
ANNUAL

REPORT

2011-2012



S G N TELECOMS LTD.

Manufacturers of :
All types of Power, XLPE, Control,
Data cables and AAAC, AAC & ACSR Conductors

Regd. Office : E-58, 59, Phase-VIII, S.A.S. Nagar, Mohali (PUNJAB), PIN - 160 055.
E-mail : sgntelecom@rediffmail.com & sgntelecomsltd@gmail.com
Phone : 0172-5063378, Fax : 0172-5093378

BOARD OF DIRECTORS

Mr. Surinder Singh	Chairman cum Managing Director
Mr. Devender Singh	Director
Ms. Parminder Kaur	Director
Ms. Paramjit Kaur	Director
Mr. Inderjit Singh	Director
Mr. Balvinder Singh	Director
Mr. Rajiv Kishore	Director
Ms. Reeta Devi	Director

AUDITORS

N. Kumar & Co.
Chartered Accountants
220, Sector 40-A,
Chandigarh,

BANKERS

ICICI Bank Ltd

REGD. OFFICE & WORKS

E 58-59, Industrial Area,
Phase 8, Mohali.
Punjab.

REGISTRAR & SHARE TRANSFER AGENT

MAS Services Limited
T-34, IInd Floor,
Okhla Industrial Area,
Phase II,
New Delhi.

NOTICE

Notice is hereby given that Annual General Meeting of M/S SGN TELECOMS LIMITED will be held on Saturday, 29th September, 2012 at 9.00 A.M. at regd. office Plot No. 58-59, Industrial Area, Phase VIII-B, SAS Nagar, Mohali to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2012 and statement of profit and loss during the year ended on that date along with the report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Inderjit Singh who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Rajiv Kishore who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

4. TO APPOINT THE STATUTORY AUDITORS OF THE COMPANY AND IN THIS REGARD TO PASS THE FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:

“Resolved that M/s N Kumar & Co, Chartered Accountant, the retiring Statutory Auditors of the company, be and are hereby reappointed as Statutory Auditors of the company from the conclusion of this Annual General Meeting until the conclusion of next annual general meeting at a remuneration to be decided by the Board.”

For Board of Directors
M/S SGN TELECOMS LTD.

DATE :04/09/2012
PLACE : Mohali

Sd/-
CHAIRMAN CUM MG DIRECTOR

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/herself and such proxy need not to be the member of the company.
2. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the meeting.
3. Members who holds shares in physical form are requested to notify any change in their registered address to Registrar and share transfer agent i.e. MAS Services Limited, New Delhi.
4. Members are requested to bring the copy of annual report and attendance slip duly filled in the meeting. Members who are holding shares in demat form are requested bring their Client Id and DP Id for easing identification of attendance.
5. Register of members and register of transfer will remain closed from 27th September 2012 to 29th September 2012 both days inclusive.
6. Nomination forms for availing the nomination facility are available at registered office.

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IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has, pursuant to its Green Initiative in the Corporate Governance, allowed paperless compliances by companies. It has issued circulars allowing the companies to service notice/documents including Annual Report by email to its members. We request the shareholders, who have not registered their email addresses so far, may, as a support to this initiative, register their email addresses, in respect of electronic holdings, with the Depository through their respective Depository Participant. Members who hold shares in physical mode are requested to register their email address with MAS Services Limited, New Delhi, the share transfer agent of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT 1956

LISTING AGREEMENT

As required under Clause 49 (IV) G of the Listing Agreement, given below are the details of the Directors who retire by rotation and are eligible for re-appointment:

ITEM NO. 2 & 3

- A. Name : Mr. Inderjit Singh
Age : 63 years (Date of Birth : 13.08.1949)
Qualification : Graduate
Expertise : More than 35 years experience in trading of garments, toys and electronic Goods.
Other Directorships : Nil

Committee membership : 3
Shareholding in the co : Nil

B. Name : Mr. Rajiv Kishore
Age : 55 years (Date of Birth : 07.04.1957)
Qualification : Graduate
Expertise : More than 28 years of working experience in household item.
Other Directorships : Nil
Committee membership : Nil
Shareholding in the co : Nil

DIRECTORS REPORT

Your Directors are pleased to present their Annual Report for the financial year ended on 31st March 2012.

FINANCIAL RESULTS:

PARTICULARS	31 st March 2012 (Rs. In Lacs)	31 st March 2011 (Rs. In Lacs)
Total Income	374.28	134.04
Profit Before Depreciation	17.54	2.93
Depreciation	14.53	8.26
Net Profit/(loss)	3.01	(5.33)
Extraordinary Items	(391.11)	Nil
Transfer to Balance sheet	(388.10)	(5.33)

DIVIDEND:

In the absence of any adequate profits, the management has decided not to declare any dividend.

FIXED DEPOSIT:

The Company has not accepted any deposit from the public with in the meaning of section 58-A of the Companies Act,1956.

DIRECTORS:

Mr. Inderjit Singh and Mr. Rajiv Kishore, Directors of the company who retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

ALLOTMENT OF SHARES ON PREFERENTIAL BASIS

During the year under review, the shareholders in their Extra Ordinary General Meeting held on 19th January 2012 had approved the issue and allotment of upto 80,00,000 (Eighty Lacs) convertible warrants of Rs. 1/- each. Pursuant to their approval the company has issued and allotted 80,00,000 (Eighty Lacs) convertible warrants which have been converted into equity shares in the current financial year.

