61,714,214		55,634,561	
	Deposit with Customs, Port Authorities and Other Govt. Department	4,064,103		4,064,103	
	Advance Payment of Sales Tax	752,701		752,701	
	Advance Payment of WCT	2,015,332		2,015,332	
	Advance & Claims Recoverable	250,000		250,000	
	Advance against supplies	-		-	
	Deposit with Customs, Port Authorities etc	-		-	
	Considered Good	14,541,086		14,541,086	
	Considered Doubtful	20,260,605	160,770,753	20,260,605	169,226,533
	Less Provision for Custom Duty	1,506,495		1,506,495	
	Provision for Doubtful Loans and Advances	34,203,956		27,575,160	
	Provision for FR & TR Charges Recoverable	24,088,240		24,088,240	
	Provision for Foam Skin insulated Cable M/C	4,576,410		4,576,410	
	Provision for Unadjusted Dr. Balance of S/Creditors	19,593,894	83,968,995	19,655,356	77,401,661
			<u>80,459,758</u>		<u>95,482,872</u>
Note 12	Other non Current Assets				
	Trade Receivables				
	Debts outstanding for a period exceeding 12 months				
	Considered Good		244,137,367		479,477,815
	Considered Doubtful		1,486,263,021		1,286,311,280
			<u>1,730,400,388</u>		<u>1,765,789,095</u>
	Less Provision for Trade Receivables		1,486,263,021		1,219,164,499
			<u>1,486,263,021</u>		<u>1,219,164,499</u>
			<u>244,137,367</u>		<u>546,624,596</u>
	Current Assets				
Note 13	Trade Receivables (considered good)				
	Debts Outstanding from 6 months to 12 months		48,654		615,201
	Debts Outstanding less than 6 months		320,346		330,126
			<u>369,000</u>		<u>945,327</u>

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

		As at 31st March, 2014		As at 31st March, 2013	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Note 14	Inventories				
	i) Miscellaneous Stores (at cost)		72,013,235		71,787,467
	ii) Small tools and spares - Others		<u>34,887,850</u>		<u>34,887,850</u>
			106,901,065		106,675,317
	Less Loss due to Fire		2,619,665		
	Less Provision for Slow/Non-Moving Stores		<u>73,493,467</u>		<u>71,464,542</u>
			<u>30,787,953</u>		<u>35,210,775</u>
	iii) Stock of scrap Stores at cost or realisable value, whichever is lower		68,612,622		68,612,622
	Less Excise Duty		<u>8,546,547</u>		<u>8,546,547</u>
			<u>60,066,075</u>		<u>60,066,075</u>
	iv) Raw Materials at cost (This includes inspection /in transit)		90,857,580		90,811,400
	Less Loss due to fire		286,581		
	Less Provision for Stock		60,654,016		53,043,470
	Less Provision for Doubtful balance with Fabricators		14,838,000		14,838,000
	Less Provision for Slow/Non-moving R.M		<u>2,930,588</u>		<u>2,892,657</u>
			<u>12,148,395</u>		<u>20,037,273</u>
	v) Finished Goods at cost or realisable value, whichever is lower		489,341		489,341
	Less Provision for Unusable FG		<u>178,415</u>		<u>178,415</u>
			<u>310,926</u>		<u>310,926</u>
	vi) Work-in-Proress at cost or realisable value, whichever is lower		167,195,534		167,195,534
	Less Loss due to Fire		48,000		
	Less Provision for Unusable WIP		<u>10,772,835</u>		<u>7,709,714</u>
			<u>156,374,699</u>		<u>159,485,820</u>
			<u>259,688,048</u>		<u>276,110,869</u>
Note 15	Cash & Cash Equivalents				
	Cash in hand	1,644,252		1,124,200	
	Cheques in hand	60,000,000		-	
	Stamps in hand	<u>165</u>	61,644,417	<u>492</u>	1,124,692
	In Fixed Deposits with Scheduled Banks:				
	BOI	2,296,652		9,879,258	
	Allahabad Bank	31,224,484		30,043,695	
	Canara Bank (incl Statutory Dues fund of Rs. 18.02 Cr.)	-		181,791,279	
	State Bank of India	<u>107,165,077</u>	140,686,213	<u>119,532,803</u>	341,247,035
	In current Accounts with Scheduled Banks :				
	Margin money with SBI	7,055,401		6,477,729	
	State Bank of India (All branch)	3,837,856		4,233,281	
	Bank of Baroda	1,000		1,000	
	Bank of India (all branch)	123,178		850,388	
	United Commercial Bank	-		-	
	United Bank of India	75,408		75,590	
	Canara Bank	14,881,418		58,999,789	
	Allahabad Bank	389,641		583,250	
	Indian Bank	101,643		101,944	
	Indian Overseas Bank (All branch)	<u>35,657,051</u>	62,032,596	<u>39,516,517</u>	110,839,488
			<u>264,363,226</u>		<u>453,211,215</u>
Note 16	Short Term Loan and Advances				
	Advance & Claims Recoverable		2,954,246		-
	Advance recoverable in cash or kind or for value to be received		-		-
	Considered Good		135,953,969		117,871,771
	Considered Doubtful		<u>4,381,001</u>		<u>3,187,054</u>
			<u>143,289,216</u>		<u>121,058,825</u>
	Less Provision for Doubtful Advance		<u>4,381,001</u>		<u>3,187,054</u>
			<u>138,908,215</u>		<u>117,871,771</u>
	Balance with Customs/Central Excise		11,178		11,178
	Deposit and Advances against Supplies		-		-
	Advance Payment of Income Tax and TDS		<u>23,521,476</u>		<u>22,880,117</u>
			<u>162,440,869</u>		<u>140,763,066</u>



