

## BALANCE SHEET

## TELEPHONE CABLES LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2015

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2015	March 31, 2014
		(Amount in Rs.)	(Amount in Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1.00	98,900,000.00	98,900,000.00
(b) Reserves and surplus	2.00	(792,663,065.78)	(792,245,642.63)
(c) Money received against share warrants		-	-
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	3.00	910,852,830.50	909,783,993.00
(b) Deferred tax liabilities (Net)		-	-
(c) Other long term liabilities	4.00	-	-
(d) Long-term provisions	5.00	-	-
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6.00	-	-
(b) Trade payables	7.00	65,381,259.00	65,381,259.00
(c) Other current liabilities	8.00	5,000,000.00	5,000,000.00
(d) Short-term provisions	9.00	4,146,917.00	4,144,117.00
		291,617,940.72	290,963,726.37
<b>II. ASSETS</b>			
<b>Non-current assets</b>			
<b>1 (a) Fixed assets</b>			
(i) Tangible assets	10.00	148,210,944.73	148,309,254.22
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		24,233,290.00	24,233,290.00
(iv) Intangible assets under development		-	-
(b) Non current investments		-	-
(c) Deferred Tax Assets (net)		-	-
(d) Long-term loans and advances	11.00	55,186,596.00	55,186,596.00
(e) Other Non-Current Assets	12.00	-	-
<b>2 Current assets</b>			
(a) Current investments	13.00	1,000,000.00	1,000,000.00
(b) Inventories	14.00	12,859,000.00	12,859,000.00
(c) Trade receivables	15.00	147,707.00	3,835,404.00
(d) Cash and cash equivalents	16.00	16,077.99	35,100.15
(e) Short term loan & advances		-	-
(f) Other current assets	17.00	49,964,325.00	45,505,082.00
		291,617,940.72	290,963,726.37
		-	-

## AUDITOR'S REPORT

As per our report of even date attached

For S.K. Bhasin &amp; Associates

Chartered Accountants  
 Chartered Accountants  
 FRN-507024N  
 S.K. BHASIN  
 PARTNER

For and on behalf of the Board

BUBLI BRAR  
 Managing Director

K.S. GERAWAL  
 Director

DATE: 27.08.2015

PLACE: CHANDIGARH

TELEPHONE CABLES LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31ST MARCH, 2015

		(Amount in Rs.)	
Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
I. Revenue from operations	18	-	-
II. Other income	19	770,546.00	4,590,328.00
III. Total Revenue (I + II)		770,546.00	4,590,328.00
IV. Expenses:			
Cost of materials consumed	20	-	-
Purchase of Stock-in-Trade		-	-
Changes in inventories of finished goods, work in progress	21	-	-
Employee benefits expense	22	-	-
Finance costs	23	908.66	9,686.88
Depreciation and amortization expense	10	98,309.49	120,349.59
Other expenses	24	1,088,751.00	1,267,783.00
Total expenses		1,187,969.15	1,397,819.47
V. Profit before exceptional and extraordinary items and tax (III-IV)		(417,423.15)	3,192,508.53
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		(417,423.15)	3,192,508.53
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		(417,423.15)	3,192,508.53
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred Tax		-	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		(417,423.15)	3,192,508.53
XII. Profit/(loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		(417,423.15)	3,192,508.53
XV. Profit (Loss) for the period (XI + XIV)		(417,423.15)	3,192,508.53
XVI. Earnings per equity share:			
(1) Basic		(0.04)	0.32
(2) Diluted		(0.04)	0.32

AUDITOR'S REPORT

As per our separate report of even date annexed

For S.K. Bhasin & Associates

Chartered Accountants  
SUNIL KUMAR BHASIN  
PARTNER  
Chandigarh

DATE: 27.08.2015  
PLACE: CHANDIGARH

For and on behalf of the Board

Bubli Brar K.S. Gerawal  
BUBLI BRAR K.S. GERAWAL  
Managing Director Director

TELEPHONE CABLES LIMITED

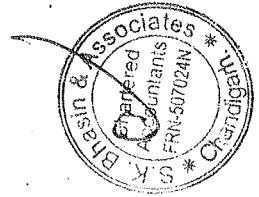
1. SHARE CAPITAL

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Number	Amount (Rs.)	Number	Amount (Rs.)
<u>Authorised</u>				
Equity Shares of Rs. 10 each	12,500,000.00	125,000,000.00	12,500,000.00	125,000,000.00
<u>Issued</u>				
Equity Shares of Rs 10 each	9,890,000.00	98,900,000.00	9,890,000.00	98,900,000.00
<u>Subscribed &amp; Paid up</u>				
Equity Shares of Rs 10 each	9,890,000.00	98,900,000.00	9,890,000.00	98,900,000.00
<u>Subscribed but not fully Paid up</u>				
Equity Shares of Rs 10 each	9,890,000.00	98,900,000.00	9,890,000.00	98,900,000.00
<b>Total</b>	<b>9,890,000.00</b>	<b>98,900,000.00</b>	<b>9,890,000.00</b>	<b>98,900,000.00</b>

(1) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share.

