

FCI OEN CONNECTORS LTD.

THIRTIETH ANNUAL GENERAL MEETING

Venue : Hotel The Classik Fort
Near Gandhi Square, Pettah Road
Poonithura, Kochi 682 038

Date : Friday, 29th June 2012

Time : 2.30 p.m.

REGISTERED OFFICE

XXIX/2089, Tripunithura Road
Thykoodam, Cochin - 682 019, India

FACTORY

Electrogiri, Mulanthuruthy - 682 314
Cochin, Kerala, India

123/1, Kammanahalli
Begur Hobli
Bannerghatta Road
Bangalore - 560 076

FINANCIAL & TECHNICAL COLLABORATORS

FCI France & FCI SA
5 rue Alfred Kastler
Calypso Parc Ariane 3
78284 Guyancourt, France

REGISTRARS & SHARE TRANSFER AGENTS

Cameo Corporate Services Ltd.
Subramanian Building
No. 1, Club House Road
Chennai - 600 002

BOARD OF DIRECTORS

S N TALWAR

Chairman
Alternate Director to Rafael Mathieu

P. GEORGE VARGHESE

Vice Chairman

GILLES RUCKSTUHL

THIERRY ROSSIGNEUX

MICHEL SAFIR

(Appointed w.e.f. 01.08.2011 &
Resigned w.e.f. 01.02.2012)

RAFAEL MATHIEU

(Appointed w.e.f. 26.03.2012)

RAJAMANI G.

Manager & Director
(Appointed w.e.f. 03.09.2011 & 28.10.2011
respectively)

COMPANY SECRETARY

Biju K. Elias

AUDIT COMMITTEE

S.N. Talwar

Thierry Rossigneux

P. George Varghese

STATUTORY AUDITOR

Price Waterhouse

Chartered Accountants
32, Khader Nawaz Khan Road
Nungambakkam, Chennai - 600 006

INTERNAL AUDITOR

Varma & Varma

Nettepadam Road, Cochin - 682 016

LEGAL ADVISORS

Menon & Pai

I.S. Press Road, Cochin - 682 018

BANKERS

Bank of India

M.G. Road, Cochin - 682 016

HDFC Bank

Ravipuram, Ernakulam

FINANCIAL HIGHLIGHTS - 2007-2011

Rs. in million

	2007	2008	2009	2010	2011
Share Capital	62.99	62.99	62.99	63.06	63.06
Reserves & Surplus	1646.69	1889.46	2147.87	1984.17	2123.01
Shareholders' Funds	1709.69	1952.45	2210.86	2047.24	2186.08
Debt	10.66	3.37	2.27	233.37	3.54
Debt Equity Ratio	0.01:1	0.002:1	0.001:1	0.11:1	0.002:1
Turnover	2062.35	2309.67	2522.82	3688.04	3596.52
Materials Cost	1420.37	1630.99	1689.50	2638.68	2525.71
Personnel Cost	115.38	159.98	186.63	331.41	384.01
Profit/(Loss) before tax	565.33	359.59	378.95	107.44	282.90
Profit/(Loss) after tax	399.46	242.76	258.40	48.89	248.76
Retained Earnings for the year	363.55	242.76	258.40	Nil	138.84
Earnings per Share (Rs.)	63.43	38.55	41.03	7.76	39.45
Dividend per Share (Rs.)	5.00	Nil	Nil	30.00	15.00
Book Value per Share (Rs.)	271.49	310.04	351.07	324.68	346.70

FCI OEN CONNECTORS LTD.

FCI OEN CONNECTORS LTD.

Regd.Office:XXIX/2089, Tripunithura Road, Thykoodam, Cochin 682 019

DIRECTORS' REPORT

We are pleased to present the annual report and accounts for the year 2011

FINANCIAL RESULTS

The financial results are summarised below:

	Year ended 31.12.2011 (Rs. in million)	Year ended 31.12.2010 (Rs. in million)
Sales (net of duties and taxes)	3596.53	3688.05
Profit Before Interest, Depreciation & Tax	511.15	421.07
Less: Depreciation	341.29	286.23
Less: Interest	9.26	27.40
Profit before Taxation	160.60	107.44
Profit on sale of Automotive Business	122.30	—
Less: Provision for Taxation	34.13	58.55
Net Profit before appropriations	248.77	48.89
Balance Carried to Balance Sheet	1405.31	1291.34

Domestic sales was at Rs.885 million (Rs.1,078 million in the previous year). Export sales was at Rs.2,711 million (Rs.2,610 million). Net sales marginally declined by 2.5% to Rs.3,596 million in 2011. Other income increased substantially by 44% to Rs.498 million. Material cost came down by 4.4% and manufacturing expenses declined by 11%. PBDIT went up by 21% to Rs.511 million. Interest cost came down to Rs.9 million (-66%). After providing for higher depreciation (+19%), PBT increased by 49.5% to Rs.160.60 million. This does not include profit from sale of automotive business, which is an extra-ordinary item. Earnings per share was Rs.39.45 (Rs.7.76 in the previous year).

BUSINESS PERFORMANCE

Cost reduction initiatives contributed to the good performance in 2011. Material cost and manufacturing expenses consequently came down, despite metal price going up. The revenue for the first half of 2011 was good because of the backlog from 2010. The second half of the year saw continued softening of demand.

During 2011, Electronics division clocked a business of Rs.2,377 million (Rs.2,462 million in the previous year), Automotive Rs.1,074 million (Rs.1,085 million) and Tooling Rs.145 million (Rs.141 million).

SALE OF MVL AND GTC BUSINESS

With effect from 31st October 2011, the Automotive business and the Tooling business of your Company were transferred to FCI Technology Services Ltd at a price of Rs.837 million, through a slump sale agreement. This transaction was earlier approved by the shareholders in the last AGM held on 14th June 2011.

CURRENT YEAR

During the first 2 months sales was Rs.267.76 million, against Rs.386.49 million in the corresponding period in the previous year. Domestic telecom market continues to be weak. Two of our major product families, metal and millipac, are facing competition from new generation products. Current year will therefore pose serious challenges. To offset the above, Company is trying to enter aggressively into the consumer and industry market. Going forward, the domestic telecom market is expected to grow, according to the recent national telecom policy. FCI has also plans to enter the renewable solar energy segment.

QUALITY

Your company's Quality record was commendable during the year. Customer complaints were just 7 nos against 23 nos in 2010. The internal quality performance clocked 27%. The score for 8D methodology was around 95% in all audits.

Another achievement was the drive towards propagating the Poka Yoke concept which is an error proofing method to prevent escape of defect to customers. Several Poka-Yokes were implemented in the assembly lines in Cochin which became a benchmark for other FCI ELX sites.

The surveillance audit for both the Quality system ISO 9001: 2008 and Environmental system ISO 14001:2004 was carried out during the year and the Company was recommended for continuation of certification.

FIXED DEPOSITS

4 deposits amounting to Rs.57,000/- due for repayment before 31 December 2011 have not been claimed yet.

SHARES

Currently FCI holds 97.72% shares of the Company. Although the shares of your Company have been delisted since 2007, FCI SA continues to buy shares from the minority shareholders. This provides an exit opportunity for the minority shareholders.

DIVIDEND

The Board of Directors has recommended payment of dividend at the rate of 150% for the year ended 31st December 2011.

DIRECTORS

Mr. P. George Varghese, Managing Director retired on 2nd September 2011 after 25 years service with the Company. Board of Directors expresses its deep appreciation of the services rendered by Mr. George Varghese during his tenure. Your company gained much from his leadership. Mr. George Varghese continues on the Board as the non-executive Vice Chairman.

Mr. G. Rajamani, Dy. General Manager-Finance, has been appointed as Manager under the Companies Act, 1956, for a period 2 years from 3rd September 2011.

Mr. P George Varghese retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-election.

Mr. Michel Safir who had been appointed by the Board as Additional Director with effect from 1st August 2011 resigned from the Board with effect from 1st February 2012.

Mr. G Rajamani and Mr. Rafael Mathieu have been appointed by the Board as Additional Directors with effect from 28th October 2011 and 26th March 2012 respectively. These Directors will come up for reappointment at the next Annual General Meeting to be held on 29th June 2012.