LISTING:

The company is listed with Bombay Stock Exchange Limited. The shares are being regularly traded there. The company is regular in payment of listing fees and complying with other listing requirements. The other stock Exchanges namely Delhi Stock Exchange and Ludhiana Stock Exchange are not active and no trading is being

taking place there. The company has started proceedings for delisting of these shares from both the stock exchanges.

AUDITORS:

M/s N Kumar & Co, Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The company has received a letter from them that their appointment if made will be within the limits as prescribed in the section 224 (1B).

AUDITORS REPORT:

Observation in the Auditors Report are dealt with in the notes to the Accounts and being self explanatory need no further clarifications..

CORPORATE GOVERNANCE REPORT:

As required under listing agreement the Corporate Governance Report along with Auditors certificate regarding compliance of conditions of corporate governance report is enclosed.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

As required under clause 49 (E) of Listing Agreement the Management Discussion & Analysis forms an integral part of the Directors Report.

PARTICULARS OF EMPLOYEES

None of the employees is covered Under Section 217(2A) of the Companies Act ,1956 read with Companies (Particulars of Employees) Rules ,1975 as amended.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under Section 217(1)(e) of the companies Act, 1956, read with Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is as follows:

FORM A**a. Disclosure of Particulars with respect to Conservation of Energy:**

A. Power and fuel consumption	2011-12	2010-11
1. Electricity		
(a) Purchased		
Units	154367	109930
Total amount	926205	593621
Rate/unit	6.00	5.40
(b) Own generation	Nil	Nil
(i) Through diesel generator	Nil	Nil
Unit		
Units per ltr. of diesel oil		
Cost/unit		
(ii) Through steam turbine/generator		
2. Coal	Nil	Nil
3. Furnance oil	Nil	Nil
4. Others/internal generation	Nil	Nil
B. Consumption per unit of production		
Electricity	Nil	Nil

b. Technology Absorption:

The Company is using indigenous technologies in the manufacturing of process. The updation of technology is an ongoing process and Company is complying with all the statutory guidelines in this regard.

c. Foreign Exchange earnings and Outgo:

The Company has not earned any income or incurred any expenditure in foreign exchange during the financial year.

DIRECTORS RESPONSIBILITY STATEMENT :

As required u/s 217 (2AA) of the companies Act ,1956 the Directors states that :

1. That in the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true

and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

3. That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That Directors have prepared the annual accounts on going concern basis.

ACKNOWLEDGEMENT

The Directors, place on record their appreciation for the support and assistance received from all concerned during the period under review.

For Board of Directors

DATE : 04/09/2012
PLACE : Mohali

Sd/-
CHAIRMAN CUM MG DIRECTOR

SCHEDULE 15 : NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES :

- a) Method of Accounting :
The accounts are prepared on Historical cost concept on an accrual basis and accounting principles generally accepted in India.
- b) Fixed Assets & Depreciation :
Fixed assets are stated at original cost including freight, duty, taxes and other incidental and pre-operative expenses relating to the acquisition, installation on appropriate basis. Depreciation has been charged on a straight line method as per the rates and in the manner prescribed by Schedule XIV of the Companies Act, 1956.
- c) Inventories :
Closing stocks are valued at cost or market price whichever is less and cost is ascertained on FIFO Method Basis.
- d) Gratuity and leave encashment is accounted for on cash basis.
- e) Investment :
Long term investment are stated at cost less permanent diminution in value if any.
- f) Misc. Expenses :
(To the extend not written off) : These are written off over ten years.
- g) Absolute Machinery Amounting to Rs, 23423000/- has been written off during the year.
- h) Irrecoverable advances amounting to Rs. 15687700.41 have been written off during the year. Thus the total loss on account of extraordinary is Rs.39110700.41 total amount.

2. Estimated amount of contracts remaining to be executed on capital account not provided for as on 31-3-2012 is Nil (Pre. Year Nil) (as certified by M.D.)
3. Balance on account of various parties are still subject to confirmation / Reconciliation.
4. The figures have been rounded off to the nearest rupee and the figures for the previous year have been re-arranged wherever considered necessary.
5. Current Assets loans & advances are approximately of the value stated in the Balance Sheet if realized in the ordinary course of business.

6. Payment to Directors	Current Year	Previous Year
Remuneration	(Amount in Rs.)	(Amount in Rs.)
----- NIL -----	NIL	NIL -----

7. Discloser of related parties/related parties transactions

Name	Relationship	Amount
-----NIL-----		

8. EARNING PER SHARE (AS 20)	<u>2011-12</u>	<u>2010-2011</u>
a) Weighted average number of equity Shares of Rs. 1 each.		
i) Number of shares at the beginning of year	7,28,09,900	7,28,09,900
ii) Number of shares at the end of year	7,28,09,900	7,28,09,900
Weighted average number of equity shares outstanding during the year		
b) Net profit after tax available for Equity shares holder (Rs. in lacs)	-----	-----
c) Basic and diluted earning per share (in rupees)		

9. SEGMENT INFORMATION

Company is engaged only in one business segment.

