



## NOTICE

NOTICE is hereby given that an Extra-Ordinary General Meeting of the members of the Company will be held at the Registered Office of the Company at Udyog Vihar, P.O.Chorhata, Rewa (M.P.) on Monday, the 10th December, 2012 at 11.00 A.M. to transact the following business :

Special Business :

To consider and, if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION :

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such consents, sanctions and permission as may be necessary in law, Shri Y.S.Lodha be and is hereby re-appointed as the Managing Director of the Company, not liable to retire by rotation, for a further period of 3 (Three) years effective from 4th November, 2012 to 3rd November, 2015 on the terms and conditions including remuneration, perquisites and benefits, etc. as set out in the draft Agreement (the main terms and conditions of which are described under Explanatory Statement attached to this Notice) to be entered into between the Company and Shri Y.S.Lodha and submitted for approval to this meeting, which Agreement is hereby specifically approved.

FURTHER RESOLVED that the Board of Directors of the Company (which term shall be deemed to include the Remuneration or any other Committee of the Board constituted to exercise its powers including powers conferred by this resolution) be and is hereby authorised and empowered to approve annual increments in Basic Salary with consequential increase in all other perquisites and benefits, etc. of Shri Y.S.Lodha effective from 1st April, each year within the maximum limit approved by the members of the Company irrespective of the limits stipulated under Schedule XIII to the Companies Act, 1956, as amended or in such manner as may be permissible under relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this Meeting and in force from time to time and to make such improvements, alterations, amendments or variations in the terms and conditions of the said Agreement and/or remuneration, perquisites and benefits payable as may be agreed to between the Board and Shri Y.S.Lodha, subject to such approvals as may be required.

FURTHER RESOLVED that in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Shri Y.S.Lodha as Managing Director, the remuneration, perquisites and benefits as set out in the explanatory statement shall be paid and allowed to him as minimum remuneration notwithstanding the absence or inadequacy of profits in any year.

FURTHER RESOLVED that the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution."

Registered Office:  
Udyog Vihar,  
P.O.Chorhata,  
Rewa -486 006 (M.P.)  
31st October, 2012.

By Order of the Board

R.Radhakrishnan  
President (Commercial) & Secretary

### NOTES :

- (a) The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF SUCH MEMBER. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE EXTRA-ORDINARY GENERAL MEETING.
- (c) Members/Proxies are requested to deposit the Attendance Slip duly filled in and signed for attending the Meeting.



**ANNEXURE TO NOTICE  
EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

The following explanatory statement set out material facts relating to the Special Business of the accompanying Notice dated 31st October, 2012.

The members of the Company, in the Extra-Ordinary General Meeting held on 21st December, 2009, had appointed Shri Y.S.Lodha as Managing Director of the Company for a period of 3 (Three) years with effect from 4th November, 2009. The current term of office of Shri Y. S. Lodha as the Managing Director of the Company is due to expire on 3rd November, 2012. The Board of Directors at its meeting held on 31st October, 2012 has re-appointed Shri Y. S.Lodha as the Managing Director of the Company, not liable to retire by rotation, for a further period of 3 (Three) years effective from 4th November, 2012 till 3rd November, 2015 subject to approval of the members at the General Meeting. The Board has also approved the remunerations, perquisites and other benefits payable to Shri Y.S.Lodha as the Managing Director based on the approval accorded by a resolution passed by the Remuneration Committee. The broad particulars of remuneration and perquisites payable to and other principal terms and conditions of his re-appointment as contained in the draft Agreement to be entered into between the Company and Shri Y.S.Lodha, are as under :

I. **Tenure of Re-appointment :** 3 (Three) years with effect from 4th November, 2012 to 3rd November, 2015.

II. **Remuneration :**

(1) **Basic Salary :** Rs.2,00,000/- (Rupees Two Lacs Only) per month with such annual increments effective from 1st April each year as may be decided by the Board of Directors of the Company or any Committee thereof, in its absolute discretion, subject to a maximum limit of Basic Salary of Rs.4,50,000/- per month.

(2) **Perquisites/Allowances :** In addition to the Basic Salary as outlined above, the Managing Director shall be entitled to perquisites and allowances as under:

(i) **Housing :** Free furnished residential accommodation or house rent allowance @ 40% of the Salary as defined in para (1) above.