DIRECTOR'S RESPONSIBILITY STATEMENT

As per the provisions of Section 217 (2AA) of the Companies Act 1956, the Board confirms that

1. The financial statements are in full conformity with the requirements of the Companies Act 1956 and applicable accounting standards had been followed along with proper explanation relating to material departures.
2. The Directors have selected such accounting policies and applied them consistently and made judgements 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. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

EMPLOYEE RELATIONS

Employee-relations were cordial. A Long Term Agreement with the Union representing the workers was signed for a period of 5 years from 1st March 2010.

Directors wish to acknowledge the support and valuable contributions on the part of all employees, particularly in safety, productivity improvement techniques, and lean management implementation.

Information pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not given in the annexure as there are no employees whose remuneration exceeds the limits prescribed under the section.

AUDITORS

M/s. Price Waterhouse, Chartered Accountants, Chennai, statutory auditors of the Company retire at the ensuing Annual General Meeting. Audit Committee recommended their reappointment.

APPRECIATION

Directors wish to place on record their appreciation of the continued support received from shareholders and Banks. The unstinted support of FCI has greatly contributed to the Company's performance and growth. Directors are also grateful to the Company's business partners and customers for their support and patronage.

On behalf of the Board of Directors

Cochin
27.03.2012

(S.N. TALWAR)
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS)
RULES,1988 AND FORMING PART OF DIRECTORS' REPORT.

A. CONSERVATION OF ENERGY

- a) Energy conservation measures undertaken:
- 1) Installed energy efficient screw compressor.
 - 2) PLC Installation in Stamping presses.
 - 3) 30 Nos. of mercury street lights changed to CFL lamps.
 - 4) Process chiller temperature optimized.
 - 5) 200 Nos. of tube lights reduced in shop floors.
 - 6) Installed timer in Ductable split A Cs.
 - 7) Air pressure regulation in Assembly 1&2 machines by 0.5 bar.
- b) Additional investments and proposals, if any, being implemented for the reduction of consumption of energy.
Capacitor bank installation for heavy machineries.
- c) Impact of measures (a) & (b) for reduction of energy consumption and consequent impact on the cost of production of goods.
The power cost per connector will get reduced
- d) Total energy consumption and energy consumption per unit as prescribed in Form A:
Not applicable

B. TECHNOLOGY ABSORPTION:

Research & Development

1. Specific areas in which R & D carried out by the company:
The R&D division of the company has successfully developed new connectors, with latest PIN-IN-PASTE technology for communication, Data & Consumer markets
2. Benefits derived as a result of the above R & D
The above new development of products has helped sustain and increase market share and able to add new products and new customer demands.
3. Future plan of action
New products incorporating latest technology are planned for high speed signal transmission requirements for Communication, Data & Consumer markets.
4. Expenditure on R&D:

	Rs. in lakhs
a) Capital	Nil
b) Recurring	75.32
c) Total	75.32
d) Total R&D expenditure as a percentage of total turnover	0.21%

Technology Absorption, Adaptation and Innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.

The company has adapted and improved the manufacturing facility with latest production technology from collaborator's facilities in Europe and USA. The company has implemented latest techniques like lean manufacturing in its factories to improve service level to customers.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

The products manufactured with the latest technologies are helping company to increase market share and better customer acceptance.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.

(a) Technology imported (b) Year of import (c) Has technology been fully absorbed? (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action:

Technology imported was in 1992-93 for the manufacture of Circular connectors. Technology has been absorbed and project completed. Company has been receiving technology with respect to the new products as well as improvement on existing products on a continuous basis.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with regard to foreign exchange outgo and earnings appear as item Nos. 14 & 15, being Notes to Accounts as appended to the accounts.

On behalf of the Board of Directors

Cochin
27.03.2012

(S.N. TALWAR)
Chairman

FCI OEN CONNECTORS LTD.

AUDITORS' REPORT TO THE MEMBERS OF FCI OEN CONNECTORS LIMITED

1. We have audited the attached Balance Sheet of FCI OEN Connectors Limited as at December 31, 2011 the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Government of India in terms of sub section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 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 , Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) in our opinion, the Balance Sheet ,Profit and Loss Account and the Cash Flow Statement dealt with by this report have been prepared, in all material respects, in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act.
 - (e) on the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2011 from being appointed as a director in terms of clause (g) of sub- section (1) of Section 274 of the Act.
 - (f) in our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2011 ;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

For and on behalf of

Price Waterhouse

Firm Registration No.: 007568S

Chartered Accountants

J Sekar

Partner

(Membership No.: F23800)

March 27, 2012

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of FCI OEN Connectors Limited on the financial statements for the year ended December 31, 2011

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventories (excluding stocks with third parties) of the Company at all its locations have been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of Section 301 of the Act have been so entered.
(b) In our opinion and according to the information and explanations given to us, having regard to Note 4 above, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion

FCI OEN CONNECTORS LTD.

that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, wealth-tax, service tax, customs duty, excise duty and cess as at December 31, 2011 which have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of the Dues	Amount in Rs. Lakhs	Forum where Statute dispute is pending
Income Tax Act, 1961	Income Tax	63.62	High Court, Kerala
Income Tax Act, 1961	Income Tax	11.94	Commissioner of Income Tax (Appeals)

10. The Company has no accumulated losses as at December 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any bank as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
20. The other clauses, (xix) and (xx) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the year, since in our opinion there is no matter which arises to be reported in the aforesaid Order.

For and on behalf of

Price Waterhouse
Firm Registration No.: 007568S
Chartered Accountants

J Sekar

Partner

(Membership No.: F23800)

March 27, 2012

BALANCE SHEET AS AT DECEMBER 31, 2011

	Schedule	As at December 31, 2011		As at December 31, 2010	
		Rs.	Rs.	Rs.	Rs.
I. SOURCE OF FUNDS					
Shareholders' Funds :					
Share Capital	1	63,069,140		63,069,140	
Reserves and Surplus	2	2,123,019,380	2,186,088,520	1,984,175,352	2,047,244,492
Loan Funds :					
Secured Loans	3	-		20,380,724	
Unsecured Loans	4	3,541,000	3,541,000	212,998,270	233,378,994
Deferred Tax Liability (Note 21 on Schedule 20)			9,689,000		25,750,383
TOTAL			2,199,318,520		2,306,373,869
II. APPLICATION OF FUNDS					
Fixed Assets :	5				
Gross Block		2,087,729,183		2,929,504,396	
Less: Depreciation		1,444,400,850		1,605,579,203	
Net Block		643,328,333		1,323,925,193	
Capital Work-in-Progress		5,863,440	649,191,773	14,954,562	1,338,879,755
Investments	6		221,350		130,558,920
Current Assets, Loans and Advances :					
Inventories	7	301,638,038		408,090,726	
Sundry Debtors	8	519,579,415		810,391,668	
Cash and Bank Balances	9	249,527,574		169,714,724	
Other Current Assets	10	896,140,457		91,836,722	
Loans and Advances	11	311,960,325		378,202,282	
		2,278,845,809		1,858,236,122	
Less: Current Liabilities and Provisions :	12				
Liabilities		520,967,991		748,645,053	
Provisions		207,972,421		272,655,875	
		728,940,412		1,021,300,928	
Net Current Assets			1,549,905,397		836,935,194
TOTAL			2,199,318,520		2,306,373,869
Significant Accounting Policies	19				
Notes on Accounts	20				

The Schedules referred to above form an integral part of these accounts.

This is the Balance Sheet referred to in our Report of even date.