*B. Srinivas*

*K. J. A.*



TELEPHONE CABLES LIMITED

2. RESERVE & SURPLUS

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amount (Rs)	Amount (Rs)
<b>A. Surplus</b>		
Opening balance	(792,245,642.63)	(799,125,848.16)
(+) Net Profit/(Net Loss) For the current year	(417,423.15)	3,192,508.53
Profit & Loss debit balance	-	-
Provision written back - MTNL	-	3,687,697.00
<b>Opening Balance includes:</b>		
Land at subsidy received from Director of Industries, Punjab	6,795,360.00	6,795,360.00
DG set subsidy received from Director of Industries, Punjab	50,000.00	50,000.00
Provision written back - MTNL	3,687,697.00	-
Share forfeiture account	88,500.00	88,500.00
General Reserve	52,820,000.00	52,820,000.00
<b>Total</b>	<b>(792,663,065.78)</b>	<b>(792,245,642.63)</b>

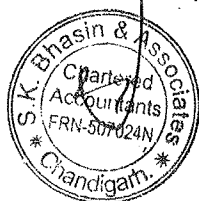
For and on behalf of the Board

*Bubli Brar*

BUBLI BRAR  
Managing Director

*K.S. Gerawal*

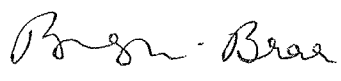
K.S. GERAWAL  
Director

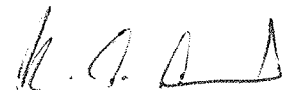


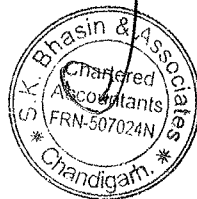
TELEPHONE CABLES LIMITED  
3. LONG TERM BORROWINGS

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Amount (Rs)	Total (Rs)	Amount (Rs)	Total (Rs)
<b><u>Secured</u></b>				
Cash Credit from Banks		268,594,753.00		268,594,753.00
Term loans :				
Financial institutions		422,417,663.00		422,417,663.00
Interest accrued and due on above		158,795,405.00		158,795,405.00
Punjab & Sind Bank - TL		10,196,119.00		10,196,119.00
Sub-Total (A)		860,003,940.00		860,003,940.00
<b><u>Unsecured</u></b>				
Short Term Loans :-				
Promoters	40,231,965.50		39,163,128.00	
Canara Bank L/C devolved	10,616,925.00	50,848,890.50	10,616,925.00	49,780,053.00
Sub-Total (B)		50,848,890.50		49,780,053.00
<b>Total (A+B)</b>		<b>910,852,830.50</b>		<b>909,783,993.00</b>

For and on behalf of the Board

  
BUBLI BRAR  
Managing Director

  
K.S. GERAWAL  
Director



TELEPHONE CABLES LIMITED

4. OTHER LONG TERM LIABILITIES

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amount (Rs)	Amount (Rs)
(a) Share Application Money	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

5. LONG TERM PROVISIONS

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amount (Rs.)	Amount (Rs.)
(a) Provision for employee benefits	-	-
Superannuation (unfunded)	-	-
Gratuity (unfunded)	-	-
Leave Encashment (unfunded)	-	-
(b) Others (Specify nature)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

6. SHORT TERM BORROWINGS

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amount (Rs)	Amount (Rs)
<u>Secured</u>	-	-
<u>Unsecured</u>	-	-
<u>Loans and advances from related parties</u>	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



For and on behalf of the Board

*Bubli Brar* *K.S. Gerawal*

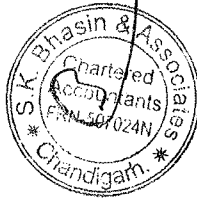
BUBLI BRAR  
Managing Director

K.S. GERAWAL  
Director

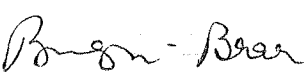
**TELEPHONE CABLES LIMITED**

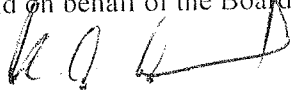
**7. TRADE PAYABLES**

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amount (Rs)	Amount (Rs)
Sundry creditors-other than small scale industries	65,199,362.00	65,199,362.00
Interest accrued but not due on loans	22,583.00	22,583.00
Debtors - Deferred receivables (Net)	159,314.00	159,314.00
<b>Total</b>	<b>65,381,259.00</b>	<b>65,381,259.00</b>



For and on behalf of the Board

  
**BUBLI BRAR**  
 Managing Director

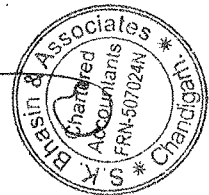
  
**K.S. GERAWAL**  
 Director

**8. OTHER LIABILITIES**

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amount (Rs)	Amount (Rs)
Advance received against Land at Gharshankar	5,000,000.00	5,000,000.00
<b>Total</b>	<b>5,000,000.00</b>	<b>5,000,000.00</b>

**9. SHORT TERM PROVISIONS**

Particulars	For the year ended		For the year ended	
	March 31, 2015	Total (Rs)	March 31, 2014	Total (Rs)
	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
<b>(1) Provision for employee benefits</b>				
Superannuation (unfunded)	-	-	-	-
Gratuity (unfunded)	-	-	-	-
EPF Payable	-	-	-	-
Leave Encashment (unfunded)	-	-	-	-
<b>(2) Other Provisions</b>				
Expenses Payable	4,118,626.00	4,115,826.00		
Other Liabilities	28,291.00	4,146,917.00	28,291.00	4,144,117.00
<b>Total</b>		<b>4,146,917.00</b>		<b>4,144,117.00</b>