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

		As at 31st March, 2014		As at 31st March, 2013	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Note 17	Other Income				
	Interest (incl TDS CY - Rs. 11,72,382/- PY - Rs. 11,68,367)		17,193,468		17,041,802
	Miscellaneous Income		12,831,153		14,553,790
			<u>30,024,621</u>		<u>31,595,592</u>
Note 18	Raw Materials Consumed				
	Opening Stock	90,811,400	-	90,811,385	
	Less Materials awaiting inspection/in transit reversed/Theft	<u>1,072,261</u>	89,739,139	<u>785,680</u>	90,025,705
	Add : Purchases / transfer - incidental Raw Material		831,860		869,815
			90,570,999		90,895,520
			<u>90,570,999</u>		<u>90,811,400</u>
	Less : Closing Stock		-		84,120
	Less Transfer to Water Supply & Sanitation		-		<u>84,120</u>
			<u>-</u>		<u>-</u>
Note 19	Stores, Spare Parts and Small, Tools Consumed				
	Opening Stock	106,675,318		106,799,453	
	Less : Loss due to Fire	2,619,665		-	
	Less Material awaiting inspection/in-transit reversed /Theft damaged / decayed	4,892,568	99,163,085	<u>5,072,805</u>	101,726,648
	Add : Purchases (including joining Materials)		<u>5,973,832</u>		<u>5,617,050</u>
			105,136,917		107,343,698
	Less Transferred to Power & Fuel	220,828		220,828	
	Closing Stock	104,281,421		106,675,318	
	Transfer - Incidental Raw Material	46,180		84,135	
	Transfer to Other Repair & Maintenance	588,488	105,136,917	295,760	107,276,041
			<u>-</u>		<u>67,657</u>
Note 20	Changes in Inventory of Finished Goods, WIP & Scrap				
	Opening Stock				
	Finished Goods	464,386		464,386	
	Work in Progress	167,147,534		167,195,534	
	Scrap	60,066,075	227,677,995	60,066,075	227,725,995
	Less: Opening Stock				
	Finished Goods	464,386		464,386	
	Work in Progress	167,195,534		166,748,946	
	Scrap	60,066,075		60,066,075	
	Loss due to fire	48,000	227,677,995		227,279,407
	Net Increase / (Decrease)		<u>-</u>		<u>(446,588)</u>
Note 21	Employees Remuneration and Benefits				
	Salaries & Wages (including Directors' remuneration)		770,735,042		693,413,160
	Contribution to-		-		-
	Provident Funds & Other Funds		85,377,185		74,144,940
	Expenditure on Earned leave		4,174,790		1,341,160
	Expenditure on Medical Leave		-		-
	Provision for Eamed Leave		35,825,843		46,382,531
	Provision for Medical Leave		8,169,844		7,819,897
	Provision for Leave Salary of Ex - employees		18,942,431		18,802,397
	Gratuity		95,316,827		132,929,887
	Staff Welfare Expenses		105,160,395		78,529,111
			<u>1,123,702,357</u>		<u>1,053,363,083</u>