FOR PRICE WATERHOUSE
Firm Registration Number:007568S
Chartered Accountants

S.N. Talwar
Chairman

G. Rajamani
Manager & Director

J Sekar
Partner
Membership Number : F23800

P George Varghese
Vice Chairman

Bjiu K Elias
Company Secretary

March 27, 2012

FCI OEN CONNECTORS LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2011

	Schedule	Year ended December 31, 2011		Year ended December 31, 2010	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales		3,654,157,867		3,758,125,334	
Less: Excise Duty		57,627,945	3,596,529,922	70,076,592	3,688,048,742
Other Income	13		498,475,275		345,643,897
			4,095,005,197		4,033,692,639
EXPENDITURE					
Materials	14		2,525,715,148		2,638,686,329
Employee Costs	15		384,015,785		331,417,209
Manufacturing Expenses	16		154,320,347		176,217,817
Selling, Administration and other Expenses	17		519,803,066		466,304,619
Interest and finance charges	18		9,259,971		27,399,068
Depreciation			341,294,639		286,227,211
			3,934,408,956		3,926,252,253
Profit before exceptional item			160,596,241		107,440,386
Exceptional Item Profit on sale of Automotive Division (Note 22 on schedule 20)			122,308,000		-
Profit before tax			282,904,241		107,440,386
Provision for Tax					
Current Tax (Net of excess provision relating to earlier years Rs. 90,800,000)		50,200,000		50,700,000	
Deferred Tax		(16,061,383)	34,138,617	7,850,000	58,550,000
Profit after Tax			248,765,624		48,890,386
Balance brought forward			1,291,342,612		1,463,002,945
Profit for the year 2009 relating to merged divisions					4,182,473
Profit available for appropriation			1,540,108,236		1,516,075,804
Appropriations					
Proposed Final dividend			94,578,585		189,157,170
Tax on dividend			15,343,011		30,686,022
General Reserve			24,877,000		4,890,000
Balance carried to Balance Sheet			1,405,309,640		1,291,342,612
			1,540,108,236		1,516,075,804
Earnings Per Share of Rs. 10/- each before exceptional item(Rs.)			20.06		7.76
Earnings Per Share of Rs. 10/- each after exceptional item (Rs.)			39.45		7.76
Basic and Diluted					
Significant Accounting Policies	19				
Notes on Accounts	20				

The Schedules referred to above form an integral part of these accounts.

This is the Profit and Loss Account referred to in our Report of even date.

FOR PRICE WATERHOUSE
Firm Registration Number:007568S
Chartered Accountants

S.N. Talwar
Chairman

G. Rajamani
Manager & Director

J Sekar
Partner
Membership Number : F23800

P George Varghese
Vice Chairman

Biju K Elias
Company Secretary

March 27, 2012

SCHEDULES FORMING PART OF ACCOUNTS

	As at December 31, 2011 Rs.	As at December 31, 2010 Rs.
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED		
9,000,000 Equity Shares of Rs. 10/- each.	90,000,000	90,000,000
	<u>90,000,000</u>	<u>90,000,000</u>
ISSUED		
6,309,517 Equity Shares of Rs. 10/- each fully paid up.	63,095,170	63,095,170
	<u>63,095,170</u>	<u>63,095,170</u>
SUBSCRIBED AND PAID UP		
6,305,239 Equity shares of Rs. 10/- each fully paid up.	63,052,390	63,052,390
Add: Forfeited Shares	16,750	16,750
	<u>63,069,140</u>	<u>63,069,140</u>

Notes:

Of the above

- a) 196,762 equity shares of Rs. 10/- each were allotted as fully paid-up for consideration other than cash pursuant to a scheme of amalgamation and demerger.
- b) 4,271,332 equity shares of Rs.10/- each are held by the holding company, FCI France SA. and 1,882,295 equity shares of Rs.10 each are held by FCI SA, the holding company of FCI France SA.
- c) 7,762 equity shares of Rs.10/- each were issued to FCI Asia Pte Ltd, Singapore towards purchase consideration of Automotive connector manufacturing division and Tool manufacturing division pursuant to a scheme of demerger.

	As at December 31, 2010 Rs.	Additions Rs.	As at December 31, 2011 Rs.
SCHEDULE 2			
RESERVES AND SURPLUS			
Subsidy received	1,000,000		1,000,000
Share Premium Account	290,181,421	-	290,181,421
General Reserve	401,651,319	24,877,000	426,528,319
Profit and Loss Account balance	1,291,342,612		1,405,309,640
	<u>1,984,175,352</u>		<u>2,123,019,380</u>

FCI OEN CONNECTORS LTD.

	As at December 31, 2011 Rs.	As at December 31, 2010 Rs.
SCHEDULE 3		
SECURED LOANS		
Foreign Currency Loan - Packing Credit	-	20,380,724
	<u>-</u>	<u>20,380,724</u>
	<u>-</u>	<u>20,380,724</u>

Note:

The above working capital facility is secured by way of a first charge on stock and book debts and also secured by a first charge by way of an equitable mortgage on 2.58 acres of leasehold land, situated at Thiruvaniyoor, Ernakulam District in the State of Kerala together with the buildings thereon.

SCHEDULE 4

UNSECURED LOANS

Foreign currency term loan (Note 1 below)	-	208,704,270
Fixed deposits (Note 2 below)	3,541,000	4,294,000
	<u>3,541,000</u>	<u>212,998,270</u>
	<u>3,541,000</u>	<u>212,998,270</u>

Notes

1. Repayable within one year	-	104,743.350
2. Fixed deposit maturing within one year	790,000	910,000

SCHEDULES FORMING PART OF ACCOUNTS

SCHEDULE 5: FIXED ASSETS

(in Rupees)

ASSETS	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	Cost as at 31-12-2010	Additions	Adjustments (Note 1 Below)	Deletions	Cost as at 31-12-2011	Upto 31-12-2010	For the year	Adjustments (Note 1 Below)	Deletions	Upto 31-12-2011	As at 31-12-2011	As at 31-12-2010
Tangible												
Land - Freehold	8,629,858 (8,629,858)	-	-	-	8,629,858 (8,629,858)	-	-	-	-	-	8,629,858 (8,629,858)	8,629,858 (8,629,858)
Building	261,671,446 (227,491,826)	(1,545,792)	1,545,792 (32,633,828)	-	260,125,654 (261,671,446)	63,274,518 (43,187,366)	9,438,960 (9,619,704)	69,914 (10,467,428)	-	72,643,564 (63,274,518)	187,482,090 (198,396,928)	199,396,928 (184,304,440)
Plant, Machinery and Equipment	2,338,696,093 (1,429,068,831)	113,376,973 (154,188,036)	939,823,966 (755,439,226)	2,083,212	1,510,165,888 (2,338,696,093)	1,348,623,439 (789,321,263)	220,488,193 (243,297,331)	491,304,407 (316,004,845)	2,083,212	1,075,724,013 (1,348,623,439)	434,441,875 (990,072,654)	990,072,654 (639,747,568)
Furniture and Fixtures	29,986,964 (22,705,337)	3,316,400 (2,456,138)	10,598,027 (4,825,489)	-	22,705,337 (29,986,964)	16,641,180 (11,412,549)	1,872,855 (2,324,154)	4,518,671 (2,904,477)	-	13,995,364 (16,641,180)	8,709,973 (13,345,784)	13,345,784 (11,292,788)
Vehicles	14,731,117 (12,558,870)	635,227	2,212,810 (2,212,810)	2,840,006 (40,563)	10,313,528 (14,731,117)	8,297,443 (5,062,739)	2,627,950 (1,749,780)	1,873,728 (1,516,073)	2,623,060 (31,149)	6,428,605 (8,297,443)	3,884,923 (6,433,674)	6,433,674 (7,496,131)
Intangible												
Goodwill	175,000,000	-	(175,000,000)	-	175,000,000 (175,000,000)	70,000,000	105,000,000 (17,500,000)	- (52,500,000)	-	175,000,000 (70,000,000)	- (105,000,000)	105,000,000
Technical Know-how	92,561,798 (92,561,798)	-	-	-	92,561,798 (92,561,798)	90,695,117 (78,986,669)	1,866,681 (11,708,448)	-	-	92,561,798 (90,695,117)	- (1,866,681)	1,866,681 (13,575,129)
Software	8,227,120 (8,227,120)	-	-	-	8,227,120 (8,227,120)	8,047,506 (8,019,712)	- (27,794)	-	-	8,047,506 (8,047,506)	179,614 (179,614)	179,614 (207,408)
Previous Year	2,929,504,366	117,323,600	954,180,595	4,923,218	2,087,729,183	1,605,579,203	341,294,639	497,766,720	4,706,272	1,444,400,850	643,328,333	1,323,925,193
	1,801,243,640	158,189,966	970,111,353	40,563	2,929,504,366	(935,390,318)	(286,227,211)	(383,392,823)	(31,149)	(1,605,579,203)		
Capital Work-in-Progress											5,863,440	14,954,562
											649,191,773	1,338,879,755

Notes:

Adjustments represent deletions on account of sale of automotive and tooling division as referred to in Note 22 on Schedule 20.