For and on behalf of the Board

*Bubli Brar*

BUBLI BRAR  
Managing Director

K.S. GERALWAL  
Director

TELEPHONE CABLES LIMITED

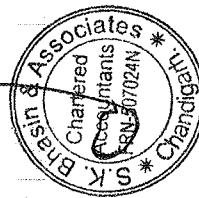
SCHEDULE 10 - FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1st April, 2014	Additions	Deductions	As at March, 31 2015	For the period 1st April, 2014 March, 31 2015	On deductions March, 31 2015	As at March, 31 2015	As at 1st April, 2014	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Land	13,450,487.00	-	-	13,450,487.00	-	-	13,450,487.00	13,450,487.00	
Buildings	37,604,750.00	-	-	37,604,750.00	-	-	37,604,750.00	37,604,750.00	
Plant and machinery	591,072,673.00	-	-	591,072,673.00	-	-	591,072,673.00	591,072,673.00	
Furniture, fixtures and office equipments	18,519,641.00	-	-	18,519,641.00	95,866.20	-	18,615,507.20	18,519,641.00	
Vehicles	1,921,438.00	-	-	1,921,438.00	2,443.29	-	1,923,881.29	1,921,438.00	
<b>Sub - total</b>	<b>662,568,989.00</b>	<b>-</b>	<b>-</b>	<b>662,568,989.00</b>	<b>98,309.49</b>	<b>-</b>	<b>662,667,298.49</b>	<b>662,568,989.00</b>	
Previous Period	662,568,989	-	-	662,568,989	120,349.59	-	662,689,338.59	662,568,989	
Capital work in progress, including capital advances Rs. 963,859 (previous period Rs. 963,589 )	-	-	-	-	-	-	-	-	
<b>Total</b>							<b>320,753,488.94</b>	<b>320,972,148.03</b>	

For and on behalf of the Board

*Bubli Brar*  
 BUBLI BRAR  
 Managing Director

K.S. GERAWAL  
 Director

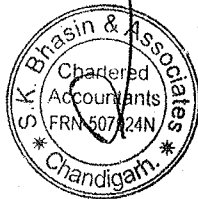


**TELEPHONE CABLES LIMITED**  
**11. LONG TERM LOANS & ADVANCES**

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amount (Rs)	Amount (Rs)
<b>A. Security Deposits</b>		
Secured, considered good	-	-
Unsecured, considered good:	-	-
Doubtful	-	-
Less: Provision for doubtful deposits	-	-
	-	-
<b>B. Other Loans and Advances</b>		
Secured, considered good	-	-
Unsecured, considered good:	55,186,596.00	55,186,596.00
Doubtful	1,375,736.00	1,375,736.00
Less: Provision for doubtful deposits	1,375,736.00	1,375,736.00
	55,186,596.00	55,186,596.00
<b>TOTAL</b>	<b>55,186,596.00</b>	<b>55,186,596.00</b>

**12. OTHER NON CURRENT ASSETS**

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amount (Rs.)	Amount (Rs.)
	-	-
	-	-



For and on behalf of the Board

*Bubli Brar* *K.S. Gerawal*

BUBLI BRAR  
 Managing Director

K.S. GERAWAL  
 Director

**TELEPHONE CABLES LIMITED**

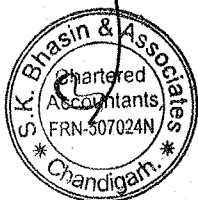
**13. CURRENT INVESTMENTS**

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amount (Rs)	Amount (Rs)
(a) Investment in Equity instruments	-	-
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in Debentures or Bonds	-	-
(e) Investments in Mutual Funds	-	-
(f) Investments in partnership firms*	-	-
(g) Other non-current investments	-	-
100,000 Equity shares of Rs.10 each fully paid up of India International Marketing Centre Limited (Market Value not available)	1,000,000.00	1,000,000.00
Total (A)	1,000,000.00	1,000,000.00
Less : Provision for dimunition in the value of investments	-	-
<b>Total</b>	<b>1,000,000.00</b>	<b>1,000,000.00</b>

**14. INVENTORIES**

(As certified and valued by the management)

Particulars	For the year ended	For the year ended
	March 31, 2015	March 31, 2014
	Amount (Rs)	Amount (Rs)
Stores and spares	4,334,000.00	4,334,000.00
Raw material and packing material	793,000.00	793,000.00
Finished Goods	6,506,000.00	6,506,000.00
Work in progress	1,226,000.00	1,226,000.00
Total	12,859,000.00	12,859,000.00



For and on behalf of the Board

*Bubli Brar*  
BUBLI BRAR  
Managing Director

*K.S. Gerawal*  
K.S. GERAWAL  
Director

**TELEPHONE CABLES LIMITED**

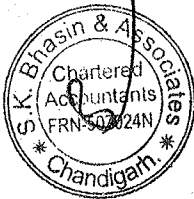
**15. TRADE RECEIVABLES**

Particulars	For the year ended March 31, 2015 Amount (Rs)	For the year ended March 31, 2014 Amount (Rs)
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Secured, considered good	-	-
Unsecured, considered good	-	-
Unsecured, considered doubtful	14,360,010.00	18,047,707.00
Less: Provision for doubtful debts	14,212,303.00	14,212,303.00
	147,707.00	3,835,404.00
<b>Total</b>	<b>147,707.00</b>	<b>3,835,404.00</b>