HINDUSTAN CABLES LIMITED

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

	As at 31st March, 2014		As at 31st March, 2013	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Note 22	Manufacturing, Administration, Selling and			
Distribution Expenses		4,124,079		5,011,732
Power & Fuel		31,107,401		27,038,064
Electricity Charges		10,609,811		7,698,365
General Charges Factory		4,343,763		3,685,031
R & D Expenses				
Repairs to :				
Plant & Machinery		-		-
Buildings	573,936		18,650	
Others	2,478,004	3,051,940	1,754,720	1,773,370
Insurance		2,854,254		793,482
Rates and Taxes		11,733,717		11,468,146
Rent		4,389,380		4,485,448
Travelling & Conveyance		5,413,391		2,105,887
Postage, Telegram & Telephone		1,042,996		674,713
Bank charges		406,751		73,382
Remuneration to Auditors :				
For Statutory Audit	126,405		126,405	
For Tax Audit	16,854	143,259	16,854	143,259
Printing & Stationery		1,028,442		758,398
Miscellaneous Expenses		11,914,316		10,273,005
Minor Capital Works chargeable to revenue		-		-
Security Expenses		3,900,182		3,424,423
		<u>96,063,682</u>		<u>79,406,705</u>
Note 23	Depreciation			
Depreciation on Tangible Assets		<u>51,907,611</u>		<u>71,797,177</u>
Note 24	Provisions & Write Off :			
Provision for Gratuity		-		-
Provision for Doubtful Advances		35,367,600		44,209,500
Provision for Earned Leave Salary		-		-
Provision for Sick Leave Salary		-		-
Provision for Doubtful Debts		267,098,521		262,153,438
Provision for Leave Salary of Ex Employees		-		-
Provision for Stores		2,028,925		13,997
Provision for WIP		3,063,121		416,264
Provision for Slow moving Goods		-		103,384
For Raw Material		7,648,477		-
For Adhoc Advance		69,481		-
For Adhoc Recoverable Advance		168,200		-
Provision for Capital WIP		201,456,867		100,728,433
		<u>518,345,139</u>		<u>407,625,016</u>
Note 25	Finance Charges :			
Interest on:				
Debentures		174,187,487		152,142,095
Bonds		601,985,324		528,726,061
Bank Borrowings		2,470,062,589		2,176,575,102
Govt. of India Loan		1,685,329,864		2,130,826,869
Others		936,259,246		707,031,155
Guarantee fee to Govt. of India		6,901,408		6,901,408
Delayed Payment of central excise		1,916,043		1,916,043
Gurantee Commission		777,465		777,465
		<u>5,877,419,426</u>		<u>5,704,896,198</u>
Note 26	Prior Period Adjustment			
Other Income		(6,825)		(2,786,474)
Raw Materials, Stores and Spares		(46,463)		(59,747)
Employees Remuneration and Benefits		126,291,018		58,134,496
Other Expenses		52,490,683		1,512,002,302
Depreciation		-		(2,050,212)
WBP Tax and Interest		2,693		-
		<u>181,398,787</u>		<u>1,565,240,365</u>



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

		As at 31st March, 2014		As at 31st March, 2013	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Note 27	Contingent liability not provided for :				
	a) Claims against the Company not acknowledged as debts				
	Reimbursement to Govt. of Andhra Pradesh towards laying external pipelines for water supply to factory.		1.50		1.50
	b) Estimated amount of contracts remaining to be executed on Capital Account not provided for (net of advance)		8.21		8.21
	c) Other money for which the Company is contingently liable				
	i) Cases under Arbitration	741.82		628.32	
	ii) Other Court Cases	587.24		588.08	
	iii) Disputed Customs Duty Liability & port rent	929.65		929.55	
	iv) Arrear against pay revision (including PF)	2898.37		3011.89	
	v) Proposal for Levy of Damages u/s 148 of the EPF & MP Act, 1952	1,719.26		-	
	vi) Disputed interest liability to MMTC pending negotiation	273.78		273.78	
	vii) Claim of a contractor under subjudice	24.25		24.25	
	viii) Others	233.70		85.59	
	ix) Case pertaining to Bank of Baroda vs HCL	1793.53		1597.02	
	x) Disputed claim of sub contractor/Suppliers/Consultant	78.33		67.55	
	xi) Estimated amount of Excise Duty and interest thereon, not provided for	1814.21		1598.67	
	xii) Balance Gratuity awarded to V.R. Employees by Asst Labour Commissioner	10.92		10.92	
	d) In none of the cases cash outflow is envisaged at this point of time as assessed by the management				
	e) There are other court cases with civil/High court of Allahabad not acknowledged by the company (27 nos.) involving HCL, pending from the earlier years for which reliable estimate of the liability could not be made nor any probable cash outflow is envisaged at the point of time.				
	f) Arbitration awards in 3 cases amounting to Rs. 74.36 lacs has gone against the Company for which the Company is thinking to the Court case for redressal				