In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishings, repairs/upkeep and maintenance of residential accommodation shall be reimbursed on actual basis.

(ii) **Medical Benefits :** Payment/reimbursement of expenses incurred for self and family (including mediclaim/ medical insurance premium) or medical allowance in accordance with the Rules of the Company.

(iii) **Leave Travel Allowance/Concession :** For the Managing Director and his family in accordance with the Rules of the Company.

(iv) **Club Fees :** Payment/reimbursement of club fees for not more than two clubs in India, excluding admission and life membership fees.

(v) **Personal Accident Insurance Premium :** As per Rules of the Company.

(vi) **Contribution to Provident Fund, Pension and Superannuation or Annuity Funds :** Company's contribution to Provident Fund, Pension and Superannuation/Annuity Fund (including contribution relating to past services with the Company in the capacity as Wholetime Director/Managing Director) not exceeding 27% of the Salary in aggregate as defined in para (1) above. In lieu of Superannuation, the Company may purchase Deferred Annuity Policy from Life Insurance Corporation of India or any other Institution.

(vii) **Gratuity :** As per Rules of the Company and applicable statutory provisions from time to time.

(viii) **Leave Encashment :** Leave with full pay and allowances as per Rules of the Company. Accumulation/ encashment of unavailed earned privilege leave will be permissible in accordance with the Rules specified by the Company.

(ix) **Retirement and other benefits/privileges :** As per rules of the Company as may be available to other senior executives of the Company. The nomenclature of allowance(s)/reimbursements and corresponding amount thereof can be revised or modified as per Rules of the Company in vogue.



- (x) **Car/Communication Facilities** : The following shall not be included in the computation of perquisites -
- (a) The Company shall provide suitable vehicle for official use. All the repairs, maintenance and running expenses including driver's salary shall be borne by the Company.
  - (b) Provision of free telephone(s) and/or other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distance official calls for the business of the Company shall be made by the Company.

**Explanation(s) :**

- (a) Family mentioned above means the spouse and dependent children of the Managing Director.
  - (b) The said perquisites and allowances shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per the Income Tax Act, 1961 or any rules thereunder as are in force from time to time.
  - (c) The Company's contribution to or provision for provident fund, pension, superannuation or annuity funds, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, gratuity payable at rate not exceeding half a month's salary for each completed year of service and encashment of accumulated leave at the end of terms of office in accordance with the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary and perquisites/allowances aforesaid.
  - (d) For the purpose of gratuity, superannuation or deferred annuity policy and leave encashment benefits, the services of Shri Y.S.Lodha will be considered continuous service with the Company from the date he joined the services of sister concern(s) or this Company in any capacity from time to time and termination of the Agreement followed by immediate renewal(s) thereof or execution of a fresh Agreement, will not be considered as any break in service.
  - (e) The Managing Director shall be entitled to be paid/reimbursed by the Company all travelling, entertainment and other out-of-pocket business promotion expenses, costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company or as may be approved by the Board. Expenses relating to spouse accompanying on any official domestic and overseas trip or other facilities, if any, shall be dealt with in accordance with the practices and rules of the Company as applicable from time to time.
- (3) Notwithstanding anything to the contrary herein contained, where in a financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to the Managing Director remuneration by way of salary, perquisites/allowances and benefits, as specified above.
- (4) The proposed remuneration of Shri Y.S.Lodha, Managing Director, does not require the approval of the Central Government, notwithstanding the fact that the same may exceed the limits laid down in Section 269, 198 & 309 read with Schedule XIII of the Companies Act, 1956, by virtue of Notification No. G.S.R. 534(E) dated 14th July, 2011 read with General Circular No. 46/2011 dated 14th July, 2011 issued by the Ministry of Corporate Affairs, Government of India. Shri Y.S.Lodha is a professional managerial person having no interest in the capital of the Company directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the promoters or other Directors of the Company in any way and possesses a post graduate level qualification with expert and specialized knowledge in the field of his profession being a qualified Chartered Accountant and Company Secretary.

However, the remuneration payable to him requires the approval of the members of the Company by way of a Special Resolution in terms of the applicable provisions of Schedule XIII to the Companies Act, 1956.

