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Cable Corporation of India Ltd.

48th

**Annual Report and Accounts
2004-2005**

BOARD OF DIRECTORS**Chairman and Managing Director**

Mr. H. A. Khatau

Directors

Mrs. N. H. Khatau

Mr. G. D. Bhingarkar - *Wholetime Director*

Mrs. N. B. Pasta

Mr. Utsav Parekh

Mr. Mukul Kasliwal

Company Secretary

Mr. H K Bijlani

President

Mr. P Nadig

Registered Office

Laxmi Building, 4th Floor

6, Shoorji Vallabhdas Marg

Ballard Estate, Mumbai 400 001

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e-mail: Secretarial Dept: sec@cablecorporation.com

Marketing Dept: mk@cablecorporation.com

Website Address: http://www.cablecorporation.com

Works

Dattapada Road, Borivali (East), Mumbai 400 066

Tel: 28542341 Fax: 28542430

Plot No.F-3/1, MIDC, Sinnar Industrial Area, (Malegaon)

Dist. Nashik - 422 103

Regional Offices**Western Region**

Dattapada Road, Borivali (East), Mumbai 400 066

Tel: 28702341 Fax: 28542430

e-mail: cciwr@cablecorporation.com

Northern RegionMilap Niketan, 2nd Floor, 8-A, Bahadur Shah Zafar Marg,

Post Box No.7111, New Delhi 110 002

Tel: 51509010 Fax: 011 51509014

e-mail: ccinr@cablecorporation.com

Eastern Region34, Allenby Road, 2nd Floor, II - A, Kolkata 700 020

Tel: 24542671/73/74 Fax: 033 24747592

e-mail: ccier@cablecorporation.com

Southern Region

Temple Towers, Wing No.1, Fourth Ffloor

476, Anna Salai, Chennai 600 035

Tel: 24343217 / 5389 Fax : 044 24345150

e-mail: ccisr@cablecorporation.com

Bankers

State Bank of India

United Bank of India

State Bank of Patiala

Auditors

Sorab S Engineer & Co.

Chartered Accountants

Solicitors

Kanga & Co.

Cost Auditor

A V Ramana Rao

Registrars & Transfer Agents

M/s. Intime Spectrum Registry P. Ltd

C-13, Pannalal Silk Mills Compound

L.B.S. Marg, Bhandup (West)

Mumbai 400 078

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CONTENTS**Page No.**

Notice	2
Directors' Report	19
Corporate Governance Report	22
Management Discussion & Analysis	27
Auditors' Report	28
Balance Sheet	32
Profit & Loss Account	33
Schedules annexed to Balance Sheet	34
Schedules annexed to Profit & Loss Account	38
Notes to the Accounts	42
Balance Sheet Abstract	47
Cash Flow Statement	48

CABLE CORPORATION OF INDIA LIMITED**NOTICE****48th ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Forty - Eighth Annual General Meeting of the Members of CABLE CORPORATION OF INDIA LIMITED will be held at Sheth Goculdas Tejpal Auditorium, Tejpal Road, August Kranti Marg, Mumbai - 400 007, on Friday, the 25th November, 2005 at 11.30 a.m., for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2005, the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. N. H. Khatau, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Sorab S. Engineer & Co., retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr Utsav Parekh who was appointed as an Additional Director and who holds office upto the date of this Annual General Meeting of the Company, and is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director."

5. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr Mukul Kasliwal who was appointed as an Additional Director and who holds office upto the date of this Annual General Meeting of the Company, and is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director."