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

Note 28		Dry Core Cable (Incl Aluminium Sheathed Cables)	Jelly Filled Cables	Copper Coated Steel Wires	Coal Cord & Computer Cord	Fibre Optic Cables	Systems Accessories Jointing Materials	Special Purpose Machines	Turnkey Services	Tool Cutter Grinder & Others
a)	Licensed Capacity	NA	NA	NA	NA	NA	NA	NA	NA	NA
b)	Installed Capacity (As certified by Management)	1200 KM 1 LCKM (1200 KM) (1 LCKM)	75700 KM 119.57LCK M (75700 KM) (119.57LCK M)	NIL (NIL)	2.5 Million Sets (2.5 Million)	55060FKM (55080 FKM)	- - -	24 No. (24 No)	NA	24 No. (24 No.)
c)	Actual Production Quantity in LKM	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	Quantity in LKM TKM/MT/FKM/SETS	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	Value (Rs. in Lakhs)	- (-)	- (-)	- (-)	- (-)	- (-)	- (194.97)	- (-)	- (-)	- (-)
d)	The Opening and Closing Stock of Goods Produced									
i)	Opening Quantity in LKM	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	Quantity in LCKM/TKM/MT/FKM	- (-)	- (-)	1.60 (1.60)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	Value (Rs. in Lakhs)	- (-)	- (-)	3.28 (3.28)	- (-)	- (-)	- (194.97)	- (-)	- (-)	1.62 (1.62)
ii)	Closing Quantity in LKM	- (-)	- (-)	(-) (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	Quantity in L:CKM/TKM/MT/FKM/SET	- (-)	- (-)	1.60 (1.60)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	Value (Rs. in Lakhs)	- (-)	- (-)	3.28 (3.28)	- (-)	- (-)	- (194.97)	- (-)	- (-)	1.62 (1.62)
e)	Turnover Quantity in LKM	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	Quantity in LCKM TKM/MT/FKM	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
	Value (Rs. in Lakhs) including C.E.Duty	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)

Quantities of opening and closing balances are taken net of scrapped quantity. Previous year figures are given in bracket (-).



Note 29 Value of important basic Raw Materials Consumed (as per cost Records)

	Jelly Filled Cables		Coil Cord		Machine Tool Works		Previous Year	
	Quantity (in MT)	Value (Rs. in Lacs)	Quantity (in MT)	Value (Rs. in Lacs)	Quantity (in MT)	Value (Rs. in Lacs)	Quantity (in MT)	Value (Rs. in Lacs)
Copper Wires/Red	-	-					-	-
Galvanised Steel Tape	-	-					-	-
Polyester Tape	-	-					-	-
Polythene (BN. W & Black)	-	-					-	-
Polyal Tape/Laminate	-	-					-	-
Petroleum Jelly	-	-					-	-
LDPE	-	-					-	-
MDPE	-	-					-	-
Cadmium Copper			-	-			-	-
Modular Plugs (Pairs)			-	-			-	-
PVC Sheathing			-	-			-	-
Others								
Polyester Film	-	-					-	-
H.F. Tape (Roll)	-	-					-	-
TOTAL		-		-		-		

Note 30

A) Value of Imports calculated on C.I.F basis during the financial year	2012-13 2011-12	Raw Materials -	Components & Spares -	Capital Goods -
B) Expenditure in Foreign Currency during the year account of ..	2012-13 2011-12	Royalty/ Known-how -	Professional/ Consultation fees -	Interest & Other charges -
C) i) Consumption of imported materials during the year	2012-13 2011-12	Raw Materials Value -	% of total Consumption 0.00%	Components & Spares Value -
ii) Consumption of indigenous materials during the year including jointing Materials	2012-13 2011-12	-	0.00%	0.00
D) The Amount remitted during the year in foreign currency on account of dividend	2012-13 2011-12	Amount Rs. -	No. of Non-resident Shareholders -	No. of Shares held by them -
E) Earnings in Foreign Exchange (Accrual Basis)	2012-13 2011-12	Export of goods calculated on F. O. B. basis -	Royalty, Known-how & Professional Consultation fees -	Interest & Dividends -
			2013-14 Rs. in lacs	2012-13 Rs. in lacs

NOTE 31 The following expenditure were incurred during the year as social overhead which are included in the Profit and Loss Account under the relevant heads:

a) Expenditure on township (excluding interest charges on building)	735.86	570.15
b) Expenditure on Schools	186.42	154.24
c) Medical Expenditure	609.32	534.61
d) Subsidies in regard to social and cultural activities	19.70	15.77

NOTE 32 Directors' Remuneration

The Salary and allowances (including HRA & CCA) paid to KM Personnel under AS-18 considered as a related party transaction during the year is as under.:

Directors (including Managing Director)

Pay (Basic + DA)	0.00	7.64
Allowance	0.00	0.86
Perquisites & Benefits	0.00	0.00
P.F. & Others	0.00	0.92
Total	-	9.42

NOTE 33 The Company has approached UT/LIC for rescheduling the date of maturity in respect of Bonds/ Debentures which have fallen due for redemption. Pending reschedulement interest have been provided at the rate indicated in the instrument.