10. Payment of Auditors		
--- Audit Fee	25,000	30,000
11. Expenditure in Foreign Currency		
A. Travelling Expenses	--	--
B. Value of Imports on CIF Value (Capital Items)	--	--
C. Souvenir expenses	--	--

12. Quantitative information to the extent available

and applicable :

Current Year **Previous Year**
(Amount in Rs.) **(Amount in Rs.)**

A. Capacity :

Licensed (Boxes)

Installed (Boxes)

3750 Km

3750 Km

Note : Installed capacity is as certified
by Managing Director.

B. Production Turnover Stock :

Product

Quantity

Value
(Rs. in lacs)

Stock of Finished goods-Opening

Production for the year

Not complied

Not Complied

Stock of Finished Goods-Closing

1. Previous year figures are in brackets

For and on behalf of the Boards of Directors

For N.KUMAR & CO.

(SURINDER SINGH)

(PARMINDER KAUR)

Chartered Accountants

JT Managing Director

Director

(Narinder Kumar)

Prop.

M.No. 80287

Place : KHARAR

Date : 01.09.2012

AUDITORS' REPORT TO THE MEMBERS OF SGN TELECOMS LIMITED

We have audited the attached Balance Sheet of **M/s Sgn Telecoms Limited** as at 31st March, 2012. These Financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and in terms of information and explanations given to us and also on the basis of such checks as we considered appropriate, we state that :-

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) During the year management did not physically verified the fixed assets, however fixed Assets are physically verified by the management once in three year which is reasonable & no material discrepancies were noticed on last verification.
- (c) The Company has not made any substantial disposal of fixed assets, during the year. Thus, the going concern status of the Company has not been affected.
2. As informed to us physical verification has been conducted by the management at year end in respect of finished goods and stores, spare parts and raw materials. The procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. The discrepancies noticed on such verification in respect of raw materials as compared to the books records (stock register maintained on computer system) which are not significant, have been properly dealt with in the books of accounts. The valuation of these stocks is fair and proper in accordance with normally accepted accounting principles.
3. In our opinion the company has not taken unsecured loans, from Companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 where the rate of interest or other terms and conditions on such loans are Prima Facie Prejudicial to the interest of the Company.
4. The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, where the rate of interest and other terms and conditions of such loans are Prima facie prejudicial to the interest of the Company.
5. In our opinion the internal control procedure of the Company relating to the purchases of stores, raw materials including components, Plant & Machinery, equipment and other similar assets and sale of goods are commensurate with the size and nature of the business of the Company.
6. (b) According to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees 50,000/- in respect of any party.
7. The Company has not accepted any deposits from the public to which the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder would apply.
8. The Company did not have an internal audit system during the year.
9. Maintenance of cost records has not been prescribed by the Central Govt. under section 209(I) (a) of the Companies Act, 1956, for any of the products of the Company.
10. (a) According to the records of the company, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it have generally been regularly deposited with the appropriate authorities.
- (b) There are no outstanding undisputed statutory dues as at the last day of the financial year ended on 31-03-2011 or for a period of more than six months from the date they became payable.
11. In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has neither incurred cash losses during the financial year covered by our audit nor in the preceding financial year.
12. According to the information and explanations given to us, the company has not defaulted in the repayment of dues to the financial institutions or banks. Further, there are no debenture holders.

13. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as the said Order) are not applicable to the company.
15. The company is not significantly dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the said Order are not applicable to the company. However the company has made some long term investment in share. All the investment are properly maintained.
16. 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.
17. According to the information and explanations given to us and on an overall explanations given to us, in our opinion, the terms loans have been applied for the purpose for which it was raised.
18. According to the information and explanations given to us and on an overall examination of the balance sheet of the company in our opinion the funds raised on short term basis have not been used for long term investments and vice-versa.
19. The company has made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 and the Price at which this preferential allotment has been made is not prejudicial to the interest of the Company.
20. *The company has not issued any debentures. Accordingly, the question of creating a security for debentures does not arise.*
21. *The company has not raised any money by public issues each during the year. Accordingly the question of disclosure of end use of such monies does not arise.*
22. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
Further to the above, we report that :
 - a) 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) in our opinion, proper books of account as required by the Companies Act, 1956 (as amended) have been kept by the Company so far as appears from our examination of these books;
 - c) the Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet and Profit & Loss Account complied with the Accounting Standards as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors and taken on record by the Board of Director, we report that none of the directors of the company is disqualified from being appointed as director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - f) in our opinion and to the best of our information and according to the explanations given to us the said Accounts, read with other notes thereon, given in the schedule 15 forming part of the accounts in the manner so required and give a true and fair view:
 - i) in the case of Balance sheet, of the state of affairs of the Company as at 31ST March, 2012; and
 - ii) in the case of Profit & Loss Account, of the loss of the Company for the year ended on that date.