Previous year figures are given in brackets.

FCI OEN CONNECTORS LTD.**SCHEDULES FORMING PART OF ACCOUNTS**

	As at December 31, 2011		As at December 31, 2010	
	Nos.	Rs.	Nos.	Rs.
SCHEDULE 6				
INVESTMENTS				
Long Term - Non Trade - Unquoted				
20,000 equity shares of Kerala Enviro Infrastructure Limited		200,000		200,000
Current - Quoted				
7,000 Equity shares of Rs. 10 each fully paid up Integrated Finance Company Limited		113,120		113,120
Unquoted - Mutual funds				
DSP BlackRock Money Manager Fund			58,585	58,631,460
ICICI Prudential Interval Fund			3,084,644	30,848,937
HDFC Cash Management Fund			4,072,711	40,855,423
		313,120		130,648,940
Less: Provision for diminution in value		(91,770)		(90,020)
		221,350		130,558,920
Notes:				
1. Aggregate amount of quoted Investments, net of provision		21,350		23,100
2. Aggregate amount of Unquoted Investments, net of provisions		200,000		130,535,820
		221,350		130,558,920
3. Market Value of Quoted Investments		21,350		23,100
4. Aggregate NAV of mutual fund investment		-		130,448,379

Details of Investements purchased and sold during the year

DSP Money Manager Fund	19,984	20,000,000
LO79D SBI Magnumm Income Fund FR Savings Plus Bond Plan Daily Dividend	2,981,455	30,000,000

	As at December 31, 2011		As at December 31, 2010	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 7				
INVENTORIES				
Stores and Spares		10,614,884		10,957,112
Packing Material		3,182,214		5,611,840
Raw Material and Components		260,846,841		335,918,460
Work in Progress		8,798,248		6,076,433
Finished Goods		6,048,239		10,070,470
Trading Goods		8,040,708		20,792,928
		<u>297,531,134</u>		<u>389,427,243</u>
Contract work in progress		4,106,904		18,663,483
		<u>301,638,038</u>		<u>408,090,726</u>
SCHEDULE 8				
SUNDRY DEBTORS				
(Unsecured)				
Debts Outstanding for a period Exceeding six months				
Considered good	-		17,397,476	
Considered doubtful	<u>482,711</u>	482,711	<u>1,067,285</u>	18,464,761
Other debts				
Considered good	519,579,415		792,994,192	
Considered doubtful	<u>-</u>	<u>519,579,415</u>	<u>1,096,779</u>	<u>794,090,971</u>
		520,062,126		812,555,732
Less: Provision for doubtful debts		(482,711)		(2,164,064)
		<u>519,579,415</u>		<u>810,391,668</u>
SCHEDULE 9				
CASH AND BANK BALANCES				
Cash on Hand		330,465		143,160
Balances with Schedules Banks				
On Current Account		237,233,976		156,907,513
On Current Account (Unclaimed Dividend Account)		1,222,881		1,412,699
On Deposit Account		10,740,252		11,251,352
		<u>249,527,574</u>		<u>169,714,724</u>

FCI OEN CONNECTORS LTD.

	As at December 31, 2011 Rs.	As at December 31, 2010 Rs.
SCHEDULE 10		
OTHER CURRENT ASSETS		
(Unsecured - Considered good)		
Interest accrued on bank deposits	441,725	577,402
Consideration receivable on slump sale (Note 22 on Schedule 20)	837,000,000	-
Interest receivable on slump sale consideration	10,673,025	-
Claims receivable	48,025,707	91,259,320
	<u>896,140,457</u>	<u>91,836,722</u>
SCHEDULE 11		
LOANS AND ADVANCES		
(Unsecured - Considered good)		
Advances recoverable in cash or in kind or for value to be received (Note below)	227,718,843	158,346,227
Balance with Central Excise and Customs Deposits	62,978,865	196,016,105
	17,190,313	19,767,646
Fringe Benefit Tax (net of provision - Rs.13,930,376 (2010 - Rs.13,930,376))	4,072,304	4,072,304
	<u>311,960,325</u>	<u>378,202,282</u>
Note :		
Includes NSC lodged with Sales tax authorities	200,000	200,000
SCHEDULE 12		
LIABILITIES		
Sundry Creditors (other than Micro and Small Enterprises - Also refer Note 16 on Schedule 20)	485,886,912	730,421,344
Liability on retirement benefits	15,955,489	10,507,183
Other Liabilities	17,306,039	5,867,342
Unclaimed Dividend	1,222,881	1,412,699
Unpaid matured deposits (including interest)	73,514	42,229
Interest accrued but not due on loans	523,156	394,256
	<u>520,967,991</u>	<u>748,645,053</u>
PROVISIONS		
Leave encashment	-	12,580,299
Provision for Tax (Net of Advance Tax and tax deducted at source - Rs. 865,639,333 (2010 - Rs. 873,257,774))	98,050,825	40,232,384
Proposed Final Dividend	94,578,585	189,157,170
Tax on Dividend	15,343,011	30,686,022
	<u>207,972,421</u>	<u>272,655,875</u>

	Year ended December 31, 2011		Year ended December 31, 2010	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 13				
OTHER INCOME				
Dividend on shares and units - Non-Trade, Current		4,210,271		14,647,804
Agency Commission		-		898,054
Interest on deposits and Income tax refund (Tax Deducted at Source - Rs.943,600(2010- Rs.90,833)		8,578,235		807,123
Interest on slump sale consideration receivable		11,858,917		-
Interest on Intercompany loan		-		11,353,425
Scrap Sales (Net of Excise duty - Rs.17,424,200) (2010 - Rs. 15,597,136)		332,253,277		179,468,484
Export Entitlements		123,100,355		135,184,194
Profit on sale of fixed assets		350,540		-
Profit on sale of Non trade investments- Current		-		336,279
Provisions for current investments written back		-		169,286
Provision for doubtful debts written back		94,133		184,981
Rental income		8,833,574		1,980,000
Miscellaneous Income		16,453		614,267
Exchange Gain (Net)		9,179,520		-
		<u>498,475,275</u>		<u>345,643,897</u>
SCHEDULE 14				
Materials				
Raw Materials and Components consumed (Note below)		2,260,778,522		2,280,260,421
Purchase of trading goods		272,195,691		331,700,523
Increase / (Decrease) Excise Duty on closing stock of finished goods		(257,821)		381,057
Transfer of inventories on account of slump sale as referred to in Note 22 on Schedule 20 (Increase) / Decrease in value of Inventories		(21,053,880)		
Opening Stock				
Work in progress		6,076,433		48,516,169
Finished Goods		10,070,470		5,455,128
Trading Goods		20,792,928		9,312,862
		<u>36,939,831</u>		<u>63,284,159</u>
Closing Stock				
Work in progress		8,798,248		6,076,433
Finished Goods		6,048,239		10,070,470
Trading Goods		8,040,708		20,792,928
		<u>22,887,195</u>		<u>36,939,831</u>
		14,052,636		26,344,328
		<u>2,525,715,148</u>		<u>2,638,686,329</u>
Note:				
Net of cost of materials capitalised		363,219		1,163,601
SCHEDULE 15				
Employee Cost				
Salaries, Wages and Bonus		306,403,290		268,343,707
Contribution to Provident and Other Funds		56,346,249		41,020,541
Staff Welfare Expenses		24,012,820		24,707,884
		386,762,359		334,072,132
Less : Recovery from a group company Capitalised	(2,746,574)	(2,746,574)	(2,100,000)	(2,654,923)
		<u>384,015,785</u>		<u>331,417,209</u>

FCI OEN CONNECTORS LTD.