For and on behalf of the Board

*Bubli Brar*  
BUBLI BRAR  
Managing Director

*K.S. Gerawal*  
K.S. GERAWAL  
Director



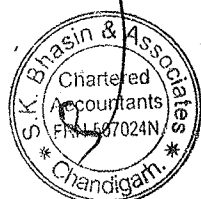
**TELEPHONE CABLES LIMITED****16. CASH & CASH EQUIVALENTS**

Particulars	For the year ended March 31, 2015 Amount (Rs)	For the year ended March 31, 2014 Amount (Rs)
<b>Cash and cash equivalents :</b>		
Cash in hand	118.50	22.00
<b>Balance with Banks:</b>		
Current accounts	15,959.49	35,078.15
	<u>16,077.99</u>	<u>35,100.15</u>

**17. OTHER CURRENT ASSETS**

Particulars	For the year ended March 31, 2015 Amount (Rs)	For the year ended March 31, 2014 Amount (Rs)
<b>Loans &amp; Advances</b>		
Sundry Deposits	1,187,058.00	1,186,058.00
Taxation (less provisions)	4,728,696.00	4,728,696.00
IFCI advance	35,000,000.00	35,000,000.00
Amount Recovered from MTNL lying with Delhi High Court	3,687,697.00	-
Accrued Interest on amount with Delhi High Court	770,546.00	-
Interest & Other Charges (MTNL) Lying with Delhi High Court	4,590,328.00	4,590,328.00
	<u>49,964,325.00</u>	<u>45,505,082.00</u>

For and on behalf of the Board



*Bubli Brar*  
BUBLI BRAR  
Managing Director

*K.S. Gerawal*  
K.S. GERAWAL  
Director

**TELEPHONE CABLES LIMITED**  
**18. REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Sales	-	-
Other income	-	-
Less: Excise duty	-	-

**19. OTHER INCOME**

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest and other charges - MTNL	770,546.00	4,590,328.00
Rebate & Discount	-	-
	<b>770,546.00</b>	<b>4,590,328.00</b>

**20. COST OF MATERIAL CONSUMED**

(Amount in Rs.)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening Stock of Raw material	-	-
Add: Purchases	-	-
Less: Closing Stock of Raw material	-	-
Cost of Raw material consumed	-	-

**CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS**

(Amount in Rs.)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Opening Stock Of Work in progress	1,226,000.00	1,226,000.00
Opening Stock of Work in progress	1,226,000.00	1,226,000.00
(Increase)\Decrease IN Work in Progress	-	-
Opening Stock Of Finished Goods	6,506,000.00	6,506,000.00
Opening Stock of Finished Goods	6,506,000.00	6,506,000.00
(Increase)\Decrease in Finished Goods	-	-
(Increase) / Decrease	-	-



For and on behalf of the Board

*Bubli Brar*  
**BUBLI BRAR**  
 Managing Director

*K.S. Gerawal*  
**K.S. GERAWAL**  
 Director

**TELEPHONE CABLES LIMITED**  
**22. EMPLOYEE BENEFIT EXPENSES**

(Amount in Rs.)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries	-	-
Staff Welfare	-	-
	-	-

**23. FINANCE COSTS**

(Amount in Rs.)

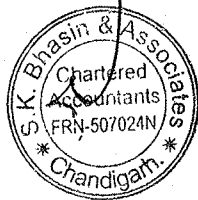
Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Bank charges	908.66	9,686.88
Interest on loan	-	-
	908.66	9,686.88

**24. OTHER EXPENSES**

(Amount in Rs.)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Legal & Professional charges	953,100.00	1,059,500.00
Audit Fees	22,800.00	22,472.00
Prior Year Exp	-	18,362.00
Rates & Taxes	112,301.00	88,868.00
Insurance	-	78,581.00
Printing and Stationary	550.00	
	1,088,751.00	1,267,783.00

For and on behalf of the Board



*Bubli Brar*  
**BUBLI BRAR**  
 Managing Director

*K.S. Gerawal*  
**K.S. GERAWAL**  
 Director

# TELEPHONE CABLES LIMITED

SCHEDULE ANNEXED TO AND FORMING PART OF  
BALANCE SHEET AND PROFIT & LOSS ACCOUNT AS AT 31st MARCH, 2015

## NOTES ON ACCOUNTS

### 1. Significant Accounting Policies:

#### Basis of preparation:

The financial statements of the Company have been prepared under the historical cost convention. These financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis and going concern basis. The accounting policies have been consistently applied by the company are consistent with those used in the previous year.

#### Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

### 2. Tangible Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

The possession of all assets including inventories have been taken over by IFCI in respect of outstanding dues towards the loans availed by the company and its non payment.

The IFCI has published notice for the sale of assets against which Company has filed an application with DRT and subsequently against the orders of DRAT, the Company filed an application with Honourable Punjab & Haryana High court for stay of the tenders. In respect of sale notice of IFCI, the High Court vide his order dated 15.02.2011 has directed Company to pay Rs. 3.5 Crore on 16.12.2011 followed by further payment of Rs. 11.50 Crore on or before 31.03.2011 otherwise IFCI would be at liberty to open tenders. However, the amount Rs. 3.5 Crore deposited by the Company would be apportioned against the Secured Creditors.