For N.KUMAR & CO
Chartered Accountants

(Narinder Kumar)
(Prop.)
M.No-80287

Place : KHARAR

M/s SGN TELECOMS LTD
BALANCE SHEET AS AT 31.03.2012

PARTICULAR	ANNEXURE	(AMOUNT IN Rs.) 31.03.2012	(AMOUNT IN Rs.) 31.03.2011
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUNDS			
(a) Share Capital	A	72809900.00	72809900.00
(b) Reserves and Surplus	B	4026389.00	0.00
(c) Money received against share warrants	c	0.00	4045369.00
(2) Share application money pending allotment			
(3) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	d	24952232.43	4302547.98
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Long term provisions			
(4) CURRENT LIABILITIES			
(a) Short-term borrowings	E	1706317.00	1795862.00
(b) Trade payables	F	2240000.33	1222080.76
(c) Other current liabilities	G	191050.00	138976.00
(d) Short-term provisions			
TOTAL		105925888.76	84314735.74
II.Assets			
(1) NON CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	H	16714494.81	32649998.98
(ii) Intangible assets			
(iii) Capital work-in-progress			
(iv) Intangible assets under development			
(b) Non-current investments			
(c) Deferred tax assets (net)			
(d) Long term loans and advances			
(e) Other non-current assets	I	43404535.31	4594888.30
(2) CURRENT ASSETS			
(a) Current investments			
(b) Inventories	J	23388954.00	18561699.00
(c) Trade receivables	K	9291289.73	14492433.96
(d) Cash and cash equivalents	L	2493803.86	3874231.73
(e) Short-term loans and advances	M	10632811.05	10141483.77
(f) Other current assets			
TOTAL		105925888.76	84314735.74

AUDITOR'S REPORT

(As per seaprate report of even date attached)

For SGN TELECOMS LTD

For N.KUMAR & COMPANY
(Chartered Accountants)

-Sd-
DIRECTOR

-Sd-
DIRECTOR

-Sd-
(Narinder Kumar)
Prop.
M.No.080287

Place:KHARAR
Date:-01.09.2012

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M/S SGN TELECOMS LTD
TRADING AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31.03.2012

PARTICULAR	NOTE NO	(AMOUNT IN Rs.) 31.03.2012	(AMOUNT IN Rs.) 31.03.2011
I. Revenue from operations	N	36073320.91	13031807.58
II. Other Income	O	1354655.63	372379.91
III. Total Revenue (I + II)		37427976.54	13404187.49
<i>IV. Expenses:</i>			
Cost of materials	P	38155183.36	8877411.85
Purchase of Stock-in-Trade		0.00	0.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	Q	-7099300.00	-230475.00
Employee benefit expense	R	746745.00	325859.00
Financial costs	S	1368493.66	104356.73
Depreciation and amortization expense		1453379.88	826184.38
Other expenses	T	2502421.24	4034321.08
Total Expenses		37126923.14	13937658.04
V. Profit before exceptional and extraordinary items and tax	(III - IV)	301053.40	-533470.55
VI. Exceptional Items		39110700.41	
VII. Profit before extraordinary items and tax (V - VI)		-38809647.01	-533470.55
VIII. Extraordinary Items			
IX. Profit before tax (VII - VIII)		-38809647.01	-533470.55
X. Tax expense: (1) Current tax (2) Deferred tax			
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	-38809647.01	-533470.55
XII. Profit/(Loss) from discontinuing operations			
XIII. Tax expense of discounting operations			
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)			
XV. Profit/(Loss) for the period (XI + XIV)		-38809647.01	-533470.55
XVI. Earning per equity share: (1) Basic (2) Diluted			

AUDITOR'S REPORT

(As per seaprte report of even date attached)

For N.KUMAR & COMPANY
(Chartered Accountants)

-Sd-
(Narinder Kumar)
Prop.
M.No.080287

Place:KHARAR
Date:-01.09.2012

For SGN TELECOMS LTD

-Sd-
DIRECTOR

-Sd-
DIRECTOR

M/S SGN TELECOMS LTD

I. EQUITY AND LIABILITIES

1. SHAREHOLDERS FUND

(A) SHARE CAPITAL

ANNEXURE-A

PARTICULAR	31.03.2012	31.03.2011
AUTHORISED SHARE CAPITAL (300000000 Equity Shares Of Rs. 1/- each)	300000000.00	300000000.00
ISSUED , SUBSCRIBED AND PAID-UP-CAPITAL (72809900 Equity Shares Of Rs. 1/- each)	72809900.00	72809900.00
TOTAL	72809900.00	72809900.00

(B) RESERVE & SURPLUS

ANNEXURE-B

PARTICULAR	31.03.2012	31.03.2011
RESERVE & SURPLUS	2985000.00	0.00
ADD:-SHARE WARRANT MONEY	1041389.00	
TOTAL	4026389.00	0.00

(C) MONEY RECEIVED AGAINST SHARE WARRANTS

ANNEXURE-C

PARTICULAR	31.03.2012	31.03.2011
ZERO COUPEN CONVERTIBLE WARRANTS 10% APPLICATION MONEY ON 29850000 WARRANTS OF RS. 1/- EACH FOREIETED	0.00	2985000.00
SHARE PREMIUM ON 2665900 AT 0.03 PAISE	0.00	79977.00
LAND SUBSIDY	0.00	18980.00
SHARW WARRANT MONEY		961412.00
TOTAL	0.00	4045369.00