	Year ended December 31, 2011 Rs.	Year ended December 31, 2010 Rs.
SCHEDULE 16		
Manufacturing Expenses		
Power, Fuel and Water charges (Note below)	57,248,921	69,526,202
Stores and Spares Consumed	72,810,676	85,155,079
Repairs and Maintenance		
- Buildings	12,091,906	7,428,442
- Plant and Machinery	7,060,528	5,794,662
- Others	5,108,316	8,313,432
	<u>154,320,347</u>	<u>176,217,817</u>
Note:		
Net of Power charges capitalised	70,895	92,766
SCHEDULE 17		
Selling, Administration and other Expenses		
Rent	11,828,811	7,778,686
Rates and taxes	10,450,585	7,607,373
Insurance	5,315,955	5,758,396
Travelling and Conveyance	11,643,613	14,021,848
Communication	6,861,118	6,176,253
Software Support Expenses	33,761,120	46,321,376
Trademark, License fee and Royalties	145,143,540	138,367,549
Management Fees	77,845,419	56,402,638
Selling Expenses	1,224,281	1,129,433
Packing and Carriage Outwards	129,981,925	125,463,317
Bad Debts / Advance written off(Note below)	252,874	1,272,256
Provision for diminution in the value of investments	1,750	
Exchange Loss (Net)	-	7,156,218
Miscellaneous Expenses	85,492,075	48,849,276
	<u>519,803,066</u>	<u>466,304,619</u>
Note:		
Bad Debts / Advance written off	252,874	1,446,930
Less: Bad debts write off out of provision	-	174,674
	<u>252,874</u>	<u>1,272,256</u>
SCHEDULE 18		
INTEREST AND FINANCE CHARGES		
On foreign currency loans	2,655,046	15,905,368
On public deposits	368,180	320,299
On Others	915,317	2,602,592
	<u>3,938,543</u>	<u>18,828,259</u>
Bank Charges	5,321,428	8,570,809
	<u>9,259,971</u>	<u>27,399,068</u>

SCHEDULE - 19

SIGNIFICANT ACCOUNTING POLICIES

1 Accounting convention

The financial statements are prepared under historical cost convention on accrual basis of accounting to comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as of the date of Balance Sheet. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of relevant facts and the circumstances as of the date of the financial statements. Actual amounts could differ from these estimates.

3. Revenue Recognition

Sales include excise duty and is net of discounts and sales returns.

Revenue from sale of products is recognized on despatch or appropriation of goods in accordance with the terms of sale.

Dividend income on investments is recognized when the right to receive dividend is established.

4 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes all costs relating to the acquisition and installation of fixed assets. Cost of internally generated fixed assets includes costs directly attributable to the construction of the asset including materials, labour and overheads.

5 Depreciation

Depreciation on all fixed assets is provided under the straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956, except as follows

Asset Group (Tangible)	Rates
Plant & Machinery	12.50%/20%/33.33%
Computers	25%

Intangible assets, viz., technical know-how and Software, are amortised over a period of seven and four years respectively.

6. Impairment

Consideration is given at each Balance Sheet date to determine whether there is any modification or impairment of the carrying amount of the fixed assets. If any condition exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of any asset exceeds recoverable amount.

7. Inventories

Inventories, other than stores and spares, are stated at lower of cost and net realisable value. Stores and spares are valued at or below cost. Cost comprises of standard cost adjusted for variances and includes, where appropriate, the combined cost of material, labour and all applicable manufacturing overheads. Cost of inventories is generally ascertained on weighted-average basis.

8. Investments

Long-term investments are stated at cost less provision for diminution, which is made to recognize a decline, other than temporary, in the value of such investments. Current investments are stated at lower of cost and market price.

FCI OEN CONNECTORS LTD.

9. Foreign Currency Transactions

Foreign currency transactions are recorded at the monthly average rates of exchange. Monetary assets and liabilities at the year-end, denominated in foreign currency, are translated at the exchange rate prevailing on the balance sheet date. Exchange difference arising on actual payment / realisation and year end restatement referred to above are dealt with in the profit and loss account.

10. Taxation

Provision for current tax is made based on the liability computed in accordance with the relevant tax rates and tax laws. Provision for deferred tax is made for timing differences arising between the taxable income and the accounting income computed using tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date. Deferred tax assets are recognized only if there is virtual certainty that they will be realised and are reviewed for appropriateness of their respective carrying values at each Balance Sheet date.

11. Employment Benefits

Short term employee benefits are recognized as an expense as per the Company's scheme, based on expected obligations on undiscounted basis

Post Retirement

Post retirement benefits comprise of Provident fund, Superannuation and Gratuity which are accounted as follows:

i) Provident Fund

This is a defined contribution plan and contributions made to the Regional Provident Fund Commissioner in accordance with the Employees Provident Fund Rules are charged to Revenue. The Company has no further obligations for future provident fund benefits other than monthly contributions.

ii) Superannuation

This is a defined contribution plan. The Company contributes a sum equivalent to 15% of eligible employees salary to a Superannuation Fund administered by trustees and managed by a private insurance company. The Company has no further obligations for future superannuation benefits other than its annual contributions and recognises such contributions as an expense as and when due.

iii) Gratuity

This is a defined benefit plan. The Company's scheme is administered by LIC. The liability is determined based on the actuarial valuation using projected unit credit method. Actuarial gains and losses, comprising of experience adjustments and the effects of changes in actuarial assumptions, are recognised immediately in the profit and loss account.

iv) Compensated absence

This is a defined benefit plan. Expenses are recognised in the period in which the employee renders the related service.

SCHEDULE - 20

Notes on Accounts

	As at December 31, 2011 Rs.	As at December 31, 2010 Rs.
1. Contingent Liability		
Claims against the Company not acknowledged as debts:		
Sales tax matters (Subjudice)	5,454,262	5,454,262
Income tax matters	98,115,142	-

	Rs.	Rs.
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,944,000	3,752,600
3.a The Company has contracted working capital facilities from a bank for which it has created a charge on certain fixed assets and current assets in their favour:		
Fund based facility	-	120,000,000
Non fund based facility	50,000,000	50,000,000
b. Balance outstanding in the facility- Fund Based	-	20,380,724
Non-fund based	15,685,732	14,045,014
4. Aggregate amount of Deposits with scheduled banks towards security against guarantees issued by the banks in favour of customs and sales tax authorities and certain customers towards due performance of statutory / contractual obligations.	7,306,005	9,424,571
5. Amount due for transfer to Investor Education and Protection Fund in accordance with section 205C of the Companies Act, 1956.	Nil	Nil
6. In respect of capital goods imported at concessional rate of duty under the Export Promotion Capital Goods Scheme, the Company has an export obligation of approximately Rs.53.16 million (2010 - Rs. 722 million), which is required to be met at different dates, before March 2017. In the event of non fulfilment of the export obligation, the Company will be liable to refund the availment of concessional customs duties and penalties as applicable. However, the Company is confident of meeting its export obligation.		
7. The transfer pricing study regarding compliance with the transfer pricing rules for the period April 01, 2011 to December 31, 2011 under the provisions of the Indian Income Tax Act, 1961 is yet to be completed .		

8.1 Details of Stock, Production and Sales : Manufactured Goods

Description	Units	Opening Stock		Production	Net Sales		Closing Stock	
		Quantity	Value Rs.	Quantity	Quantity	Value Rs.	Quantity	Value Rs.
Connectors*	Nos	2,497,319 (665,514)	7,731,890 (3,798,500)	61,553,310 (191,849,753)	63,725,599 (190,017,948)	2,281,583,087 (2,454,804,243)	325,030 (2,497,319)	5,579,686 (7,731,890)
Accessories	Nos	982,637 (572,390)	2,021,710 (1,230,720)	119,647,123 (51,157,488)	120,576,170 (50,747,241)	271,241,123 (152,409,304)	53,590 (982,637)	468,553 (2,021,710)
Cable Assembly	Nos	3,080 (3,860)	316,870 (425,908)	4,467,764 (9,369,777)	4,470,844 (9,370,557)	501,037,088 (511,336,761)	(3,080)	(316,870)
Tools	Nos	-	-	(349,719)	65,608 (349,719)	145,298,540 (139,028,172)	- (-)	- (-)
			10,070,470 (5,455,128)			3,199,159,838 (3,257,578,480)		6,048,239 (10,070,470)

* Installed capacity 252,838,000 units (2010- 252,838,000 units) ELX Division; & 123,344,301 units (MVL Division)
& Tools & Moulds- 50,000 units
(Figures in bracket represent previous year numbers)

FCI OEN CONNECTORS LTD.