6. To consider, and if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956, the appointment of Mr. H A Khatau as the Managing Director of the Company for a period of five years with effect from 1st October, 2005 on the remuneration and perquisites to be paid or granted to him in the manner and limit as set out in the Explanatory Statement and draft Agreement between the Company and Mr. H A Khatau placed before this meeting and initiated by the Chairman of the Board, for the purposes of identification, be and the same is hereby approved.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government and Schedule XIII to the Companies Act, 1956 the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling and the Agreement between the Company and Mr H. A. Khatau be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to enter into an Agreement and to do all such acts, deeds, matters for and on behalf of the Company for the purpose of giving effect to this resolution."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956 (the "Act") (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of the Articles of Association of the company, the Listing Agreement entered into between the company and various stock exchanges, the guidelines and clarifications issued by the Foreign Investment Promotion Board of India (the "FIPB"), the Securities and Exchange Board of India (the "SEBI") and any other statutory / regulatory authorities, and subject to all such other approvals, permissions, consents and sanctions of any authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall also include any committee thereof), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot 1,29,30,000 equity Options ('Options') at such terms as the Board may determine which options when exercised and equity shares allotted would ultimately result in an increase in the paid up equity share capital of the Company by an amount not exceeding Rs. 12,93,00,000 excluding premium, to Silver Peak Investments (Mauritius) Limited, Entertainment India Private Limited and the Promoters, at such time and in one or more tranches, on a preferential basis, on such terms and conditions and in such manner as the Board may think fit.

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of the Options.

RESOLVED FURTHER THAT approval of the Shareholders of the Company in terms of Regulation 23(1)(b) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, if applicable, be and is hereby given for issuance of options.

RESOLVED FURTHER THAT:

- a. The Options to be so issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company.
- b. The Board shall allot the Options pursuant to this resolution upon receipt of the requisite approvals from the relevant authorities, as may be required.
- c. The relevant date for the preferential issue, as amended upto date, for the determination of applicable price as per the SEBI (Disclosure and Investor Protection) Guidelines, 2000 as amended upto date, is 25th October, 2005 being the relevant date i.e. the date 30 days prior to the date of AGM of the Company where the proposed options upon conversion is to be considered, on the basis of which price of the resultant equity share is arrived.

"RESOLVED FURTHER THAT the Options holders shall have the option to subscribe to one equity share of Rs.10/- each per Option at a price of Rs.10 (Rupees ten only), being the price determined in accordance with the SEBI Guidelines as in force, at any time within 18 months from the date of allotment of the Options, and that the said equity shares so allotted shall rank pari passu with the existing equity shares of the Company in all respects except that in the financial year in which they are issued and allotted, they shall be entitled for such dividends which are declared and paid after such capital is paid-up.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to effect to the issue or allotment of aforesaid Options and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue and allotment of any of the said Options and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the members or otherwise to end and intend that they shall be deemed to have given their approval thereto expressly by the authorities of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any Committee of Directors of the Company or Chairman or the Managing Director to give effect to the aforesaid resolutions."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT 7,25,000 (Seven lacs twenty five thousand only) un-issued Preference Shares of Rs. 100/- each in the Authorised Share Capital of the Company be and are hereby reclassified into 72,50,000 (Seventy two lacs fifty thousand only) Equity Shares of Rs. 10/- each and the new Equity shares shall be subject to such terms and conditions as may be determined by the Board of Directors while issuance of the said new shares and also as may be specified in the Articles of Association of the Company."

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 94 and all other applicable provisions if any, of the Companies Act, 1956 and Article 4 of the Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased from Rs. 37,50,00,000 (Rupees thirty seven crores fifty lacs) divided into 2,50,00,000 (Two crores fifty lacs) Equity Shares of Rs.10/- each and 12,50,000 (Twelve lacs fifty thousand) Preference Shares of Rs.100/- each to Rs. 42,50,00,000/- (Rupees Forty two crores fifty lacs only) divided into 3,72,50,000 (Three crores seventy two lacs fifty thousand) Equity Shares of Rs.10/- each and 5,25,000 (Five lacs twenty five thousand) Preference Shares of Rs.100/- each, by creation of 50,00,000 equity shares of Rs.10/- each."

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 16 and 94 and all other applicable provisions, if any, of the Companies Act, 1956, the Clause No. VI of the Memorandum of Association of the Company be and is hereby altered by substituting in place and instead thereof, the following:-

VI. The Authorised Share Capital of the Company is Rs. 42,50,00,000/- (Rupees Forty two crores fifty lacs) divided into 3,72,50,000 (Three crores seventy two lacs fifty thousand) Equity Shares of Rs.10/- each and 5,25,000 (Five lacs twenty five thousand) Preference Shares of Rs.100/- each (whether convertible or non convertible, cumulative or non cumulative) with power to the Company to convert the Preference Shares into Equity Shares at any time and from time to time to increase, reduce or modify the capital and to divide all or any of the shares in the capital of the Company, for the time being, and to classify and reclassify such shares from shares of one class into shares or other class or classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate any such rights, privileges, conditions or restrictions, in accordance with the relevant provisions of the Articles of Association of the Company for the time being in force in that behalf and the provisions of the Companies Act"