**III. Other Conditions:**

- (a) As long as Shri Y.S.Lodha functions as the Managing Director of the Company, no sitting fees will be paid to him for attending the meetings of the Board of Directors or Committees thereof.
- (b) In addition to his present appointment as Managing Director of the Company, Shri Y.S.Lodha would continue to act as "Chief Executive Officer" of a promoter Company viz. Universal Cables Limited. He would continue to receive remuneration from the said promoter Company as well on holding the non-managerial position of Chief Executive Officer.



- (c) The Managing Director shall, devote his such time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to superintendence, control and direction of the Board in connection with and in the best interest of the business of the Company and the business of any one or more of its subsidiaries and/or promoter/associate companies, including performing duties as assigned by the Board from time to time by serving as an employee or on the boards of such companies or any other executive body or any committee of such a company.
- (d) The terms and conditions for re-appointment of Shri Y.S.Lodha as Managing Director and contained in the draft Agreement may be altered, varied, modified or amended and remuneration, perquisites and benefits payable to him as set out herein may be increased, enhanced or widened from time to time by the Board of Directors of the Company or a Committee thereof as it may, at its discretion deem fit within the maximum limit approved by the members of the Company irrespective of the limits stipulated under Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard or in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required. In the event that during the tenure of proposed Agreement, the statutory restrictions contained in the Companies Act/Corporate Laws are removed or amended by the Government, the Board of Directors of the Company shall be at liberty to decide such increase in terms or remuneration, perquisites/allowances and other benefits as may be deemed necessary.
- (e) The Agreement may be terminated by either party (the Company or the Managing Director) by giving to other party six calendar month's prior notice in writing of such termination or the Company paying six month's remuneration in lieu of the notice.
- (f) If at any time Shri Y. S.Lodha ceases to be the Managing Director of the Company for any reason whatsoever, he shall also cease to be a Director of the Company and vice versa.
- (g) The term of office of Shri Y.S.Lodha as Managing Director of the Company shall not be subject to retirement by rotation.
- (h) The said draft Agreement also contains further terms and conditions as to powers and authority of Shri Y.S.Lodha, non-participation in any selling agency of the Company, termination, mutual rights and obligations of the Company and Shri Y.S.Lodha, etc.

Copy of the resolution passed by the Board of Directors in its meeting held on 31st October, 2012, the draft of the Agreement referred hereinabove and Articles of Association of the Company are available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days upto the date of the ensuing Extra-Ordinary General Meeting and will also be available for inspection at the venue of the said Meeting.

A brief resume and the profile of Shri Y.S.Lodha is given below:

Date of Birth	03.04.1964
Date of Appointment as Director in the Company	27.10.2006. He worked in the capacity of Wholetime Director of the Company from 4th November, 2006 to 3rd November, 2009. Now he has been working in the capacity of Managing Director since 4th November, 2009.
Expertise in specific functional areas	Fellow member of Institute of Chartered Accountants of India and also an Associate member of Institute of Company Secretaries of India having vast knowledge and rich & varied corporate experience of more than 25 years in the various cable companies all belonging to M.P. Birla Group.
List of outside Directorship held	(i) Birla Furukawa Fibre Optics Ltd. (ii) Laneseda Agents Ltd. (iii) Universal Telelinks Pvt. Ltd. (iv) Universal Electricals Pvt. Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Nil
Chairman/Member of the Committee of the Board of Directors of other Public Ltd. Companies	Member - Audit Committee of Birla Furukawa Fibre Optics Ltd.
Shareholding (both own or held by/for other persons on a beneficial basis), if any, in the paid up equity share capital of the company	Nil
Relationship between Directors of the Company	No



The statement containing information as required under Schedule XIII to the Companies Act, 1956, to the extent applicable, is given hereunder :