8.2 Details of purchase and sale of electronic Traded goods 2011 2010

Particulars	Value (Rs.)	Value (Rs.)
Opening Stock	20,792,928	9,312,862
Purchases	272,195,691	331,700,523
Sales	397,370,084	430,470,262
Closing Stock	8,040,708	20,792,928

Quantitative particulars in respect of stocks, purchases and sales of electronic traded goods could not be furnished on account of the diverse nature of such goods for which there is no common measure. (Quantities of Opening stock 3,337,493(272,506), purchases 48,046,412 (49,022,377), Sales 36,885,319 (45,957,390), Closing stock 468,873 (3,337,493) not disclosed in the schedule for reason stated above.)

(Figures in bracket represents previous year numbers)

9. Consumption of raw materials and components during the year:

	Units	2011		2010	
		Quantity	Value Rs.	Quantity	Value Rs.
Gold	Kgs	101	244,722,234	138	239,490,454
Palladium	Kgs	221	226,368,773	349	262,116,590
Non Ferrous Materials - Brass, Phosphorous Bronze	Kgs	560,049	414,400,725	669,497	357,730,319
Ferrous Materials	Kgs	56,596	3,837,262	45,000	2687,467
Moulding Materials	Kgs	835,536	154,064,246	1,136,014	246,067,646
Chemicals		461,956	41,793,830	439,469	54,906,128
Components		841,263,139	945,458,985	713,019,849	994,732,874
Others including semi-finished components, purchase overheads and variances (individually less than 10 per cent of the total consumption)		*	230,132,467	*	122,528,943
			2,260,778,522		2,280,260,421

* It is not practicable to furnish quantitative information in respect of individual items in view of the considerable number of items of diverse size and nature. (related quantity 12,225,229 for 2011 and 10,321,117 for 2010 not disclosed in the schedule for reason stated above)

The above figures are after adjustments of excesses and shortage ascertained on physical count and write off of obsolete and other items.

10. Value of Materials and Components and Stores and Spares consumed during the year

	%	2011		2010	
		Value Rs.	Value Rs.	Value Rs.	Value Rs.
Materials and Components					
Imported	64	1,436,578,853		69	1,564,075,312
Indigenous	36	824,199,669		31	716,185,109
	100%	2,260,778,522		100%	2,280,260,421
Stores and Spares					
Imported	42	30,532,296		39	33,174,532
Indigenous	58	42,278,380		61	51,980,547
	100%	72,810,676		100%	85,155,079

11.1 Remuneration paid / payable to Managing Director and Manager

	2011 Rs.	2010 Rs.
Salary	5,243,418	2,330,718
Contribution to Provident and other funds	579,065	571,089
Perquisites	370,597	104,221
Commission	2,556,800	-
	<u>8,749,880</u>	<u>3,006,028</u>

Contributions to employee retirement / post retirement and other employee benefits, which are based on actuarial valuations carried out on an overall Company basis, are excluded from above in the absence of employeewise details.

11.2 Computation of Net Profit in accordance with Sections 198 and 349 of the Companies Act, 1956 and calculation of Directors' Commission

		2011 Rs.
Profit before tax		282,904,241
Add:Directors' Remuneration	8,749,880	
Directors' sitting fees	65,000	
Goodwill written off	105,000,000	<u>113,814,880</u>
		396,719,121
Less:		
Profit on sale of fixed assets	350,540	
Profit on sale of automotive and tooling division	122,308,000	<u>122,658,540</u>
Adjusted Net Profit		274,060,581
Directors' Commission restricted to		<u>2,556,800</u>

12.Miscellaneous expenses include:

	2011 Rs.	2010 Rs.
Statutory auditor's remuneration for:		
Statutory audit	1,350,000	2,046,000
Others	-	-
Out of pocket expenses	398,000	404,000
	<u>1,748,000</u>	<u>2,450,000</u>

13.CIF Value of Imports

Raw materials	902,985,244	841,601,672
Components	698,332,143	738,436,684
Capital goods	89,006,963	64,410,174
Machinery Spares, Tools, Consumables	190,656,240	136,400,418
Traded Goods	289,360,128	353,053,940
	<u>2,170,340,718</u>	<u>2,133,902,888</u>

14.Expenditure in foreign currency

Travelling Expenses	1,563,585	2,614,557
Trademark and royalty	12,567,764	12,499,591
Patent cost	132,575,776	125,867,958
Management fees	77,845,419	107,780,657
Salary	9,945,397	6,074,382
Software support expenses	33,761,120	-
Others	16,179,154	6,267,327
	<u>284,438,215</u>	<u>261,104,472</u>

FCI OEN CONNECTORS LTD.

15. Earnings in Foreign Currencies:

	2011 Rs.	2010 Rs.
F.O.B. Value of Exports	2,711,104,486	2,733,500,095
Agency Commission	-	898,054
	<u>2,711,104,486</u>	<u>2,734,398,149</u>

16. As at December 31, 2011 there is no interest payable to Micro and Small Enterprises as defined under the Micro Small and Medium Enterprises Development Act, 2006. This information and that disclosed under schedule 12 have been determined to the extent such parties have been identified on the basis of information available with the Company.

17. In keeping with the Company's gratuity scheme (a defined benefit plan), eligible employees are entitled to gratuity benefit (at one half month's eligible salary for each completed year of service subject to ceilings) on retirement/death/incapacitation/termination etc. Also refer accounting policy above relating to Gratuity. Following are the further particulars relating to gratuity.

17.1. Reconciliation of opening and closing balances of the present value of defined benefit obligation:

Sl.No	Particulars	2011	2010	2009	2008
		In Rs	In Rs	In Rs	In Rs
01	Projected Benefit Obligation at the beginning of the year	34,304,888	22,345,979	20,460,945	16,100,785
02	Current Service Cost	3,378,950	4,156,044	2,428,252	1,202,575
03	Past Service Cost	-	5,333,821	-	-
04	Interest Cost	2,655,454	1,686,031	1,554,479	1,239,907
05	Benefits paid	(2,223,419)	(2,541,192)	(2,059,917)	(1,203,902)
06	Actuarial (Gain)/Loss	15,421,613	3,324,205	(37,780)	3,121,580
07	Transfer out Cost/(Credit)	(9,928,312)	-	-	-
08	Projected Benefit Obligation at the end of the year	43,609,174	34,304,888	22,345,979	20,460,945

17.2. Reconciliation of opening and closing balances of the fair value of Plan assets:

Sl.No	Particulars	In Rs	In Rs	In Rs	In Rs
01	Fair value of plan assets at the beginning of the year	32,819,311	19,838,793	17,627,274	16,045,497
02	Expected return on plan assets	2,576,608	2,369,615	1,498,643	1,346,911
03	Contributions	1,000,000	11,509,131	2,836,205	1,501,117
04	Benefits paid	(2,223,419)	(2,541,192)	(2,059,917)	(1,203,902)
05	Transfer out Cost/(Credit)	(10,925,187)	-	-	-
06	Actuarial gain/ (loss) on plan assets	5,516,658	1,642,964	(63,412)	(62,349)
07	Fair value of plan assets as at the end of the year	28,763,971	32,819,311	19,838,793	17,627,274

17.3 Amount Recognised in Balance Sheet

Sl.No	Particulars	In Rs	In Rs	In Rs	In Rs
01	Projected Benefit Obligation at the end of the year	43,609,174	34,304,888	22,345,979	20,460,945
02	Fair Value of Plan assets at the end of the year	(28,763,971)	(32,819,311)	(19,838,793)	(17,627,274)
03	Funded Status of the plans - Liability/ (Asset)	14,845,203	1,485,577	2,507,186	2,833,671
04	Restricted to Present Value				