*Bhagwan Bhan*  
*K. A. A.*

and it shall be internal affair of IFCI and other Secured Creditors. The Company has deposited Rs. 3.5 Crore only.

The possession of all assets including inventories was with IFCI Ltd up to 29<sup>th</sup> August 2013 and from 30<sup>th</sup> August 2012 onwards is in possession of SASF in respect of outstanding dues towards the loans availed by the Company and its non payment. SASF has published notice for sale of assets of fixing the auction on 08-02-2013 and the Company has filed an application with DRT for staying the auction. DRT has declined the interim prayer of Company.

SASF has published public notice for Sale of Moveable and Immovable assets of the Company on 19<sup>th</sup> December, 2013 fixing the date of e-auction on 22.01.2014. However, the Company has not received any communication from SASF confirming the sale.

Stressed Assets Stabilisation Fund (SASF) has published public notice for Sale of Moveable and Immovable properties (Secured Assets) of the Company on 8 September, 2014 fixing the date of opening the tenders on 10.10.2014.

Stressed Assets Stabilisation Fund (SASF) has further published public notice for Sale through auction - of Moveable and Immovable properties (Secured Assets) of the Company on 27 March, 2015 fixing the date of auction on 27.04.2015. However, the Company has not received any communication from SASF confirming the sale.

3. The winding up of the Company has been ordered by Hon'able High Court of Punjab & Haryana , Chandigarh vide order dated 24.07.2015 in company petition no. 272/of 2003, in a court case titled Bhushan Ltd. VS. Telephone Cables Ltd. The court has further appointed the Official Liquidator as its Liquidator and has observed that moveable and immovable assets had already been taken over by Secured Creditor , in case any effort is being made to sell the property of the company in liquidation, the Secured creditor would associate the Official Liquidator attached to this court and the said sale of the assets shall be confirmed subject to the order of this court.

#### 4. Depreciation and Amortisation:

- a. The Depreciation on building and plant and machinery has not been provided because the plant is closed for a period of more the four years.
- b. In respect of other assets, depreciation is charged on a pro-rata basis at the Written down Value rates prescribed in schedule II to the Companies Act, 2013.
- c. Leasehold land is not being amortised as the lease is a long lease.

#### 5. Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments



Bhushan Bhasin  
K. G. A.

Investments are stated at cost.

**6. Inventories:**

Stock in trade, stores and spares are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost of stock in trade procured for specific projects is assigned by specific identification of individual costs of each item. Costs of stock in trade, that are interchangeable and not specific to any project is determined using the weighted average cost formula. Cost of stores and spare parts is determined using weighted average cost.

The main product of the Company i.e Polyethylene Insulated Jelly Filled Telephone cables (PIJF Cables) have become outdated due to change in technology & specification. The cable was manufactured in the year 2002 according to the old specifications of BSNL which were revised and changed in August 2003.

The possession of all assets including inventories was with IFCI Ltd upto 29th August 2012 and from 30th August 2013 onwards is in possession of SASF in respect of outstanding dues towards the loans availed by the Company and its non payment.

**7. Custom Duty & Excise Duty :**

There was no purchase of plant and machinery, raw material, components, store and spares during the financial year.

**8. Recognition of Income & Expenditure :**

All revenues and expenses are accounted for on accrual basis.

**9. Foreign Exchange Fluctuation :**

No Foreign currency transaction has taken place during the financial year.

**10. Capital Based Grant:**

Subsidies or grants received in respect of fixed assets are treated as a capital receipt and credited to capital reserve. Subsidies or grants so received are not apportioned to the profit and loss account over the life of the fixed assets in respect of which they have been received.

**11. Capital Work In Progress includes Capital Advances:**

As the operation of Company is closed since long time, execution of contracts is not ascertainable.



*Bhajan Bhasin*  
*H. J. A*

## 12. Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably, the Company does not recognize a contingent liability but discloses its existence in the financial statements.

	Current Period	Previous Period
d. Income Tax	198300	198300
e. Interest charged by Banks and Paid under protest	13088277	13088277
f. Excise duty	1879490	1879490
g. Balance of term loan availed against Deferred payment receivable from DOT	Nil	Nil
h. Amount under dispute with Mr.Uzi Justman	\$ 1,80,000	\$1,80,000

The Company has been defending the various Court cases initiated by Lenders Financial Institutions for recovery of their dues in respect of which decision are awaited.

## 13. Interest on Cash Credit & Working Capital Demand Loan:

Interest on Cash Credit assistance provided by various banks has not been charged by banks because the accounts of the company with various banks have been classified as Non-Performing assets (NPA). The same is also not provided in the books of accounts.



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Since the cash credit and working capital accounts are classified as non-performing assets and the entire bank guarantees have been matured therefore all the bank granting margin money has been transferred to the respective bank cash credit accounts.