NOTE 34 Debenture redemption Reserve as required by Sec 117 (c) of the Company Act 1956 has not been created as the Company has incurred losses during the year as well as the previous year.

- Note 35** i) Trade Receivable include a sum of Rs. 8420.31 lacs (previous year Rs. 8420.31 lacs) which is still pending for settlement with BSNL & MTNL. BSNL has been requested to form another committee comprising of Officers from Department of Heavy Industries. BSNL and HCL to go into the quantum of outstanding dues and bring the same for decision of the Government. In the even, if the dues are not fully settled by BSNL. the Company would take up the issue for consideration of the Committee on Disputes. Necessary adjustment will be made in the accounts in accordance with the decision of the Committee on Disputes. The Company is regularly persuing the matters.
- ii) Trade Receivables of FOU of Rs. 1071.46 lacs includes an amount of Rs. 86.56 lacs on account of liquidated damages on PIJF cable. Company has filed an appeal centrally for refund of the said amount for BSNL and no provision has been made.
- iii) A sum of Rs 699 lacs (Previous year Rs. 699 lacs) being Trade Receivables of Hyderabad Unit, realiasble pending reconciliation. The company is regularly persuing the matter.
- Note 36** Govt. of A.P. has sanctioned sales tax deferrment amounting to Rs. 832.33 lacs which has been availed by the Company between 1996-97 to 1999-2000 and is included in Sundry Liabilities. The amount is repayable after 10 year.
- Note 37** Pending confirmation from the parties, the balances in Sundry Debtors. Loans & Advances and Sundry Creditors have been taken at book balance in the opinion of the management, Sundry Debtors and Loans & Advances are realisable in the ordinary course of business at least equal to the amount at which they are stated. However, portion of Sundry Debtors. Loans & Advances and Sundry Creditors brought forward from earlier years are being scrutinised and are in the process of adjustment.
- Note 38** Research & Development Expenditure of Rs 83.28 lakhs (previous year Rs. 68.06 lakhs) allocated by R & D Unit includes depreciation of Rs. 5.05 lakhs (previous year Rs. 6.11 lakhs) which has been charged to depreciation while consolidating.
- Note 39** Term Loan Rs. 10000 lacs Rs. 2000 lacs originally availed from IFCI & BOB respectively which are secured by assignment of Deferred Receivables from BSNL under irrevocable power of attorney given by the company loan from IFCI has been treated as secured as a charge has been created in favour of IFCI on the fixed assets of the company. Loan from BOB is treated as unsecured as no debtors, against which the loan was secured, are outstanding and no other charge has been created in favour of BOB against the dues. Outstanding amount of Term Loan as on 31.03.2004 with IFCI & BOB are Rs 25073.40 lacs Rs. 1365.10 lacs respectively (Previous Year Rs. 21536.20 lacs & Rs. 664.58 lacs respectively).
- Note 40** a) In terms of the directive of the Ministry of Heavy industries & Public Enterprises relating to revision of pay of 1997 of the employees of the company, the payment of arrear salary & wages shall be made only out of the generation of internal resources. As such, no provision has been made at this stage and the same estimated at Rs. 2898.37 (previous year Rs. 3011.89 lacs) has been disclosed as a contingent liability.
- b) An amount of Rs. 58.71 lakhs was paid to the employees of Fibre Optic Unit as unsecured advance on account of revision of pay of 1997 with the stipulation of recovery. in case revision is not fully implemented Now, that payment of arrear salary is contingent upon adequate internal generation of fund by the unit, the said payment is being carried forward as recoverable advance.
- c) In terms of the directives of DHI dated 28-9-06 and 10.01.07 recovery was effected ti the extent of 25% of the arrear paid/advance given on account of pay scale revision of all the employees of the company. Subsequently, the Hon'ble High Court of Andhra Pradesh issued an interim stay order dated 19.6.07 passed in WPMP no 15791 of 2007 in W.P. No. 12646 of 2007 directing not to recovery of such arrear. As such the amount so recovered earlier of Rs. 222.85 lacs has been notionally booked in the current liability.
- Note 41** Physical verification of inventory was carried out during 2005-06 in Rupnarianpur Unit. Final Outcome in the regard is yet to be finalised. Pending reconciliation, status-quo has been maintained and inventories has been valued at book value as per the system followed in earlier years.
- Note 42** The Company has substantial carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961. The deferred tax asset that would consequently arise as on 31.03.2009 as per AS 22 has not been recognised in the financial statement in consideration of prudence. The same would be considered on the availability of sufficient taxable income against which deferred tax asset can be realised.
- Note 43**
- | Calculation of Earning per Share
(at the beginning / closing of the year) | Current Year | Previous Year |
|------------------------------------------------------------------------------|-------------------|---------------------|
| Loss as per Profit & Loss A/c. | Rs. 784,88,12,382 | Rs. 885,04,69,076/- |
| No. of Shares | 419361125 | 419361125 |
| Earning per share | (18.64) | (21.10) |
- Note 44** Revenue expenditure of Registered & Corporate Office for the year has been allocated amongst Rupnarianpur, Hyderabad, Fibre Optics and Turnkey Project Division and expenditure of R&D Centre has been allocated amongst Rupanarianpur and Hyderabad Unit as per norms adopted.