17.4. Amounts Recognised in the statement of Profit and Loss

Sl.No	Particulars	2011 In Rs	2010 In Rs	2009 In Rs	2008 In Rs
01	Current Service Cost	3,378,951	4,156,044	2,428,252	1,202,575
02	Interest Cost	2,655,454	1,686,031	1,554,479	1,239,907
03	Expected return on Plan Assets	(2,576,608)	(2,369,615)	(1,498,643)	(1,346,911)
04	Net Actuarial (Gain)/Loss recognized in the period	9,904,955	1,681,241	25,632	3,183,929
05	Past Service Cost	-	3,528,442		(2,876,316)
06	Amount of Asset not recognized on account of limitation set in AS				
07	Net Cost	13,362,752	8,682,143	2,509,720	1,403,184

17.5. Percentage of each category of Plan assets to the total fair value of Plan assets : Funded with Life Insurance Corporation of India

17.6. Actuarial Assumptions

Sl.No	Particulars	in Percentage	in Percentage	in Percentage	in Percentage
01	Discount Rate	8.50%	8%	8%	8%
02	Estimated Rate of Return on Plan Assets	8%	8%	8%	N.A
03	Expected rate of Salary Increases	5%	3%	3%	3%
04	Any other material actuarial assumptions – Attrition	5%	3%	3%	3%

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held (through LIC), historical results of the return on plan assets, policy for plan asset management.

18. Segment Information

A. Primary Business Segment information:

The Company's operations predominantly relate to one segment, viz, manufacturing and sale of connectors, accessories and cable assembly and accordingly this is the only reportable business segment in accordance with Accounting Standard 17 on Segment Reporting.

B. Secondary Geographical Segment Information:

	2011 Rs.	2010 Rs.
a) Revenues from external customers by location of customers :		
India	885,283,023	1,008,060,469
Europe	1,155,732,222	966,451,937
Asia Pacific	1,158,240,653	1,204,966,943
Americas	397,274,024	451,537,627
Africa	-	57,031,766
	<u>3,596,529,922</u>	<u>3,688,048,742</u>

FCI OEN CONNECTORS LTD.

b) Carrying amount of segment assets by location of assets :

	2011 Rs.	2010 Rs.
India	3,527,796,977	2,756,716,858
Europe	42,613,119	255,243,458
Asia Pacific	201,055,885	227,384,712
Americas	36,362,660	84,257,465
	<u>3,807,828,641</u>	<u>3,323,602,493</u>

c) All manufacturing facilities are located only in India.

19. Related Party Disclosure

a) List of Related parties where Control exists :

Holding Company	FCI France S.A, FCI SA
Holding Company of FCI France SA	FCI SA
Ultimate Holding Company	FCI International
Fellow Subsidiaries	FCI Electronics Hungary KFT
	FCI Tresorerie SA
	FCI Treasury International BV
	FCI Connectors Italia SRL
	FCI Deutschland GMBH
	FCI S'hentogekbosch BV
	FCI Connectors Sweden AB
	FCI Interconnect Iberica
	FCI Tunisia SARL
	FCI Connectors UK Ltd
	FCI Besancon SA
	FCI Expansion 3 SAS
	FCI Automotive Holding SA
	FCI Asia Pte Ltd
	FCI USA LLC*
	FCI Americas Technology LLC
	FCI Connectors Canada, Inc
	FCI USA Treasury LLC
	FCI Connectors Hong Kong Ltd
	FCI Connectors Malaysia SDN BHD
	FCI Connectors Singapore Pte Ltd*
	FCI Taiwan Ltd*
	FCI GBS India Private Limited
	FCI PRC Ltd*
	FCI Connectors Donguan Ltd*
	FCI Japan KK*
	FCI Connectors Korea Ltd
	Anytek Technology Corporation Ltd
	FCI Belgium NV
	FCI Automotive UK Ltd
	FCI Automotive France SA*
	FCI Austria GmbH*
	FCI Italia SPA*
	FCI Automotive USA, Inc
	FCI Connectors DO Brasil, LTDA
	FCI Honduras S.DE.RL*
	FCI Automotive Japan KK
	FCI Technology Services Ltd*
	FCI Automotive Hongkong Ltd
	FCI Korea Ltd*
	FCI Microconnections*

* Represents related parties with whom the Company had transactions during the year.

b) Key Management Personnel

1. P. George Varghese, Vice Chairman and Managing Director upto September 2, 2011 and Vice Chairman from September 3, 2011.
2. G.Rajamani, Manager (effective September 3, 2011)

c) The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

d) Particulars of transactions with related parties during the year

(In Rs.)

Nature of transaction	2011				2010			
	FCI SA	Holding Company	Fellow Subsidiary Companies	Key Management Personnel	FCI SA	Holding Company	Fellow Subsidiary Companies	Key Management Personnel
Transactions during the year:-								
Purchases of goods \$	-	-	320,731,609	-	-	18,273,357	222,582,885	-
Sale of goods #	-	-	1,284,757,252	-	-	51,143	248,601,041	-
Purchase of fixed assets	-	1,375,844	3,655,606	-	-	1,351,788	598,865	-
Services rendered	-	-	6,174,341	-	-	-	365,978	-
Services received	25,595,797	-	120,982,329	-	55,589,706	-	-	-
Expense reimbursements paid	-	-	10,390,146	-	-	959,655	5,383,688	-
Expense reimbursements received	-	-	3,825,124	-	-	110,801	11,990,120	-
Interest on Loan Paid	-	-	-	-	-	-	6,007,774	-
Trademark, License fee and Royalties	-	12,567,764	-	-	-	12,499,591	-	-
Management fees @	77,845,419	-	-	-	56,402,638	-	-	-
Patent fees	-	132,575,776	-	-	-	125,867,958	-	-
Remuneration	-	-	-	9,793,080	-	-	-	3,006,028
<p>\$ Purchase of goods from fellow subsidiaries represents Rs.15,473,278 (2010 – 65,198,496) from FCI Besancon S.A., Rs.Nil(2010 – Rs. 39,610,098) from FCI Automotive France S.A., Rs.9,624,781(2010- Rs. 48,492,420) from FCI USA, Rs.92,918,284 (2010- Rs.53,585,644) from FCI, Italy and Rs.15,707,976 (2010- Rs.15,696,227) from FCI, Austria, Rs. 136,044,584 from FCI PRC Ltd (2010-Rs. Nil),Rs.18,096,731 from FCI Japan KK(2010- Rs.Nil), Rs.3,611,303 from FCI Connectors Singapore Pte Ltd (2010- Rs. Nil), Rs. 12,310,540 from FCI Taiwan (2010- Rs. Nil), Rs. 15,944,930 from FCI Korea (2010- Rs. Nil) and Rs.999,202 from FCI Honduras (2010- Rs. Nil).</p> <p># Sale of goods to fellow subsidiaries represents Rs.10,877,171 to FCI Besancon S.A (2010 – Rs. 21,932,681), Rs.113,154,346(2010- Rs. 165,689,266) to FCI Automotive France S.A, Rs. 444,261 (2010 – Rs.24,263) to FCI Microconnections S.A, Rs. 248,111,868 (2010- Rs.9,849,815) to FCI USA, Rs.13,590,512 (2010- Rs. 10,556,439) to FCI, Italy, Rs. 2,879,391 (2010- Rs. 33,012,255) to FCI, Austria, Rs.22,309,232 (2010- Rs.7,526,322) to FCI Honduras, Rs.636,447,481 to FCI PRC Ltd(2010- Rs. Nil), Rs. 64,641,620 to FCI Japan KK(2010- Rs. Nil), Rs.116,345,538 to FCI Connectors Singapore Pte Ltd(2010- Rs. Nil), Rs.29,889,501 to FCI Taiwan(2010- Rs. Nil), Rs.3,862,284 to FCI Connectors Donguaan(2010- Rs. Nil), Rs. 7,921,903 to FCI Technology Services Limited(2010- Rs. Nil), Rs. 14, 252,409 to FCI Korea(2010- Rs. Nil), Rs.29,735 to Framatome Connectors Austria(2010- Rs. Nil).</p> <p>@ Pertains to FCI International</p>								
Amounts outstanding as on Balance Sheet date :								
Amounts receivable	-	515,810	301,018,040	-	-	1,488,616	141,438,132	-
Amounts payable	@104,409,404	124,966,496	21,895,865	-	@102,336,954	139,511,616	76,300,417	-