M/S SGN TELECOMS LTD

2. NON-CURRENT LIABILITIES

(A) LONG -TERM BORROWING

ANNEXURE-D

PARTICULAR	31.03.2012	31.03.2011
FROM DIRECTORS		
SH. SURINDER SINGH	24952232.43	4302547.98
TOTAL	24952232.43	4302547.98

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3. CURRENT LIABILITIES

(a) SHORT -TERM BORROWING

PARTICULAR	ANNEXURE-E	
	31.03.2012	31.03.2011
TERMS LOANS FROM BANK		
PUNJAB FINANCIAL CORPORATION	0.00	732237.00
CAR LOAN ICICI	0.00	55428.00
ICICI BANK LTD-L/A NO-19634	820091.00	1008197.00
ICICI BANK-96653	886226.00	0.00
TOTAL	1706317.00	1795862.00

(b) TRADE PAYABLE

PARTICULAR	ANNEXURE-F	
	31.03.2012	31.03.2011
SUNDRY CREDITORS (AS PER LIST)	2240000.33	1222080.76
TOTAL	2240000.33	1222080.76

(c) OTHER CURRENT LIABILITIES

PARTICULAR	ANNEXURE-G	
	31.03.2012	31.03.2011
AUDIT FEES PAYABLE	25000.00	30000.00
TELEPHONE EXPENSES PAYABLE	1667.00	6837.00
ELECTRICITY EXP PAYABLE	36538.00	41420.00
SALARY & WAGES PAYABLE	60950.00	60719.00
ACCOUNTING CHARGES PAYABLE	6000.00	0.00
CHQ. ISSUED BUT NOT PRESENT FOR PAYMENT	29000.00	0.00
TDS PAYABLE	5644.00	0.00
EXPENSES PAYABLE	26251.00	0.00
TOTAL	191050.00	138976.00

2. CURRENT ASSETS

(a) OTHER NON CURRENT ASSETS

PARTICULAR	ANNEXURE-I	
	31.03.2012	31.03.2011
PROFIT & LOSS ACCOUNT	4594888.30	4594888.30
OP. BALANCE	38809647.01	0.00
LESS :- PROFIT/LOSS DURING THE YEAR		
TOTAL	43404535.31	4594888.30

(b) INVENTORIES

ANNEXURE-J

M/S SGN TELECOMS LTD
1. REVENUE FROM OPERATIONS

PARTICULAR	ANNEXURE-N	
	31.03.2012	31.03.2011
SALE	36073320.91	13031807.58
TOTAL	36073320.91	13031807.58

2. OTHER INCOME

PARTICULAR	ANNEXURE-O	
	31.03.2012	31.03.2011
MISC. INCOME	1354655.63	372379.91
TOTAL	1354655.63	372379.91

II. EXPENSES

COST OF GOODS SOLD

PARTICULAR	ANNEXURE-P	
	31.03.2012	31.03.2011
OP. STOCK	12958411.00	5667572.00
ADD:- MATERIAL PURCHASED	36737830.36	16168250.85
LEES:-CLOSING STOCK	11541058.00	12958411.00
TOTAL	38155183.36	8877411.85

CHANGE IN RAW MATERIAL STOCK IN PROCESS AND FINISHED GOODS

PARTICULAR	ANNEXURE-Q	
	31.03.2012	31.03.2011
STORE & PARTS		
OPENING STOCK	0.00	0.00
CLOSING STOCK	0.00	0.00
VARIATION	0.00	0.00
FINISHED GOODS		
OPENING STOCK	4748596.00	4518121.00
CLOSING STOCK	11847896.00	4748596.00
VARIATION	-7099300.00	-230475.00
TOTAL	-7099300.00	-230475.00

EMPLOYEE BENEFIT EXPENSES

PARTICULAR	ANNEXURE-R	
	31.03.2012	31.03.2011
SALARY & WAGES	745857.00	325859.00
STAFFWELFARE	888.00	*
	746745.00	325859.00

FINANCIAL COSTS

PARTICULAR	ANNEXURE-S	
	31.03.2012	31.03.2011
BANK CHARGES & INTEREST	1368493.66	104356.73
TOTAL	1368493.66	104356.73

OTHER EXPENSES

PARTICULAR	ANNEXURE-T	
	31.03.2012	31.03.2011

PARTICULAR	31.03.2012	31.03.2011
RAW MATERIAL	11541058.00	12958411.00
SEMI FINISHED /FINSSHED	11847896.00	4748596
STORES & PARTS & PACKING MATERIAL	0.00	854692.00
TOTAL	23388954.00	18561699.00

(c) TRADE RECEIVABLE

PARTICULAR	31.03.2012	31.03.2011
LESS THAN SIX MONTH	9291289.73	10944543.96
MORE THAN SIX MONTH	0.00	3547890.00
OTHER DOUBTFUL DEBTS	0.00	0.00
TOTAL	9291289.73	14492433.96

ANNEXURE-K

(d) CASH & CASH EQUIVALENTS

PARTICULAR	31.03.2012	31.03.2011
CASH IN HAND	492620.90	1383744.64
HDFC BANK LTD	2001182.96	2490487.09
TOTAL	2493803.86	3874231.73

ANNEXURE-L

(e) SHORT-TERM LOANS AND ADVANCES

PARTICULAR	31.03.2012	31.03.2012
<u>ADVANCES RECOVERABLE IN CASH OR IN KAND OR FOR VALUE TO BE RECEIVED</u>	5897872.00	6376196.30
ADVANCES TO SUPPLIER	696993.00	2368554.28
IN RG 23 (CENVAT)	104854.00	428129.12
EXCISE DUTY RECOVERABLE	350280.74	0.00
ITC RECOVERABLE	92348.24	
PSCPL EARNEST MONEY	1002500.00	0.00
<u>DEPOSITS WITH GOVT AND OTHER</u>	2487963.07	968604.07
TOTAL	10632811.05	10141483.77