**A. General Information :**

- (1) **Nature of Industry** - The Company is engaged in the business of manufacturing and sale of Telecommunication cables, other types of wires & cables, FRP Rods/Glass rovings, etc. and Engineering, Procurement and Construction (EPC) business.
- (2) **Date of Commencement of Commercial Production** - 29th March, 1986.
- (3) **Financial Performance based on given indicators** - Despite achieving a gross revenue from operations of Rs.26277.30 lacs during the year ended 31st March, 2012 as compared to Rs.20451.26 lacs in the immediately preceding previous year, the Company has suffered a gross loss (after interest) of Rs.824.52 lacs for the year ended 31st March, 2012 as compared to a gross profit of Rs.843.37 lacs during the previous year. The Company incurred a net loss after tax of Rs.1303.46 lacs for the year ended 31st March, 2012.
- (4) **Export Performance and net foreign exchange collaborations** - During the financial year 2011-12, the FOB value of export was Rs.2514.78 lacs and for the corresponding previous financial year 2010-11, the FOB value of export was Rs.4281.02 lacs. The total CIF value of imports and expenditure in foreign currency were Rs.6535.31 lacs and Rs.5229.36 lacs respectively during the financial years 2011-12 & 2010-11. There is no foreign exchange collaborations.
- (5) **Foreign Investments or Collaborators, if any** - NIL.

**B. Information about the Appointee :**

- (1) **Background details** - Shri Y.S.Lodha is a fellow member of Institute of Chartered Accountants of India and also an Associate member of Institute of Company Secretaries of India having vast knowledge and rich & varied corporate experience of more than 25 years in the various cable companies all belonging to M.P. Birla Group. He is a seasoned executive in Cable Industry. His strength lies in his ability to generate and communicate a vision and understand technology trends, take advantage of market timings to drive innovation and deliver contemporary solution to Company's domestic and global customers base. He has a proven track record built over more than 2½ decades of delivering and exceeding objectives by building strong organizations and developing and executing effective go market strategies besides experience in starting and bringing to fruition start up companies and diversifying into emerging businesses. His strength also includes strong relationship management, international alliances/tie ups and business development.
- (2) **Past remuneration** - The existing remuneration package of Shri Y.S.Lodha, interalia, consists of monthly basic salary of Rs.2,00,000/- besides allowances, perquisites and other benefits in accordance with the Company's practice, rules and regulations in force from time to time.
- (3) **Job profile and his suitability** - Shri Y.S.Lodha is entrusted with substantial powers of the management of the Company subject to the superintendence, control and direction of the Board of Directors, the provisions of Memorandum and Articles of Association, regulations made by the Company in General Meeting and the restrictions imposed by the Companies Act, 1956, and shall do all in his power to promote, develop and extend the business of the Company. Shri Y.S.Lodha has managed and steered the Company successfully through the turbulence faced by the telecom cables industry and under his able stewardship and guidance the Company has fared well despite stiff market conditions. The challenging business environment requires review of operations, monitoring and decision making on day-to-day basis besides strategic guidance and advice on ongoing basis for modernization, technological upgradation and expansion/ diversification activities in which the Company would be immensely benefited by his matured and timely advise.
- (4) **Remuneration Proposed** - Please refer to details given hereinabove and forming a part of explanatory statement to the proposed resolution.
- (5) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person** - The executive remuneration in the industry is on the rise. The Remuneration Committee constituted by the Board perused remuneration of managerial personnel in the cable industry and other companies comparable with the size of the Company, industry benchmark in general, and accorded due cognisance to all these factors before approving the remuneration as proposed hereinabove. Considering professional qualifications, background, experience and competence of Shri Y.S.Lodha and the responsibility shouldered by him, the terms of remuneration are considered to be fair, just and reasonable.



- (6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any - Other than entitlements of remuneration as set out above for his services as Managing Director of Vindhya Telelinks Ltd. and remuneration received by him as the Chief Executive Officer of a promoter company, viz. Universal Cables Limited, Shri Y.S.Lodha has directly or indirectly no other pecuniary relationship with the Company or any other Director of the Company. Moreover, Shri Y.S.Lodha does not hold any equity shares in the Company as a shareholder.