The related liabilities in respect of term loans availed against deferred payment receivables from Canara Bank, receivables from BSNL (formerly DOT) which have been assigned in favour of the said banks in line with the terms of the agreement between BSNL and the Company. These terms are irrevocable and have been ratified by the Board of Directors. Under these terms BSNL issues cheques directly in favour of the respective banks, thus directly discharging the liability of the Company. As the Company has established a valid right of setoff, it is reporting the net amount as follows:

	Current Year	Previous Year
Sundry debtors - Deferred receivables	Rs. 82,02,087	Rs. 82,02,087
Less : Term loans outstanding	Rs. 83,61,401	Rs. 83,61,401
Net deferred receivables	(Rs. 159,314)	(Rs. 159,314)

Term loans against deferred receivables from Canara Bank are secured by first charge on specific deferred receivables and a parri-passu fourth charge on the fixed assets of the Company. The said loans are also guaranteed by personal irrevocable guarantees given by three Directors.

#### 14. Expenditure in foreign currency (on cash basis)

	Current Year	Previous Year
Travelling	Nil	Nil
Other	Nil	Nil

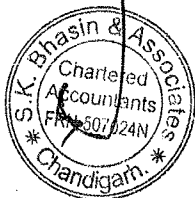
#### 15. CIF Value of Imports

	Current Year	Previous Year
Raw Material	Nil	Nil
Capital Goods/ Spares	Nil	Nil

#### 16. Particulars of capacities and production:

Class of goods - Jelly filled cables

	Current Year	Previous Year
Licensed Capacity	Nil	Nil
Installed capacity	3,803,000 CKM	3,803,000 CKM



*Bhajan Bhasin*

*K. J. A.*

Actual production

Nil

Nil

As certified by the management and accepted by the auditors, being a technical matter.

**17. Raw materials consumed**

Particulars	For the Year Ended 31st March 2015		For the Year Ended 31st March 2014	
	Value	Percentage	Value	Percentage
Copper (In Kg)	Nil	Nil	Nil	Nil
Galvanised steel tape (In Kg)	Nil	Nil	Nil	Nil
Polyethylene granules (In Kg)	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil

**18. Value of imported and indigenous raw materials, stores and spares consumed and the percentage of each to total consumption:**

Particulars	For the Year Ended 31st March 2015		For the Year Ended 31st March 2014	
	Value (in Rs)	Percentage	Value (in Rs)	Percentage
<b>Raw Material</b>				
Imported		0.00%		0.00%
Indigenous		0.00%		0.00%
<b>Stores and Spares</b>				
Imported		0.00%		0.00%
Indigenous		0.00%		0.00%

**19. Particulars in respect of opening stock, closing stock and sales for each class of goods dealt with by the Company.**

Jelly Filled Cables	Unit	For the Year Ended 31st March 2015		For the Year Ended 31st March 2014	
		Qty	Amount	Qty	Amount
Opening Stock	CKM	206870	65,06,000 *	206870	65,06,000
Closing Stock	CKM	206870	65,06,000	206870	65,06,000



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**20. Auditors remuneration**

	For the year Ended 31 <sup>st</sup> March 2015	For the year Ended 31 <sup>st</sup> March 2014
As auditors - Audit fee	Rs. 22800	Rs. 22472

21. As the Company's business activities fall within a single primary business segment, viz., 'Polyethylene Insulated Jelly Filled (PIJF) cables', the disclosure requirements of Accounting Standard (AS) - 17 "Segment reporting", issued by the Institute of Chartered Accountants of India are not applicable.

22. As the Company has substantial unabsorbed depreciation and carried forward business losses under the Income-tax Act, 1961 and is unlikely to have taxable income in the foreseeable future, the deferred tax assets/ liabilities have not been recognised. This is in accordance with Accounting Standard-22 (AS 22) 'Accounting for taxes on income' issued by the Institute of Chartered Accountants of India.

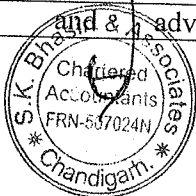
**23. Related party disclosures under Accounting Standard 18**

Joint Venture : Hitachi TCL Cables Private Limited

Key managerial personnel and their relatives: Ms Bubli Brar

Enterprises over which key managerial personnel and their relatives exercise significant influence: Falcon T&M Enterprises Private Limited, Dashmesh Fab Yarns Private Limited, Sobra Power Private Limited, Chahal Mushrooms Ltd.

	Joint Venture	Key Managerial Personnel and their relatives	Enterprises over which key managerial personnel and their relatives exercise significance influence	Total (In Rs.)
Managerial Remuneration				
Balances outstanding as at the period end				
- Loans and advance (considered good)	'92,33,873*			'92,33,873*
- Loans and advance	13,75,736			13,75,736



Bubli Brar  
K. G. A.

(considered doubtful)			
Loans taken from Promoters		40,231,965.50	40,231,965.50

\*Represents dues recoverable from Hitachi TCL Cables Private Limited (HTCPL), a joint venture with Hitachi Cables Limited Japan, for manufacture of Optic fibre cables. In view of adverse market scenario, HTCPL has temporarily shelved implementation of the project.

#### 24. Earnings per share :

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

	Current Year	Previous year
Profit/(Loss) as per P&L Account attributable to equity shareholders	(417,423.15)	3192508.53
Weighted average number of equity shares Outstanding	9890000	9890000
Basic and diluted earnings per share (face value - Rs.10 per share)	Nil	0.32

The Company has become a Sick Industrial Company within the meaning of clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 and also got registered with BIFR as sick company and is in the process of finalising a rehabilitation package for submission to the Board for Industrial and Financial Reconstruction for approval. However, rehabilitation package submitted to the BIFR for approval has been rejected. The same has also been rejected by the BIFR and Hon'ble Supreme Court.