ANNEXURE-M

ADMINISTRATIVE & SELLING EXPENSES

ACCOUNTING CHARGES	22000.00	0.00
AUDIT FEES	25000.00	30000.00
ADVERTISEMENT EXPENSES	34625.00	24698.00
LEGAL & PROFESSIONAL CHARGES	22500.00	42175.00
POSTAGE & COURIER	2032.00	1011.00
PRINTING & STATIONERY	5902.00	8802.00
TELEPHONE EXPENSES	54440.67	69796.00
COMPUTER STATIONERY	0.00	3900.00
INSURANCE CHARGES	83122.00	8860.00
REPAIR BUILDING	387553.07	295201.95
VEHICAL R/M EXPENSES	83180.50	132909.00
LISTING CHARGES	119354.00	123987.00
CERTIFICATION FEES	0.00	10000.00
ACCOUNTING CHARGES	0.00	0.00
INSTRUMENT CALIBRATION	12000.00	121280.00
MEMBERSHIP & SUBSCRIPTION	1750.00	7250.00
TENDER FEES	5500.00	98852.00
FREIGHT OUTARD	160580.00	391374.13
CONSUMABLE STORE	430.00	95742.00
FREIGHT & CARTAGE	190625.00	245780.00
ELECTRCITY & WATER CHARGES	926205.00	593621.00
MACHINERY REPAIR	16324.00	47219.00
INSPECTION FEES	3309.00	25000.00
ISO CERTIFICATION CHARGES	21380.00	0.00
DELIVERY CHARGES	51168.00	0.00
OFFICE EXPENSES	23974.00	0.00
STOCK EXCHAGE FEES	130197.00	0.00
TRAVELLING & CONVEYANVCE	46834.00	0.00
FEES, RATES AND TAXES	72436.00	0.00
MISC. EXPENSES	0.00	15478.00
PUBLIC ISSUE EXPENSES W/OFF	0.00	444772.00
PRELIMINARY EXP W/OFF	0.00	51382.00
LABOUR PAID	0.00	1145231.00

TOTAL 2502421.24 4034321.08

M/S SGN TELECOMS LTD

TANGIBLE ASSETS

ANNEXURE - H

AS PER COMPANY ACT

(Amount in Rs.)

ASSETS	RATE OF DEPRECIATION	DEPRECIATION COST AS ON		TRANSFER/ SALE	TOTAL COST 31.3.2012	DEPRECIATION	DEPRECIATION DURING	TOTAL DEPRECIATION	W.D.V. AS ON 31.03.2011	W.D.V. AS ON 31.03.2012
		AS ON 01.04.2011	ADDITION DURING THE YEAR			UPTO 31.03.2011	THE YEAR	UPTO 31.03.2012		
LAND & SITE DEVELOPMENT	0.00%	3366909.69	0.00	0.00	3366909.69	0.00	0.00	0.00	3366909.69	3366909.69
BUILDINGS	3.34%	10035165.75	5094.00	0.00	10040259.75	4888504.09	335344.68	5223938.77	5146571.66	4816320.98
FURNITURE & FIXTURE	6.33%	776723.22	18428.00	0.00	795151.22	776723.22	38.35	776761.57	0.00	0.00
MACHINERY	4.75%	10488691.98	5945853.00	180060.62	16254484.36	9775174.35	779829.25	11302559.70	713517.63	4951924.66
MACHINERY UNDER INSTALATIO	0.00%	23423000.00	0.00	23423000.00	0.00	0.00	0.00	0.00	23423000.00	0.00
VEHICLES	9.50%	1117585.63	535316.00	0.00	1652901.63	1117585.63	157025.65	1274611.28	0.00	378290.35
AIR CONDITIONER	4.75%	0.00	29000.00	0.00	29000.00	0.00	0.00	0.00	0.00	29000.00
CAR-INNOVA	9.50%	0.00	1239550.00	0.00	1239550.00	0.00	11614.00	11614.00	0.00	1227936.00
MOBILE	4.75%	0.00	5728.07	0.00	5728.07	0.00	272.08	272.08	0.00	5455.99
TESTING EQUIPMENT	4.75%	0.00	228738.39	0.00	228738.39	0.00	5962.08	5962.08	0.00	222776.31
CAR	9.50%	0.00	1618000.00	0.00	1618000.00	0.00	153710.00	153710.00	0.00	1464290.00
COMPUTER	40.00%	0.00	55400.00	0.00	55400.00	0.00	0.00	0.00	0.00	55400.00
OFFICEEQUIPMENT	4.75%	0.00	205974.62	0.00	205974.62	0.00	9783.79	9783.79	0.00	196190.83
TOTAL	TOTAL	49208076.27	9987082.06	23403060.62	35492097.73	16688077.29	1463379.99	18799213.27	32849999.99	16714694.81
PREVIOUS YEAR		32336623.34	1734260.09	0.00	34079788.34	16963741.39	1342163.33	17346904.86	16431796.96	16631486.88

CORPORATE GOVERNANCE REPORT :

1.COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Corporate Governance is the combination of voluntary practice and compliance with laws and regulations leading to effective control and management of the company. The company believes that good corporate governance contemplates that corporate actions balance the interest of all stockholders and satisfy the tests of accountability , transparency and fair play. The company believes that all its operations and actions must be directed towards overall share holder value.