20. Earnings per equity share has been computed as under:

	2011	2010
Profit after Tax as per Profit and Loss Account (A)	248,765,624	48,890,386
Less : Exceptional items Rs. – Income	122,308,000	Nil
Profit after Tax before exceptional items - Rs. (B)	126,457,624	48,890,386
Number of equity shares outstanding (C)	6,305,239	6,305,239
Earnings per share - Basic and Diluted (before exceptional item) - Rs. (B) / (C)	20.06	7.76
Earnings per share - Basic and Diluted (after exceptional item) - Rs. (A) / (C)	39.45	7.76

21. Deferred Tax

Deferred Tax Liability has arisen on account of

	December 31, 2011 (Rs.)	December 31, 2010 (Rs.)
Difference in Written Down Value of fixed assets between books and tax accounts	(15,781,600)	(30,575,430)

FCI OEN CONNECTORS LTD.

Provision for doubtful debts	156,820	718,848
Others	5,935,780	4,106,199
	9,689,000	25,750,383

22. The Company has disposed off its automotive and tooling division with effect from October 31, 2011, after obtaining the approval of shareholders. The total consideration for sale, was Rs.837,000,000/- and the cost of net assets, including fixed assets and inventory, sold was 714,692,000/- resulting in a profit of Rs. 122,308,000- which has been included under exceptional item in the Profit and Loss account.

23. Previous year's figures have been reclassified wherever necessary to conform to the classification for the year. Certain divisions were sold during the year as referred to in Note 22 above and accordingly the previous year figures are not strictly comparable.

FOR PRICE WATERHOUSE

Firm Registration Number :007568S
Chartered Accountants

P.George Varghese
Vice Chairman

S.N. Talwar
Chairman

J. Sekar

Partner
(Membership No.F23800)

Biju K Elias
Company Secretary

G. Rajamani
Director & Manager

March 27, 2012

24. Balance Sheet Abstract and Company's General Business profile as required in Part IV of Schedule VI to the Companies Act, 1956 as appended herein below:

I Registration Details

Registration No.	003348 of 1981
State Code No.	09
Balance Sheet Date	31.12.2011

II Capital Raised during the Year : Rs. (in 000's)

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

III Position of Mobilisation & Deployment of Funds Rs.(In 000's)

Total Liabilities	2,928,259
Total Assets	2,928,259
Sources of Funds -	
Paid Up Capital	63,069
Reserves & Surplus	2,123,019
Secured Loans	
Unsecured Loans	3,541
Deferred tax liability, Net	9,686
Application of Funds -	
Net Fixed Assets	649,191
Investments	221
Net Current Assets	1,549,905

IV Performance of Company (Rs.in 000's)

Turnover/Other Income	4,217,313
Total Expenditure	(3,934,409)
Profit/Loss before Tax	282,904
Profit/Loss after Tax	248,766
Earning per Share (Rs.) -	39.45
Dividend Rate (%)	150.00%

V Generic Names of principal product of company (as per monetary terms)

Item Code No. (HC Code)	85.36
Product Description	Connectors

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011

	Year ended December 31, 2011 Rs.	Year ended December 31, 2010 Rs.
I Cash Flow From Operating Activities		
Profit before tax	282,904,241	107,440,386
Add :		
Depreciation	341,294,639	286,227,211
Interest expense	3,938,543	18,828,259
Interest income	(20,437,152)	(12,160,548)
Dividend on shares and units, non-trade, current	(4,210,271)	(14,647,804)
Loss / (profit) on sale of fixed assets	(350,540)	914
Loss / (Profit) on sale of non-trade, current investments	-	(336,279)
Provision for diminution in value of investments	1,750	-
Provision for diminution in value of current investments written back	-	(169,286)
Operating profit before working capital changes	603,141,210	385,182,853
Changes in current assets and liabilities		
Sundry Debtors	290,812,253	(219,118,975)
Inventories	106,452,688	(193,055,789)
Loans and Advances and Other current assets	(727,524,430)	82,392,825
Current liabilities	(240,227,728)	230,409,017
Cash generated from operations	32,653,993	285,809,931
Income tax paid (net of refunds)	7,618,441	(51,036,085)
Net cash from/(used in) operating activities	40,272,434	234,773,846
II Cash Flow From Investing Activities		
Purchase of fixed assets	(108,237,478)	(750,405,596)
Sale of fixed assets	456,981,361	8,500
Interest received	9,899,804	17,891,817
Dividend received	4,210,271	14,647,804
Purchase of investments	(50,000,000)	(166,863,223)
Sale/redemption of investments	180,335,820	398,620,846
Investments in Fixed deposits in Banks which are under lien	2,118,566	(2,926,286)
Net cash from/(used in) investing activities	495,308,344	(489,026,138)
III Cash Flow From Financing Activities		
Loan received	-	352,084,994
Loan repaid	(229,084,994)	(123,000,000)
Increase / (Decrease) in fixed deposits (net)	(721,715)	2,019,604
Interest paid on Fixed Deposits and loans	(3,809,643)	(18,681,128)
Dividend paid(Including dividend tax)	(220,033,010)	(135,794)
Net cash from/(used in) financing activities	(453,649,362)	212,287,676
Net increase / (decrease) in cash and cash equivalents (I+II+III)	81,931,416	(41,964,616)
Non cash transaction arising out of demerger		
Profit for the year 2009 relating to Merged Divisions	-	4,182,473
Purchase consideration relating to Merged Divisions	-	3,151,716
	81,931,416	(34,630,427)
Cash and cash Equivalents at the beginning of the year	160,290,153	194,920,580
Cash and cash Equivalents at the end of the year(Note below)	242,221,569	160,290,153
	81,931,416	(34,630,427)
Notes:		
1 Cash and Cash Equivalents at the end of the year	249,527,574	169,714,724
Less: Bank deposits under lien	7,306,005	9,424,571
	242,221,569	160,290,153
2 Cash and Cash Equivalents at the beginning of the year	169,714,724	201,418,865
Less: Bank deposits under lien	9,424,571	6,498,285
	160,290,153	194,920,580

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board of Directors

FOR PRICE WATERHOUSE
Firm Registration Number:007568S
Chartered Accountants

S.N. Talwar
Chairman

G. Rajamani
Manager & Director

J Sekar
Partner
Membership Number : F23800

P George Varghese
Vice Chairman

Biju K Elias
Company Secretary

March 27, 2012

FCI OEN CONNECTORS LTD.

Regd. Office: XXIX/2089, Tripunithura Road, Thykoodam, Cochin 682 019

ATTENDANCE CARD

ANNUAL GENERAL MEETING

Friday, 29th June 2012 at 2.30 p.m.

Regd. Folio

DPID No.

Client ID No.

I hereby record my presence at the Annual General Meeting at Hotel The Classik Fort, Near Gandhi Square, Pettah Road, Poonithura, Kochi 682 038.

Members'/Proxy's Signature

FCI OEN CONNECTORS LTD.

Regd. Office: XXIX/2089, Tripunithura Road, Thykoodam, Cochin 682 019

FORM OF PROXY

Regd. Folio

DPID No.

Client ID No.

I/We of being a Member/Members of FCI OEN Connectors Ltd., hereby appoint of or failing him of or failing him of as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 29th June 2012 at Hotel The Classik Fort, Near Gandhi Square, Pettah Road, Poonithura, Kochi 682 038 and at any adjournment thereof.

Dated this day of 2012.

For Office use only

Proxy No.

Reg. Folio

No. of Shares

Affix
1 Rupee
Revenue
Stamp

- Notes:
1. The form should be signed across the stamp as per specimen signature registered with the Company.
 2. The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.
 3. A Proxy need not be a Member.