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 the existing Article No. 3 of the Articles of Association of the Company be and is hereby altered by deleting the said Article and substituting in its place and instead thereof, the following:

3. The Authorised Share Capital of the Company is as per clause VI of the Memorandum of Association"

12. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate

authorities or bodies, the Articles of Association of the Company be and are hereby altered as follows:

- i. The existing Article 2 be amended by the addition of the following definitions after the last definition "Financial Year" and explanation thereof :

"45% Sponsor Shareholding" means the shareholding of the Sponsors in the Company of 45% of the issued and paid up equity capital of the Company.

"Affiliate" with respect to any Person means any other Person directly or indirectly controlling, controlled by or under common control with such first Person. For purposes of this definition, the term "control" (including, with correlative meaning, the terms "controlled by" and "under common control with") as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management of that Person whether through ownership of voting securities or otherwise; and the term "affiliated" shall be understood accordingly.

"Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub section (1) of section 2 of Depositories Act, 1996.

"Business" includes design, manufacture, purchase, sale and/or dealing in wires and cables including power and control cables of various types and specifications, planning and executing turn key solutions including supply of allied products and accessories for installation and commissioning of electrical and other projects.

"Business Day" means any day except Saturday, Sunday or any other day on which the principal commercial banks are not open for business (including international financial transactions) in India.

"Debenture" includes debenture-stock.

"Depositories Act, 1996" means the Depositories Act and shall include any statutory modification or re-enactment thereof.

"Depository" shall mean a Depository as defined in clause (e) of sub section (1) of section 2 of the Depositories Act, 1996.

"Lender" means J.P. Morgan Securities (India) Private Limited or any assignee thereof.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of the Company and the Beneficial Owner as defined above.

"Hiten Khatau Group" shall mean Mr. Hiten Khatau, in person, and shall include :

1. Any relative of Mr. Hiten Khatau as defined under the Act.
2. Any HUF of which Mr. Hiten Khatau is a member; and
3. Any firm or Company in which Mr. Hiten Khatau himself or any relative of Mr. Hiten Khatau or any HUF of which Mr. Hiten Khatau is a member and holds 51% or more of the voting power and beneficial interest.

"Permitted Security" means

- (i) inchoate Security for taxes, assessments or governmental charges or levies not yet due and payable or Security for taxes, assessments or governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves have been established;

- (ii) Security created pursuant to any agreement with the Lender;
- (iii) Security expressly permitted by the Lender; and
- (iv) any Security arising prior to the date hereof (with a value not exceeding INR 10,000,000) and any Security arising after the date of the Loan Agreement executed with the Lender, in each case by operation of law in the ordinary course of the Business of the Company and not due to any breach, fault or negligence of any party to any agreement executed between the Company and the Lender

"Permitted Indebtedness" means

- (i) any indebtedness permitted by the Lender in any document executed by the Company and the Lender
- (ii) working capital loans from banks in accordance with pre-agreed limits approved by Lender at the beginning of each year as part of the annual budgeting process.
- (iii) other unsecured loans that are fully subordinated to the loan availed from the Lender (including without limitation interest payments and principal repayments)
- (iv) subject to Lender's approval (not to be unreasonably withheld) and after the execution and perfection of the mortgages specified in the Loan Agreement executed with the Lender and
- (v) other secured indebtedness to be used to repay any amounts payable to the Lender (including without limitation principal and interest) in full.

"SP" means Silver Peak Investments (Mauritius) Limited.

"SP Warrants" means warrants issued by the Company to SP in accordance with applicable law by the Company, and convertible into equity shares in the manner specified in the terms of issue of such warrants.

"SP Warrant Shares" means equity shares of the Company to be issued and allotted at any time upon full or part exercise and conversion of the SP Warrants.

"Sponsors" means collectively, Mr. Hiten Khatau, his family and relatives, associates, all companies in which he has a more than 51% of the interest, and their affiliates, and companies which have been declared as "Promoters" in Company's various representations to SEBI or the local stock exchanges on which Company is/has been listed.