25. Since the company's operation are closed and reference has been made to BIFR, the receivable and payable accounts are subject to confirmation by the concerned parties. Also certain accounts are subject to reconciliation.

26. "Sundry debtors - unsecured and considered good - over six months" in Schedule 15 includes certain outstanding aggregating Rs. 147,707/- (previous period Rs. 38,35,404) on account of short payments arising from deductions made by customers but not accepted by the Company. During the



*Bhagat Braa*  
N. J. A.

period, the Company has initiated steps for reconciling its accounts with these customers, pending completion of which no provision in respect thereof is considered necessary by the management

27. The amount of Rs. 8278025/- has been received from MTNL during the previous year. It comprises of Rs. 36,87,697/- & 45,90,328/- Principal and interest respectively. The said amount has been deposited by MTNL with Honourable Delhi High Court, New Delhi in compliance of its orders to MTNL.

The amount has been awarded to the Company in arbitration matter between Telephone Cable Limited and Mahanagar Telephone Nigam Limited by Honourable Justice D.P Wadhwa, Sole Arbitrator on account of deductions in the bills made by MTNL. The MTNL has filed a Petition challenging the arbitration order in Honourable High Court of Delhi, New Delhi. The Honourable High Court of Delhi has dismissed the petition of MTNL and MTNL has deposited Rs. 82,78,025/- with Honourable High Court of Delhi, New Delhi. This amount is lying with Honourable High Court of Delhi, New Delhi.

*Bharon - Bera*



*K. A. A.*

# **S.K. Bhasin & Associates**

CHARTERED ACCOUNTANTS

S.C.O. 126-127, 3rd Floor, Sector 34-A, Chandigarh

Ph : 0172-4637339, Fax : 4637339, Mob.: 98140-37339, 95929-02683

Email : skbhasinca@yahoo.co.in, skbhasinca@gmail.com

## **Independent Auditors' Report**

TO,  
THE MEMBERS OF TELEPHONE CABLES LIMITED

### **Report on the Financial Statements**

We have audited the accompanying financial statements of TELEPHONE CABLES LIMITED which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and



matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements 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 judgment, 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 audit opinion on the financial statements.

#### **Basis of Adverse Opinion:**

1. The Company has become a sick company within the meaning of Clause (o) of Sub Section (1) of Section 3 of sick industrial Companies' (Special Provisions) Act, 1985 and also was registered with BIFR as sick company. A rehabilitation package submitted to the BIFR for approval has been rejected. The same has also been rejected by the Hon'ble Supreme Court.
2. Recently, Hon'able Punjab & Haryana High Court Chandigarh vide order dated 24.07.2015 in company petition no. 272/of 2003 directed the company for winding up & appointed official liquidator for taking over all the assets & liabilities of the company. Therefore, the company is not a going concern.

3. Further we report,

3(A) In regard to Fixed Assets:

- a.) IFCI Ltd. has taken over the possession of moveable and immovable assets of the company under Section 13(4) of the SRFA & ESIA Act 2002 and as per Orders of Honorable Punjab and Haryana High Court, Company has to pay Rs. 3.5 Crore on 16.2.2011 followed by further payment of Rs. 11.50 Crore on or before 31.03.2011. The Company does not provide us sufficient audit evidence from its Counsel to base the opinion regarding recoverability of



assets and its value.

- b.) Further, Building and Plant and Machinery include WDV of Rs. 1343.19 Lakhs (P.Y. 1343.19 Lakhs) that has not been operated since long time and on which depreciation is not being charged should be impaired. As per AS- 28, the following are the indicators of impairment:

1. Significant change with adverse effect due to technological, market, economic and legal environment.

The Company was primarily engaged in manufacture and supply of PJIF Cables to Telecommunication Department of GOI namely Bharat Sanchar Nigam Limited & Mahanagar Telephone Nigam Limited. The cables were provided for landline operations. The technology of telephone communication underwent a sea change worldwide and moved to mobile telephony.

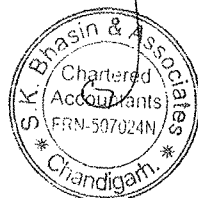
2. Significant decline in market value.

The Company is manufacturer of Polyethylene Insulated Jelly Filled Telephone cables. The technology of cables underwent a sea change and Jelly Filled Telephone cables are outdated and technology moved to optical fibre cables.

Keeping in view above factors, operations are also closed since September, 2003 and assets are not in use. Fixed assets should be impaired and should be provided in books of accounts at recoverable amount.

### 3(B) In regard to Current Assets

1. Further, Company's Sundry Debtors - unsecured and considered good - over six months" in Note No. 15 includes certain outstanding amount of Rs. 147,707/- (previous year Rs. 147,707) on account of short payments arising from deductions made by customers but not accepted by the Company are outstanding for more than five years for which neither the details of value received nor the legal enforceability of claims for recovery could be made available to us by the management. Therefore, an amount of Rs. 1,47,707/- is considered to be doubtful of recovery necessitating provisions. Consequently the profit before tax and Sundry Debtors is overstated by the said amount.
2. The Company's Advances recoverable in cash or in kind or for value- Considered Good in Note No. 11 is of Rs. 5,51,86,596/- (previous year Rs. 5,51,86,596/-). The Company has not provided us sufficient audit evidence to substantiate the likelihood of its recoverability. Therefore, an amount of Rs. 5,51,86,596/- is considered to be doubtful of recovery necessitating provisions. Consequently the profit before tax and Loans and



advances are overstated by the said amount.