- Note 45** The Company became a sick industrial company within the meaning of Clause "O" of sub-section (1) of sub-section (3) of SICA, 1985 for which reference was made to BIFR u/s 15(1) of the Act in November, 2002. Since then the company has been incurring cash losses in all financial years including the current year. However, the accounts have been prepared on going concern basis as a revival package is under active consideration of Government of India.
- Note 46** Inter Unit balance of Rs. 379.83 lacs of Pilot Plant and Rs. 9.21 lacs of TKP Division are under reconciliation and suitable adjustments will be made on reconciliations
- Note 47** Fixed Deposits with Scheduled Banks include Rs. 76.25 lacs (PY 70.06 lacs) pledged with the respective Banks for issuance of BG in Favour of BSNL. PF. Central Excise et.
- Note 48** Land at Rupnarainpur Unit includes 7.49 acres of land. the possession of which is yet to be taken by the Company.
- Note 49** As per the provision of "The Micro, Small and Medium Enterprises Development Act. 2006" the company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdues beyond the specified period irrespective of the terms previously agreed upon them. The company is in the process of compiling information regarding the measurement and disclosure prescribed by the act. However, in view of the non receipt of critical inputs from several such parties, neither the liability for interest can be reliably estimated nor can the required disclosure be made at this point of time.
- Note 50** In respect of Rupnarainpur unit - 1) Inventory valued at Rs. 1741.88 lacs include Rs. 149.44 lacs of scrap materials which contain both metal and non-metal items. Items containing metal Rs. 142.81 lacs are valued at the 31.03.2009 rate of metal, mainly copper & lead. adjusted with the loss of metal certified by management Non-metal items are priced at the sale price last available ii) In respect of 5 (five) nos. Excise Demand cases involving Rs. 247.00 lacs no liability has been recognised in view of favorable judgement of the company from the respective appellate Authorities in those cases the Central Excise Authorities have made appeals in High Court / Supreme Court for establishing the demands.
- Note 51** The amount payable to ex-employees who opted for VRS on account of Gratuity, leave salary and Voluntary Retirement compensation has been accounted for as "Current Liability".
- Note 52** For Evaluation of loss incurred on account of impairment of Assets as required under AS-28, a committee of senior executives from technical & finance wing of the Rupnarainpur unit has already been set up. The committee is yet to submit their report considering the volume and technicalities of the job. Necessary adjustment on this account will be provided on consideration of report from the...
- Note 53** There are other Court cases with Civil/High Court of Allahabad not acknowledged by the company numbering 27 nos. in which HCL is a party. pending from the earlier years for which reliable estimate of the liability could not be made nor any probable cash outflow is envisaged at this point of time.
- Note 54** The Company has recognised Contingent Liabilities as disclosed in Note no. 27 above as per AS 29 and as such, no provision is required to be made. No Provision was outstanding as at the beginning and at the end of the year.
- Note 55** Miscellaneous Expenditure & Salary and Wages include an aggregate amount of Rs. 20.42 lakhs incurred towards Publicity and Public Relations (Previous year Rs. 15.95 Lakhs)
- Note 56** A fire occurred on 23.04.2013 in the office area of Optical Fibre Cable Production block where some Empty Wooden Drums stored got burnt. Electrical & Mechanical spares store rooms & an electronics lab also exist in the same area. These were also affected by the fire. Other things which were affected are some plant & machinery. Building. Dies, Rip cord, 12 Fibre Cable, electrification items. furniture, window AC, some Quality Assurance equipments.
- Claim bill was for an amount of Rs. 75,62,255/- including damage to the building.
- Claim was approved for an amount of Rs. 20,63,538/- vide letter dated 13.08.2014 from the Oriental Insurance Company Limited. As per their letter payment shall be released in favour of Hindustan Cables Limited subject to availability of NOC from all the consortium bankers. Final adjustment for the above loss will be made on receipt of claim amount sanctioned.