"Sponsor Warrants" means warrants issued to Sponsors in accordance with applicable law by the Company, and convertible into equity shares in the manner specified in the terms of issue of such warrants.

"Sponsor Warrant Shares" means equity shares of the Company to be issued and allotted at any time upon full or part exercise and conversion of the Sponsor Warrants.

- ii. The existing definition of dividend in Article 2 be deleted and substituted with the following :

"Dividend" includes interim dividend.

- iii. The existing Article 4A be deleted and be substituted with the following new Article:

Article 4A:

Subject to the provisions of Section 86 of the Act and the rules framed thereunder, the Directors may issue shares without voting rights attached to them or at differential voting rights upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

- iv. The existing Article 7(c) be deleted and be substituted with the following Article:

Article 7(c):

the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Securities Premium Account before the shares are redeemed;

- v. The following new Article be inserted as Article 13 (d) after existing Article 13(c) :

Article 13 (d):

In terms of the provisions of Section 79A and subject to the other provisions of the Companies Act, 1956 and all other applicable laws/ rules framed thereunder, by any authority whether Department of Company Affairs, Securities and Exchange Board of India and others, if any, the Company may from time to time issue any sweat equity shares or a class of shares already issued on fulfillment of terms and conditions made therefore.

- vi. The following new Article be inserted as Article 22 A after existing Article 22

Article 22A: DEMATERIALIZATION OF SECURITIES

- (a) Notwithstanding anything contained in these Articles, the Company may in accordance with the provisions of the Depositories Act, 1996, be entitled to dematerialize its shares, debentures and other marketable securities and to offer the same for subscription in a dematerialized form and on the same being done, the Company shall also be entitled but not obliged to maintain a register of Members/ Debenture holders/ other Security holders with the details of Members/ debentures holders / other security holders holding shares / debentures / other securities both in materialized and dematerialized form in any media as permitted by law including any form of electronic media, in respect of the existing shares / debentures / other securities, provided that the provisions set forth for holding securities in physical form shall not apply to shares which have been dematerialized.
- (b) Every person subscribing to or holding securities to or holding securities of the Company shall have the option to receive security certificates or to hold the securities in electronic form with a Depository, if a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security and on receipt of the information, the depository shall enter in its records the name of the allottees as the beneficial owner of the security.
- (c) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears as the beneficial owner of the shares in the records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all corporate benefits or for any other matter connected with the Company and accordingly the Company shall not (except as ordered by court of competent jurisdiction or as required by law) be bound to recognize any equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.
- (d) In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

Provided that in respect of the shares and securities held by the depository on behalf of a beneficial owner, provisions of Section 9 of the Depositories Act shall apply so far as applicable.

- (e) Every depository shall furnish to the Company information about the transfer of securities, in the name of the beneficial owner at such intervals and in such manner as may be specified by the bye-laws of the depository and the Company in that behalf.
- (f) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject however to the provisions of the Depositories Act.
- (g) No regulation as contained in these Articles in respect of holding of share certificate and procedure prescribed for transfer of shares held in physical form will be applicable to the extent and to the person who hold the shares in dematerialized form.

Provided that, nothing contained in these Article shall apply to the transfer of shares, debentures or other marketable securities effected by the transferor and the transferee, both of whom are entered as beneficial owners in the records of the Depository.

- vii. The following new Article be inserted as Article 65A to 65G after existing Article 65:

Article 65A: NOMINATION :

- 1) Every holder of share(s) in, and/or debentures of the Company, so entitled under the Act and rules framed thereunder, may, at any time, nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of, the Company, shall vest in the event of his death.
- 2) Where the share(s), and/or debenture(s) of the Company, are held by more than one person jointly, the joint-holders so entitled under the Act and rules framed thereunder, may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.
- 3) Notwithstanding anything contained in any other law for the time being in force or in these articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture holder concerned or on the death of joint holders, as the case may be, become entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
- 4) Where the nominee is minor, the holder of the share(s) in, and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of

the Company, in the event of his death, during the minority.

65B The provisions contained in Articles 65C to 65G shall apply upto the earlier of (i) five years from the date of issuance of SP Warrants; or (ii) SP's shareholding in the fully diluted equity of the Company reducing below 5%.