2.BOARD OF DIRECTORS :

The Board of Directors consists of Eight Directors.

The composition of Board of Directors and other relevant details are given below :

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other directorships	No. of Board Committees
Mr. Surinder Singh	Chairman cum Managing Director	7	Yes	Nil	2
Mr. Devender Singh	Jt. Managing Director	1	Yes	Nil	Nil
Ms Parminder Kaur	Director	7	Yes	Nil	Nil
Ms Paramjit Kaur	Director	1	Yes	Nil	Nil
Mr Inderjit Singh	Independent Director	5	No	Nil	3
Mr Balvinder Singh	Independent Director	4	No	Nil	3
Ms. Reeta Devi	Independent Director	5	No	Nil	1
Mr. Rajiv Kishore	Independent Director	4	No	Nil	Nil

During the financial year ended 31.03.2012 , seven Board Meetings were convened. There was not a gap of more than four months between two board meetings. The

minutes of the meeting are entered in the minutes book within 30 days of end of each meeting. No independent director has any material pecuniary interest in the Company. The members of Board have access to all the information of the Company. The Annual general meeting of the company for last financial year was held on 30.09.2011.

3 AUDIT COMMITTEE :

The Board has defined the scope of Audit committee to cover the all areas provided in Companies Act, 1956 and Listing Agreement with the Stock Exchange. The terms of reference of the Audit Committee are given below :

- (a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommend the appointment, reappointment and replacement of auditors.
- (c) Recommending and approval of payments of statutory auditors for various assignments.
- (d) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report.
- (e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- (f) Reviewing, with the management, the statement of uses / application of funds raised through public issue, rights issue, preferential issue, etc.

- (g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- (h) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (i) Discussion with internal auditors on any significant findings and follow up there on.
- (j) Reviewing the findings of internal investigations by the internal auditors into the requisite matters
- (k) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain area of concern.
- (l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (m) Discussion with internal auditors of any significant findings and follows up thereon.

The audit committee comprises of three directors namely Inderjit Singh, Balvinder Singh and Mr. Surinder Singh. Mr. Inderjit Singh is the Chairman of the audit committee.

Details of meeting of Audit Committee

Four meetings of audit committee were held during the financial year. The gap between two meetings of the audit committee is not more than four months.

Name of the Members of Audit committee	No. of meetings held	No. of Meetings attended
Mr. Inderjit Singh	4	4
Mr. Balvinder Singh	4	4
Mr. Surinder Singh	4	4

4.REMUNERATION COMMITTEE

The company has constituted a Remuneration Committee. The Members of the remuneration committee are Mr. Inderjit Singh, Mr. Balwinder Singh and Ms. Reeta Devi. During the financial year the remuneration committee meeting was held once. The Company has no pecuniary relationship or transactions with its non -executive directors. No meeting of remuneration committee was convened in the last financial year.

Details of remuneration of directors during the year ended 31st March, 2012 are given below

Name of the Director	Salary	Perquisites & Commission	Total

Nil			

No sitting fees was paid to any director in the last financial year.

5. SHAREHOLDERS/INVESTORS GRIEVANCES/ SHARE TRANSFER COMMITTEE :

The followings are the members of the committee.

Mr. Surinder Singh
Mr. Inderjit Singh
Mr. Balvinder Singh

Meetings of the committee were regularly held during the financial year. The committee met to approve the transfer of shares and to redress the shareholders grievances. The share certificates submitted for dematerialisation were also approved by the committee. Some shares of the Company are in physical form. There were no pending transfers and there is no complaint pending as on 31/03/2012.

Brief information on the Directors proposed for reappointment

Mr. Inderjit Singh and Mr. Rajiv Kishore, Directors of the company are liable to retire by rotation and being eligible they have offered themselves for reappointment. Mr. Inderjit Singh is a graduate and a very experienced business man. Mr. Rajiv Kishore is a graduate and has a rich experience of more than two decades to his credit.

Details of Annual/Extra Ordinary General Meeting :

The annual general meeting of the Company for the last financial year was held on 30th September 2011 at Registered Office. One Extra Ordinary General Meeting was convened during the year and a special resolution under section 81(1A) was passed in the extra ordinary general meeting. No resolution was passed through postal ballot.

YEAR	DATE OF AGM	TIME	PLACE
2008-2009 (AGM)	30 th September 2009	9.00 a.m.	Regd office
2009-2010 (AGM)	30 th September 2010	9.00 a.m.	Regd office
2010-2011 (AGM)	30 th September 2011	9.00 a.m.	Regd office
2011-12 (EGM)	19 th January 2012	9.00 a.m.	Regd office

In the annual general meeting held on 30th September 2011, the special business for issue of share on preferential basis under section 81(1A) of the Act was passed.

in the annual general meeting held on 30th September 2010 the resolutions for permission of borrowing powers under section 293(1)(D), confirmation of Mrs. Reeta Sharma as director liable to retire by rotation and confirmation of appointment of Mr. Surinder Singh as Managing Director were passed during the financial year.