HINDUSTAN CABLES LIMITED

Note 57 As per Accounting Standard 15 "Employees Benefit", the disclosure of employee benefits as defined in the Accounting Standard are given below:

(Rupees Lacs)

A.	Expenses under defined contribution plans in terms of following break-up has been recognised during the year		
	Provident Fund and other Funds	2013-14 853.77	2012-13 741.45
B.	Reconciliation of Opening and Closing balance of Obligation		
	Particulars		Leave Encashment (Earned & Sick Leave) (Non-funded)
		2013-14	2012-13
	(a) Opening obligation	4665.71	4313.09
	(b) Current Service Cost	76.52	124.48
	(c) Interest cost	434.56	357.43
	(d) Actual (gain)/loss	-98.05	41.81
	(e) Benefits paid	(112.61)	(171.10)
	(f) Closing Obligation	4966.13	4665.71
C.	Change in Plan Assets (Reconciliation of opening and closing balance)		
	(i) Value of plan assets (Opening)	NIL	NIL
	(ii) Expected return on plan assets	NIL	NIL
	(iii) Actuarial (gain / loss)	NIL	NIL
	(iv) Contribution by the employer	112.61	171.10
	(v) Benefit paid	(112.61)	(171.10)
	(vi) Fair Value of plan assets (Closing)	NIL	NIL
D.	Reconciliation of plan assets value and present value obligation		
	(i) Present value of obligation (Closing)	4966.13	4665.71
	(ii) Amount of Fair Value of plan assets (Closing)	-	-
	(iii) Amount recognised in the Balance Sheet	4966.13	4665.71
E.	Expense recognised in the period		
	(i) Current Service Cost	76.52	124.48
	(ii) Interest Cost	434.56	357.43
	(iii) Return expected in plan assets	NIL	NIL
	(iv) Benefit paid on leave	(112.61)	(171.10)
	(v) Actuarial Losses/(Gain) on plan assets	NIL	NIL
	(vi) Total expenses recognised in the P & L a/c	481.71	555.44
F.	Investment details of Plan Assets	Not furnished	
G.	Assumptions	31.03.14	31.03.13
	(i) Discount rate	9.13%	8.25%
	(ii) Estimated rate of return on plan assets	9.00%	9.00%
	(iii) Inflation Rate	Not furnished	Not furnished
	(iv) Method Used	Projected unit cost method	
		31.03.14	31.03.13
	(v) Working lives of Employees (years)	6.21	6.79
	Withdrawal Rates	Varying between 8% and 1% p.a. depending on duration and age of te employees	

b) Gratuity

No actuary assessment has been done for Gratuity liability. The fund is maintained by the LIC of India Limited under a Group Scheme.

The fund value of Gratuity policies with LIC of the units :

	2013-14 Rs.	2012-13 Rs.
Rupnarianpur	195,866,023	74,325,866
Hyderabad	276,584,015	275,405,166
Allahabad	77,005,813	53,671,234
Corporate & TKP	35,625,884	36,803,173
	<u>585,081,735</u>	<u>440,205,439</u>

NOTE 58 Information pursuant to AS-18 - Related Parties

(rupees in lacs)

	2013-14	2012-13
Key Management Personnel		
1. Remuneration		
M.K. Singh, Chairman and Managing Director	-	0
2. Remuneration		
Kishore Rungta, Chairman and Managing Director	-	9.42



The segment wise details of turnover and profitability are given below :

	Telecom Cable		Turnkey Project		Unallocated		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1. Segment Revenue								
Net Sales	-	-	-	6.52	-	-	0.00	6.52
Less : Inter Segment Revenue							0.00	0.00
Net Sales / Income from Operation	-	0.00	0.00	6.52			0.00	6.52
2. Segment Result								
Profit/(Loss) before Interest & Tax	(17,936.26)	(30,747.71)	(1,480.43)	(744.77)			(19,416.69)	(31,492.48)
Less :								
(i) Interest					58,774.19	57,048.96	58,744.19	57,048.96
(ii) Other un-allocable expenditure					(2.76)	(36.78)	(2.76)	(36.75)
Net of un-allocable income								
Total Profit/(Loss) Before Tax	(17,936.26)	(30,747.71)	(1,480.43)	(744.77)	(58,771.43)	(57,012.21)	(78,188.12)	(88,504.69)
Provision for Taxation	-	-	-	-	-	-	-	-
Total Profit/(Loss) after Tax	(17,936.26)	(30,747.71)	(1,480.43)	(744.77)	(58,771.43)	(57,012.21)	(78,188.12)	(88,504.69)
3. Other Information								
Segment Assets	12,645.47	33,457.37	1,335.80	3,314.79	778.97	3080.91	14,760.23	39,853.07
Segment Liabilities	94,223.96	94,669.92	1,847.87	2,597.53	1,999.24	2,388.85	98,171.07	99,656.31
Capital Expenditure	(2,010.73)	2.49			1.21	0.24	(2,009.52)	2.73
Depreciation	517.08	716.14	0.04	0.04	1.96	1.79	519.08	717.97
Non Cash expenditure other than depreciation			0.00	0.00	0.00	0.00	0.00	0.00

In terms of our report of even date.