3. The Company's Sundry Deposits in Note No. 17 of Rs. 11,86,058/-(previous year 11,86,058). The Company has not provided us sufficient audit evidence to substantiate the likelihood of its recoverability. Therefore, an amount of Rs. 11,86,058/- is considered to be doubtful of recovery necessitating provisions. Consequently the profit before tax and Sundry Deposits are overstated by the said amount.
4. The Company's recoverable from revenue in Note No. 17 of Rs. 47,28,696/-(previous year Rs. 47,28,696/-) . The Company has filed request for refund of excess tax deducted at source on Royalty with The Commissioner of Income Tax on 29.05.2000. The Company has not provided us sufficient audit evidence from its Counsel to base the opinion regarding likelihood of its recoverability. Therefore, an amount of Rs. 47,28,696/- is considered to be doubtful of recovery necessitating provisions. Consequently the profit before tax and recoverable from revenue is overstated by the said amount.

### 3(C) In regard to Inventory

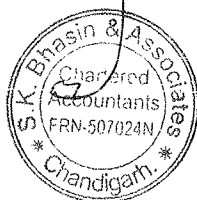
1. The Company's moveable and immovable assets are in the possession of IFCI. The IFCI has taken inventory of moveable assets on 23.04.2010 at Plot no. A-30, Industrial Focal Point, Phase- VIII, SAS Nagar, Mohali, Dist Ropar under Section 13(4) of Securitisation and Reconstruction of Financial Assets & Enforcement of Security Interest Act, 2002. As per panchnama prepared on 23.4.2010, only plant and machinery and its accessories were lying with Company and there is no Raw material, Finished Goods or work in progress was lying with Company. Hence, existence of Inventory of value Rs. 1,28,59,000/-(previous year Rs. 1,28,59,000/-) is doubtful and necessitating provision of Rs. 1,28,59,000/-. Consequently the profit before tax and Inventory is overstated by the said amount.

### 3(D) In regard to Investment

1. The Company has invested amount of Rs. 10,00,000/-(previous year Rs 10,00,000/-) in 100000 equity shares of Rs. 10 each fully paid in India International Marketing Centre Limited since long time. However, Company does not provide sufficient information regarding market value of said investment and likelihood of its recoverability, Hence, likelihood of its recoverability of Investment of Rs. 10,00,000/- is doubtful and necessitating provision of Rs. 10,00,000/-. Consequently the profit before tax and Investment is overstated by the said amount.

### 3(E) In regard to Capital Work in progress

The Company has Capital Work in progress of Rs. 2,42,33,290/- (previous year Rs. 2,42,33,290/- ) outstanding since long time. As the Company operations are closed since long



time, execution of these projects is doubtful and necessitating provision of Rs. 2,42,33,290/-. Consequently the profit before tax and Capital work in progress is overstated by the said amount.

**3(F) In regard to Sundry Creditors**

The Company's Sundry Creditors of Rs. 6,51,99,362/-(previous year Rs. 6,51,99,362/-) are outstanding since long time. The Company has not provided us sufficient audit evidence to substantiate that liability is still claimable. Therefore, an amount of Rs. 6,51,99,362/- is considered to be cessation of trade liability necessitating write back to profit and loss account. Consequently the profit before tax is understated and Creditors are overstated by the said amount.

The Company's Expenses Payable of Rs. 41,18,626/-(previous year Rs. 41,15,826/-) includes Rs. 40,54,028/-which are outstanding since long time. The Company has not provided us sufficient audit evidence to substantiate that liability is still claimable. Therefore, an amount of Rs. 40,54,028/- is considered to be cessation of trade liability necessitating write back to profit and loss account. Consequently the profit before tax understated and Expenses Payable are overstated by the said amount.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, **and on the basis of the effects of the matters described in the Basis for Adverse Opinion paragraphs** the aforesaid financial statements, give the information required by the Act in the manner so required and **does not 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 March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

**Report on other Legal and Regulatory Requirements**

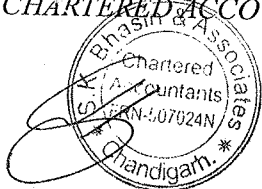
As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:



- a) We have obtained all the information and explanations, which is to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) 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 Balance Sheet, the Profit and Loss Account dealt with by this report are in the agreement with the books of Accounts;
- d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards;
- e) None of the Director of the Company has produced written representations as to whether the other companies in which he/she is a Director as on 31<sup>st</sup> March, 2015. In absence of this representation, we are unable to comment whether the director as such are disqualified from being appointed as a director in terms of Section 164(2) of the act.

For **S.K.BHASIN & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**



**SUNIL KUMAR BHASIN**

**PARTNER**

Membership No.: 085976

FRN: 507024N

Place: CHANDIGARH

Date: 27.08.2015