**C. Other information :**

- (1) Reasons of Loss - The Company's performance during the financial year 2011-12 was negatively impacted due to unfavourable regulatory environment, which has slowed down the domestic capex cycle of the telecom operators and various other infrastructure projects resulting in unremunerative price structure with low volumes. In addition to this, the liquidity constraints and slow decision making process in the power and telecommunications infrastructure sectors in India where huge upfront investment commitment is a pre-requisite, have led to uninspiring performance by Company's EPC Division as the anticipated growth did not materialize.
- (2) Steps taken for improvement - The Company has initiated several steps for restoring profitability by new products offerings and concentrating more on export market for which the necessary platform and credentials have already been established. In the telecom cables business, the Company expects that the National Telecom Policy will open huge opportunities in the deployment, operations and maintenance of optical fibre and copper cable infrastructure. In the EPC Division, the Company has gradually diversified into more profitable verticals including power transmission & distribution, IP1 Service provider in telecommunication cables & network, sewage pipelines etc. which are expected to yield better visibility both in terms of volume and profitability. Also with the various telecom projects in pipeline eg. NOFN, Alternative Communication Networks for spectrum(NFS) for defence services, 4G rollout by private operators etc., the Company has focused its strategy for volume growth in domestic market by making investment in new product introduction to cater to these needs and is well positioned to reap the benefits of these opportunities. In addition to this, improving cash flow has been accorded top priority so as to reduce the borrowings and control of operating expenses/overheads across the organisation are being exercised. The Company has also initiated various measures towards achieving organisational and operating efficiencies and strengthening core competencies. With the above steps, the Company is expected to perform reasonably well in future by focusing on new products and unexplored markets.
- (3) Expected increase in productivity and profits in measurable terms - In addition to steps proposed to be taken for improvement as detailed above, key focus areas would be profit maximisation, conservation of cash, operational efficiencies, cost and working capital containment. Barring unforeseen circumstances, the overall outlook for the current financial year 2012-13 seems to be positive and the management is optimistic of achieving improvements in the Company's performance. However, it is extremely difficult in present scenario to predict profits in measurable terms but the above initiatives are expected to improve productivity and profitability.

**D. Disclosures:**

The required disclosures as to remuneration package, etc. are appropriately made in the Report on Corporate Governance annexed to and forming a part of Directors' Report every year, which may be referred to.

Keeping in view the professional qualifications, rich & varied experience and managerial skills of Shri Y.S.Lodha, the Board of Directors recommends the passing of the proposed resolution as a Special Resolution in compliance with the applicable provisions of the Companies Act, 1956.

Save and except Shri Y.S.Lodha, none of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

This explanatory statement together with the accompanying Notice is to be treated as an abstract of the terms of the contract/Agreement and Memorandum of concern or interest between the Company and Shri Y.S.Lodha pursuant to Section 302 of the Companies Act, 1956.

Registered Office:  
Udyog Vihar,  
P.O.Chorhata,  
Rewa -486 006 (M.P.)  
31st October, 2012.

By Order of the Board

R.Radhakrishnan  
President (Commercial) & Secretary

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

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

DP ID*	
Client ID*	

Registered Folio No.	
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I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a member/members of the above named Company, hereby appoint  
Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_ in the  
district of \_\_\_\_\_ or failing him/her Mr./Mrs. \_\_\_\_\_ of  
\_\_\_\_\_ in the district of \_\_\_\_\_  
as my/our proxy to vote for me/us and on my/our behalf at the Extra-Ordinary General Meeting of the Company to be held on  
Monday, the 10th December, 2012 and at any adjournment there of.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2012

Signature \_\_\_\_\_



\* Applicable for members holding shares in dematerialised form.

1. This proxy form must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the Meeting. Unless otherwise instructed, the proxy will vote as he/she thinks fit.
2. Members who hold shares in the dematerialised form are requested to quote their DP ID and Client ID for identification.

Tear here

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

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

To be handed over at the entrance of the Meeting Hall

Full name of the Member attending : \_\_\_\_\_

Full name of the First joint-holder : \_\_\_\_\_

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

Name of Proxy : \_\_\_\_\_

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the EXTRA-ORDINARY GENERAL MEETING being held at the Registered Office of the Company on Monday, the 10th December, 2012.

Registered Folio No.	
DP ID*	
Client ID*	
No. of Shares held	

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

\* Applicable for members holding shares in dematerialised form.

Note : Persons attending the Extra-Ordinary General Meeting are requested to bring their copies of Notice.

**BOOK - POST  
PRINTED MATTER**

If undelivered please return to :

**Vindhya Telelinks Ltd.**

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