65C. Notwithstanding any other provision contained to the contrary in these Articles but subject to Article 65B, the provisions of Articles 65D to 65G shall apply as regards transfer of shares of Sponsors and/or SP

65D Subject to the Sponsors maintaining the 45% Shareholding, the Sponsors may sell any portion of the Sponsor Warrant Shares, or any equity shares of the Company held by the Sponsors. Notwithstanding the above, the Sponsors may transfer or sell the Sponsor Warrant Shares or any equity shares held by it which would result in the shareholding of the Sponsors falling below the 45% Shareholding, and SP may transfer or sell the Warrant Shares, held by it (the Sponsors and SP individually referred to as the Selling Party for the purpose of this Article), to any of their respective Affiliates, provided that such Affiliate agrees to be bound by the terms contained in these Articles by executing a deed of adherence. Further such transfer or sale shall be subject to the condition that in the event of the Affiliate(s) ceasing to be as such, such Affiliate(s) would re-transfer or re-sell the appropriate Warrant Shares to the Selling Party; provided however that in case of the Sponsor(s), if the Selling Party no longer continues to be an Affiliate of the majority of the Sponsors, then the re-transfer or re-sale shall have to be made to such Sponsor who continues to be an Affiliate of the majority of the Sponsors.

65E **Right of First Refusal:** Other than as provided in Article 65D, in the event SP proposes to transfer or sell, in one transaction, not less than 5% of the SP Warrants or SP Warrant Shares to any Person, the Sponsors shall have a right of first refusal as described in this Article 65E:

(a) SP would give a notice to the Sponsors stating its intention to transfer the SP Warrants or the SP Warrant Shares as above (hereinafter referred to as "Offer Notice"). The Offer Notice shall state the number of SP Warrants or SP Warrant Shares proposed to be transferred or sold (hereinafter referred to as the "Offered Securities"), the name and address of the proposed transferee, the proposed price on which the SP Warrants or SP Warrant Shares are sought to be transferred or sold and other material terms of the transfer;

(b) Within ten (10) Business Days of the receipt of the Offer Notice, the Sponsors shall indicate their acceptance or refusal to purchase the Offered Securities at the price

indicated in the Offer Notice. In the event the Sponsors elect to exercise their option to purchase the Offered Securities, simultaneous with such acceptance, the Sponsors shall procure a satisfactory legal opinion from a counsel acceptable to SP opining that the Sponsor(s) are permitted to acquire the Offered Securities under and in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or any other Law, and further pay an amount equivalent to 15% (Fifteen Percent) of the applicable purchase price (the "Commitment Amount") by way of a demand draft in favour of SP or its Affiliate as the case may be. Failure by the Sponsors to pay such Commitment Amount within 10 Business Days of the Offer Notice shall be deemed to be a rejection of the Offer Notice by the Sponsors.

(c) In the event the Sponsors elect not to exercise their option to purchase the Offered Securities, SP shall be free to sell the Offered Securities at a price no lower than the price offered in the Offer Notice and at no better payment terms than offered to the Sponsors under this Article.

(d) In the event the Sponsors accept the Offer Notice and pay the Commitment Amount and SP receives such legal opinion, as stated above, the Sponsors and SP shall within a further period of 30 days from the above jointly identify an escrow agent and enter into appropriate documentation for the same, and upon due execution of such documentation, the Sponsors shall deposit the remaining consideration for the proposed transfer with such escrow agent, and SP shall deposit the Offered Shares with such escrow agent, whereafter, the transfer of shares shall be made upon completion of formalities and compliances under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or any other Law, have been undertaken by the Sponsors and the monies lying in the escrow shall be paid to SP at the earliest possible.

(e) In the event the Sponsors accept the Offer Notice and pay the Commitment Amount, and fail to pay the remaining consideration within a period of 30 days from the date of acceptance of the Offer Notice, then:

(i) The Commitment Amount shall be forfeited as and by way of liquidated damages; AND

(ii) SP shall be entitled to transfer the Offered Securities to any person on any terms and conditions; AND

(iii) This Article 65E shall cease to operate in the event of any future transfers by SP.

(f) For the purposes of this Article 65E the Sponsors hereby authorise and appoint one agent to undertake all acts that may be

required and also agree and assure to SP that all decisions taken by their agent would be acceptable and binding to each of them.