For B.K. Shroff & Co.
Chartered Accountants
Firm Registration No. 302166E

L.K. Shroff
M. No.060742
Partner
Place : Kolkata
Date : 05.09.2014

M.K. Singh
Chairman & Managing Director

A.K. Deori
Director

V. Pal
Chief of Finance

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

REGISTRATION DETAILS

REGISTRATION NO.

2 0 5 6 0

216 of 1952-53

State Code

2 1

BALANCE SHEET DATE

3 1 0 3 2 0 1 4

Date Month Year

Capital raised during the period (Amount in ` Thousand)

Public Issue

N I L

Bonus Issue

N I L

Rights Issue

N I L

Private Placement

N I L

Position of Mobilisation and Deployment of Funds (Amount in ` Thousand)

Total Liabilities

1 4 7 6 0 2 3

Sources of Funds

Paid-up Capital

4 1 9 3 6 1 1

Secured Loans

2 6 4 2 8 5 0 4

Application of Funds

Net Fixed Assets

4 3 8 0 5 7

Net Current Assets

(-) 9 1 3 0 2 4 6

Accumulated Losses

6 5 7 0 5 8 2 6

Total Assets

1 4 7 6 0 2 3

Reserves & Surplus

5 6 7 3 9 9

Unsecured Loans

2 5 1 6 9 7 4 8

Investments

N I L

Misc. Expenditure

N I L

Performance of Company (Amount in ` Thousands)

Turnover

Profit/Loss Before Tax

(-) 7 8 1 8 8 1 2

Please tick appropriate box + for Profit - for Loss

Earning per Share in `

(-) 1 9

Total Expenditure

7 8 4 8 8 3 7

Profit/Loss after Tax

(-) 7 8 1 8 8 1 2

Dividend rate %

N I L

Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No

8 5 4 4 0 0

Product Description :

J E L L Y F I L L D C A B L E S

Item Code No

8 5 4 4 0 0

Product Description :

F I B R E O P T I C C A B L E



HINDUSTAN CABLES LIMITED

(A Govt. of India Undertaking)

(Under the Ministry of Heavy Industries & Public Enterprises)

Website : www.hindcables.gov.in

Registered and Corporate Office :

9, Lala Lajpat Rai Sarani (Elgin Road)

Kolkata - 700 020

Grams : TELECABLES

STD Code : (033)

Phone : 2283-2977, 2283-2987, 2283-2910

Fax : 2283-2986

Email : emdchl@yahoo.com

Regional Office : New Delhi

A-40 Ranjit Singh Block

Asian Games Villages

New Delhi- 110049

STD Code : (011)

Tel : 2649-3673, 2649-3119

Fax : 2649-2889

Email : hindcables@bol.net.in

Regional Office, Kolkata

116A, Rash Behari Avenue

Kolkata - 700 029

STD Code : (033)

Telefax : 2464-5373

Rupnarainpur Unit

P.O. Hindustan Cables

Rupnarainpur - 713 335

Dist. Burdwan (W.B.)

Grams : HICABLES

STD Code : (0341)

Tel : 2532 784, 2532 782

Fax : 0341-2532 789

Email : hicabrup@sanchar.net.in

Hyderabad Unit

P.O. Hindustan Cables

Hyderabad - 500 051

Grams : HICABLES

STD Code : (040)

Tel : 2712-3534

Fax : 2712-1419

Email : cgmhyd@hd2.vsnl.net.in

Naini Unit

UPSIDC Industrial Area

P.O. TSL

Naini : Allahabad-2110

STD Code : (0532)

Tel : 268-7758

Fax : 268-7751

Email : hdfou@nde.vsnl.net.in

Machine Tool Works, Narendrapur

P. O. Narendrapur-743 508

Dist. 24 Parganas (S), West Bengal

STD Code : (033)

Tel : 2477-2243

Research & Development Centre

P.O. Hindustan Cables

Hyderabad - 500 051

Gram : HICABLES

STD Code : (040)








Fax : 2712-1419

Email : cgmhldr@hotmail.com

HINDUSTAN CABLES LIMITED

Location of activities



Regd. & Corp. Office	
Factory	
Regional Office	
Optical Fibre Cable Laying Work	
PIJF Cable Laying Work	
Cable Ducting Construction Work	
Optical Fibre & PIJF Cable Laying Work	
Optical Fibre, PIJF Cable & Ducting Construction Work	