Disclosures

(a) Transactions with related party:

The company has not entered into any materially significant related party transactions during the period under review that may have potential conflict with the interest of the company.

(b) Accounting treatment

In preparation of the financial statements the company has followed the accounting standards issued by Institute of Chartered accountants of India and has applied the standard accounting policies.

© Penalties and Non Compliances

There have been no instances of any penalties imposed on the company on any matter relating to the capital market. The Board receives a certificate of compliance of the applicable laws from the Managing director in every Board meeting.

(d) The certificate of compliance of various statutory laws have been taken from the Managing Director.

Means of Communication

The communication with the shareholders at large is through annual report, publication of quarterly results and press releases in newspaper. The Company send annual reports to all the shareholders. The notices of convening of general meetings are published in the newspaper. The Board of directors approves the quarterly results within 45 days of end of each quarter. The financial results are being sent to stock exchange through courier, internet and fax. Quarterly results are also regularly published in the newspaper papers in accordance with the requirement of the Listing Agreement.

SHARE HOLDER INFORMATION :

Annual General Meeting : E 58-59,64-65 Industrial Area,
Phase VIII, SAS Nagar, Mohali.
Punjab.

Book closure:

The company's register of member and share transfer books will remain closed from 27th September 2012 to 29th September 2012 (Both days inclusive).

Details of stock exchanges:

The shares of the company are listed in following Stock Exchanges.

Bombay Stock Exchange Limited
Delhi Stock Exchange Limited (*)
Ludhiana Stock Exchange (*)

(*) Delisting applied

The shares of the company are being traded at Bombay Stock Exchange and the company is regular in paying its annual listing fees.

Stock code

The stock code of BSE is 531812.
The ISIN Number of the company is INE 266C01023.

Registrar and transfer agent:

MAS Services Limited
T-34, IInd Floor,
Okhia Industrial Area,
Phase II,
New Delhi.

Regd Office & Works

E-58-59, Industrial Area,
Phase VIII, SAS Nagar,
Mohali. (Punjab)

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Opportunities, threats and risks:

We operate in a competitive environment as our principal products, wires and cables are produced by a large number of other manufacturers in India and abroad. Players in this market generally compete with each other on key attributes such as technical competence, quality of products and services, pricing and track record. We compete with our competitors on the basis of our track record of quality, technical competence and distribution channels.

Internal Control System:

The company has very effective internal control system. All the assets of the Company are properly safeguarded. The use of assets is properly recorded. The internal control system is properly documented. The system is reviewed and updated by the management periodically. The finding and suggestions of internal control are reviewed by the Board of Directors & Audit Committee and they make sure that internal control system is properly complied with

Human Resources and Industrial relation:

The company is maintaining very cordially relations with all concerned people. With the change in management, new faces have been inducted in the company. The relations with banks and pother statutory departments are also very cordial.

CORPORATE GOVERNANCE CERTIFICATE

TO THE MEMBERS OF SYSCHEM (INDIA) LIMITED

We have examined the compliance of conditions of Corporate Governance by SGN Telecoms Limited for the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereto, adopted by the Company for ensuring the compliance of conditions of the corporate governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the examinations given to us we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 04.09.2012
Place: Chandigarh

N Kumar & Co
Chartered Accountant

S.G.N. TELECOMS LIMITED

Registered Office: E-58-59, INDUSTRIAL AREA, PHASE 8, MOHALI, Pb.

(In case of Member is unable to be present in person at the Meeting this form may be used)

PROXY FORM

I/We _____ of _____ being a member/members of S.G.N. Telecoms Limited hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her, Mr./Mrs./Miss _____ of _____ as my/our proxy to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at registered office on 29.09.2012 and at any adjournment thereof.

Signed this _____ day of _____ 2012. Folio/ Client I.D. No _____

Affix
Rupee one
Revenue
Stamp

Signature.....

Notes:

1. The proxy must be deposited at the Regd. Office of the Company at E-58-59, Industrial Area, Phase VIII, Mohali, Punjab, atleast 48 hours before the time for holding the Meeting.
2. A proxy need not to be a member of the Company.

S.G.N. TELECOMS LIMITED

Registered Office: E-58-59, INDUSTRIAL AREA, PHASE 8, MOHALI

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Name of the attending Member
(IN BLOCK LETTERS)

Folio/Client I.D. No.

No. of Shares.....

Name of the Proxy (IN BLOCK LETTERS)

[To be filled in if the Proxy attends instead of the Member(s)]

I hereby record my presence at the Annual General Meeting at Regd Office at E-58-59, Industrial Area, Phase VIII, Mohali, Punjab.

Member's/ Proxy's Signature
(to be signed at the time of handling over this slip)

NOTE: The copy of the Annual Report may please be brought to the Meeting Hall.

For Office Use :

If undelivered, please return to :-

===== S G N TELECOMS LTD. =====

Regd. Office : E-58, 59, Phase-VIII, S.A.S. Nagar, Mohali (PUNJAB), PIN - 160 055.

E-mail : sgntelecom@rediffmail.com & sgntelecomsltd@gmail.com

Phone : 0172-5063378, Fax : 0172-5093378