- (g) SP shall not transfer or sell, by way of a negotiated sale, in one transaction, SP Warrants or SP Warrant Shares to any Person who is a Competitor of the Company if such single transaction results in a transfer of 5% or more of the fully diluted equity capital of the Company. For the purposes of this Article, the term "competitor" shall mean a company other than the Company carrying on the Business as its principal business in India.

65F Tag Along Rights: In the event that Sponsors, either jointly or severally, desire to undertake any Change Event (defined hereinafter in this Article 65 F), SP shall have a tag along right as described in this Article 65F:

- (a) The Sponsors shall give a notice to SP stating its/ their intention to transfer any Equity Shares/ Warrants held or owned by them or occurrence of any other Change Event (hereinafter referred to as "Sale Notice"). The Sale Notice shall state the number of Equity Shares and/ or Warrants, as the case may be, proposed to be transferred or sold ("Sale Securities"), the name and address of the proposed transferee or acquirer of Control ("Purchaser"), the price consideration on which the Equity Shares and/ or Warrants are sought to be transferred or sold, a confirmation from the Purchaser that it would purchase the SP Warrants / SP Warrant Shares and other material terms of proposed transaction.
- (b) Within ten (10) Business Days of the receipt of the Sale Notice, it would be open for SP to notify the Sponsors, in writing, that it wishes to sell or transfer all or such part of its Equity Shares and/ or Warrants as specified in such notice ("Tag Securities") to the Purchaser at the price and on the terms set out in the Sale Notice ("Tag Notice").
- (c) If SP serves the Tag Notice on the Sponsors, as a condition precedent to transfer of its/ their own Equity Shares and / or Warrants, the Sponsors undertake to ensure that the Purchaser purchases such number of Equity Shares and / or Warrants of SP, as is calculated in accordance with Article 65F(b), at the price and on the terms set out in the Sale Notice.
- (d) If SP has not served any Tag Notice on the Sponsors within the period specified in Article 65F(b), the Sponsors shall be free to transfer and sell the Sale Shares to the Purchaser at the price and on the terms set out in the Sale Notice within a period of 15 Business Days from the expiry of the period mentioned in Article 65F(b).
- (e) With regard to the provisions of this Article 65F, the Parties further agree as under:
- I. It is agreed and the person authorised under Article 65E is also authorised by

each of the Sponsors as their agent to undertake all acts that may be required in respect of this Article, and it is also agreed and SP is assured that all decisions taken by such agent would be acceptable and binding to each of the Sponsors.

II. "Change Event" shall mean:

- i) transfer or sale of such number of the Equity Shares or Warrants held by the Sponsors, which would result in reduction of their shareholding in the Company to less than the 45% Shareholding, and in case of Warrants, which would result, at a later date in reduction of in reduction of their shareholding in the Company to less than the 45% Shareholding;
- ii) any transfer or sale of any Equity Shares or Warrants held by the Sponsors, in case shareholding of the Sponsors in the Company has reduced to less than the 45% Shareholding; or
- iii) any event that would result in transfer of Control of the Company from the Sponsors to any other Person, either by way of agreement or any other reason whatsoever.

65G Recognition of transfer: The Company shall not, to the extent permissible under Law, recognize any purported direct or indirect transfer of Warrant Shares in violation of this Agreement. Further, the Company shall notify SP or the relevant Sponsor, as the case may be, promptly upon receipt of any request to register or record any such direct or indirect transfer of Warrant Shares in violation of this Agreement, in the event the Warrant Shares are not held in the dematerialised form.

viii. The following new Article be inserted as Article 85A after existing Article 85:

Article 85A: Chairman and Vice Chairman of the Board

- 85(A) (i) Notwithstanding anything contained in any other provisions of these Articles, so long as the Hiten Khatau Group holds 45% of the issued and paid up equity capital of the Company, Shri Hiten A Khatau (or in his absence, such other person as nominated by him in writing) shall be the Chairman of the Board of Directors as also of the Company and shall be entitled to appoint one third of the total number of Director (including himself), and also appoint and designate one or more Directors to be the Vice-Chairman of the Board of Directors and also appoint a Vice Chairman of the Company and shall determine the period for which each of them are to hold such office and Hiten Khatau Group shall deemed to be Promoter of the Company as defined under any statute, rules, regulations including the Securities and Exchange Board of India (Substantial Acquisitions of Shares and

Takeovers) Regulations, 1997 and shall exercise control over the Company, as defined under the said Regulations including any amendments, modification or re-enactments thereof.

- 85(A) (ii) On the repayment of all the amounts as per the repayment schedule provided in the Loan Agreement with the Lender, in addition to the Directors appointed under clause (i) above, Hiten Khatau Group shall also be entitled to nominate such number of Directors so that the directors so appointed / nominated constitute majority on the Board of the Company.

- 85A (aa) Notwithstanding anything contained in any other provisions of Articles of this Articles of Association including the provisions of Article 112, Subject to the provisions of Section 255 and 256 of the Companies Act, 1956, Shri Hiten A. Khatau and the director(s) appointed by him shall not be liable to retire by rotation and Shri Hiten A. Khatau (or in his absence, such other person so nominated by him in writing) shall be entitled to appoint and designate any one or more of such Directors (including himself), as Managing Director(s) of the Company and to determine the period for which each of them to hold such office. However the appointment of Managing Director will be subject to the provisions of Section 269 and Schedule XIII of the Companies Act, 1956.

- 85A (b) If at any meeting of the Board the Chairman is absent, the Vice-Chairman shall be the Chairman of the Meeting and if both of them are absent, or are not present within fifteen minutes after the time appointed for holding the meeting, or if no Chairman or a Vice Chairman has been elected, the Directors present may choose one of their number to be the Chairman of the Meeting of the Board.

ix. The following new Article be inserted as Article 108A after existing Article 108:

Article 108A: Postal Ballot :

- a) Notwithstanding anything contained elsewhere in these Articles, the Board of Directors may and in the case of resolutions relating to such business as the Central Government, may by notification under the provisions of section 192A of the Companies Act, 1956, declare to be conducted only by the postal ballot, shall get the resolution passed by means of a postal ballot instead of transacting the business in general meeting of the Company
- b) Where it is decided to pass any resolution by resorting to postal ballot the Company shall send a notice to all the members, alongwith a draft resolution explaining the reasons therefore and requesting the members to send their assent or dissent in writing on a postal ballot within 30 days from the date of posting of the letter.
- c) The notice shall be sent by registered post acknowledgement due, or by any other method as may be prescribed by the Central Government in

this behalf, and shall include with the notice, a postage pre-paid envelop for facilitating the communication of the assent or dissent of the member to the resolution within the said period of thirty days.

- d) If a resolution is assented to by a requisite majority of the members by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.
- e) It is clarified that the term postal ballot in this Article shall include voting by electronic mode, if permitted.

x. The existing Article 110 be deleted and be substituted with the following new Article:

Article 110 :

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors, if any) shall not be less than three nor more than twelve;

xi. The following new Article be inserted as Article 121(n) after existing Article 121(m):

Article 121(n):

he becomes disqualified to hold the office of the Director in pursuance of Section 274(1)(g) of the Act.

xii. The existing Article 156(11) be deleted and be substituted with the following Article:

Article 156(11):

Subject to the Provisions of Section 292, 295, 372A of the Act, to invest and deal with any monies of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realize such investment. Save as provided in section 49 of the Act, all investments shall be made and held in the Company's own name.

xiii. The existing Article 172 be deleted and be substituted with the following Article:

Article 172

- a) If the Company has declared a dividend but which has not been paid or claimed or a dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend the Company shall within 7 days from the date of the expiry of the said period of 30 days open a special account in that behalf in any scheduled bank, called "the unpaid dividend account of Cable Corporation of India Limited".
- b) Any money transferred to the unpaid dividend account of the Company in pursuance of sub-clause (a) hereof which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund of the Central Government but a claim to any money not transferred to the Investor Education and Protection Fund may be referred to the Central Government by the person to whom the money is due and shall be dealt with as if such transfer to the Investors Education and Protection Fund had been made, the order, if any, for payment of the claim being treated as an order for refund of revenue.

- c) The Company shall, while making any transfer under sub-clause (b) hereof to the Investor Education and Protection Fund of the Central Government any unpaid or unclaimed dividend furnish to such office as the Central Government may appoint in this behalf a statement in the prescribed form in respect of all sums included in such transfer the nature of the sums, the names and last known addresses of the person entitled to receive the sum, the amount to which each person is entitled and the nature of his claim thereto and such other particulars as may be prescribed.
- d) No unclaimed dividend shall be forfeited by the Board unless the claim thereto become barred by law and the Company shall comply with the provisions of Section 205-A of the Act, in respect of unclaimed dividend.
- e) The word dividend also includes Interim Dividend and all the provisions as contained above shall apply to Interim Dividend.
- xiv. The following new Article be inserted as Article 180 A after existing Article 180 :**
- 180 A: For so long as any monies remain owing by the Company to the Lender, the Company shall also appoint a monitoring accountant who shall be responsible for monitoring the accounts of the Company and providing a report in respect thereof to the Lender.
- xv. In the "Secrecy Clause", the following new Article be inserted as Article 191(c) after existing Article 191(b):**
- 191(c) Notwithstanding any provision to the contrary, a nominee director of the Lender shall be entitled to disclose all information in his possession to the Lender.
- xvi. The following new Article be inserted as Article 192 to Article 198 after existing Article 191(c):**
- GENERAL RESTRICTIONS ON THE POWER OF THE COMPANY**
- 192 Notwithstanding any power that may be derived under any of the above Articles, for so long as any monies are outstanding to the Lender or any obligations of the Company are outstanding to the Lender under any document executed between the Company and the Lender, the Board shall not undertake any acts in contravention of such documents, and would not undertake inter alia any of the following activities without the prior written consent of the Lender:
- (a) create, incur, maintain, assume or suffer to exist any Security upon or with respect to any property of Company, whether now owned or hereafter acquired, or sell any such property subject to an understanding or agreement, contingent or otherwise, to repurchase such property, or assign any right to receive income or permit the filing of any financing statement under any recording or notice statute; provided that the provisions of this Article 192(a) shall not prevent the creation, incurrence, assumption or existence of the Permitted Security
- (b) wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation, or convey, sell, lease or otherwise dispose of (or agree to do any of the foregoing at any future time) all or a substantial part of its property.
- (c) directly or indirectly, lend money or credit or, make advances or provide guarantees to any other Person (other than as required in the ordinary course of Company's Business conducted at arms length), or purchase or acquire any stock, obligations or securities of, or any other interest in, or make any capital contribution to, any other Person, or purchase or own a futures contract or otherwise become liable for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract, or discount any bills for any Person.
- (d) amending and/or causing to be amended the Memorandum of Association and/or these Articles.
- (e) redeeming, repurchasing, or making unscheduled payment of any indebtedness, preferred stock or other preferred equity interests other than the amounts payable to the Lender (it being understood that, unless a default with respect to payments to the Lender has occurred and is continuing, the Company shall be permitted to make scheduled payments with respect to the Permitted Indebtedness).
- (f) Subject to Article 192(d), Company will not directly or indirectly, provide a guarantee or indemnity, in any form, to any other person, except the guarantees and indemnifications provided by Company to the Lender
- (h) permitting any change in the shareholding of SEI Cable Accessories (India) Pvt Ltd. ("SEI Cable"), a company organized under the laws of India and/ or making any new investments in SEI Cable.
- SHAREHOLDER PROTECTION**
- 193 The provisions of these Articles 193 to 198 are for the benefit of SP a holder of warrants issued in accordance with applicable law by the Company, and convertible into equity shares in the manner specified in the terms of issue of such warrants.
- 194 Article 193 shall apply from the time the Lender no longer has the right to appoint a Nominee Director and shall apply only for the duration set forth in Article 198.
- 195 SP shall have a right to appoint from time to time, one (1) person or as a non whole time director, (which director is hereinafter referred to as "SP Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.
- 196 The Board of Directors of the Company shall have no power to remove from office such SP Nominee Director/s. At the option of SP, such SP Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of SP, such SP Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the SP Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the company.
- The Company shall pay to the SP Nominee Director/s, sitting fees and expenses which the other Directors of the Company are entitled. Any expenses that may be incurred by the Lender or such SP Nominee Director/s in connection with their appointment as Director shall