



Cable Corporation of India Ltd.

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50th

**Annual Report and Accounts
2006-2007**

BOARD OF DIRECTORS**Chairman and Managing Director**

Mr Hiten A Khatau

Directors

Mrs. N.H. Khatau

Mr. G. D. Bhingarkar - Wholetime Director

Mrs. N. B. Pasta

Mr. Utsav Parekh

Mr. Mukul Kasliwal

Mr. Arun Thiagarajan

Mr C Sundershyam - Nominee Director

President

Mr P Nadig

Registered Office

Laxmi Building, 4th floor

6, Shoorji Vallabhdas Marg

Ballard Estate, Mumbai 400 001

Tel: 022-66144000 / 4100 Fax: 022-66144111 / 4112

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

Marketing Dept: mk@cablecorporation.com

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

Works

Dattapada Road, Borivali (East), Mumbai 400 066

Tel: 28542117 Fax: 28540624 / 5268

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

Dist. Nashik - 422 103

Tel: 952551 - 230328 / 329

Regional Offices**Western Region**

Laxmi Building, 1st floor

6, Shoorji Vallabhdas Marg

Ballard Estate, Mumbai 400 001

Tel: 022-66144150 -4152 Fax: 022-66144113 / 4114

e-mail: cciwr@cablecorporation.com

Northern Region

Milap Niketan, 2nd floor, 8-A, Bahadur Shah Zafar Marg,

Post Box No.7111, New Delhi 110 002

Tel: 41509010 Fax: 011-41509014

e-mail: ccinr@cablecorporation.com

Eastern Region

34, 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 floor

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 Ltd.

C-13, Pannalal Silk Mills Compound

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

Mumbai 400 078

Tel: 25963838 Fax: 25946969

Collection Centre at:

202, Daver House, 1st Floor,

Near Central Camera

Dr. D N Road, Fort

Mumbai 400 001

Tel: 22694127

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NOTICE



CABLE CORPORATION OF INDIA LIMITED

NOTICE

50th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fiftieth 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 10th August, 2007 at 11.00 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, 2007, 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 Mr. Mukul Kasliwal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Utsav Parekh who retires by rotation and being eligible, offers himself for re-appointment.
4. 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.
5. 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, 302, 309 and 301 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956, and subject to the approval of the Central Government, the appointment of Mr. G. D. Bhingarkar as the Wholtime Director and designated as Director - Human Resources of the Company for a period of three years with effect from 1st February, 2007 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. G. D. Bhingarkar placed before this meeting and initialed 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 G. D. Bhingarkar 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."

By Order of the Board
For Cable Corporation of India Ltd.

H A Khatau
Chairman & Managing Director

Mumbai : 3rd July, 2007

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) An Explanatory Statement as required by Section 173 of the Companies Act, 1956, relating to item no 5 of the Notice is appended hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 3rd day of August, 2007 to Thursday the 9th day of August, 2007 (both days inclusive) for the purpose of annual book closure.
- (d) Members are requested to notify any change in their address to the Company's Registrars and Transfer Agents, M/s. Intime Spectrum Registry Ltd., (Unit: Cable Corporation of India Ltd.) at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 or to their respective Depository Participants in case shares are held in dematerialised form.
- (e) Members who hold shares in dematerialised form are requested to write their client ID and DP ID's and those who hold shares in Physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- (f) As per the provisions of the Companies Act, 1956 facility for making nominations is available for Members, in respect of the Shares, held by them. The members may take advantage of this amendment.
- (g) The information or details pertaining to the appointment of Director, retiring by rotation and being eligible for re-appointment at the ensuing Annual General Meeting are furnished as given below.

By Order of the Board
For Cable Corporation of India Limited

H. A. Khatau
Chairman & Managing Director

Mumbai, 3rd July, 2007

Registered Office:
Laxmi Building, 4th Floor
6, Shoorji Vallabhdas Marg
Ballard Estate
Mumbai 400 001

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

Item No.5

The Board of Directors of the Company at its meeting held on 25th January, 2007 re-appointed Mr. G. D. Bhingarkar as the Wholetime Director, and designated as Director – Human Resources of the Company for a period of three years from 1st February, 2007 subject to the approval of the Company in general Meeting. The terms and conditions including remuneration payable to him as recommended by the Remuneration Committee are set out in the draft Agreement to be entered into by the Company and Mr. Bhingarkar.

The remuneration and perquisites payable to Mr. Bhingarkar are in conformity with the requirements of Schedule XIII to the Companies Act, 1956.

The material provisions of the draft Agreement relating to Mr. Bhingarkar's appointment referred to in the Resolution at Item No.5 of the Notice are as under:

- | | |
|--|--|
| a. Salary | Rs.44,000/- per month |
| b. Housing / House Rent Allowance | Mr. G. D. Bhingarkar shall be provided with rent free accommodation or house rent allowance. |
| c. Personal Allowance | Mr. G. D. Bhingarkar shall be entitled to Personal Allowance not exceeding Rs. 3850/- per month. |
| d. Perquisites and other allowances/ reimbursement of expenses | Mr. G. D. Bhingarkar shall be entitled to perquisites such as house maintenance, gas, water, electricity, etc. and other allowances including Education, Professional Development, Leave Travel Allowance, reimbursement of expenses towards Helpers, Watchmen, Medical for self and family, Entertainment etc. not exceeding Rs. 37,800/- per month/ or Rs. 4,53,600/- per annum. |
| e. Leave | As per rules of the Company (including leave encashment) |
| f. Gratuity | In accordance with the Rules of the Company |
| g. Provident Fund and Superannuation Fund | In accordance with the Rules of the Company. |
| h. Car and Driver | The Company shall provide free of cost one fully maintained car and driver for official use or reimbursement of driver's salary actually paid by Mr. G. D. Bhingarkar if Company is unable to provide a driver. |
| i. Telephone and Mobile Phone | The company shall provide telephone facility at residence and mobile phone. |
| j. Reimbursement of Expenses | Reimbursement of all entertainment and other expenses properly incurred for the business of the Company. |

Note: For the purpose of perquisites stated in above, 'Family' means the spouse, the dependent children and dependent parents of the appointee.

In the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Mr. G. D. Bhingarkar shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII to the Companies Act, 1956.

Mr. G. D. Bhingarkar shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits / amenities and other privileges, as any from time to time, be available to other senior Executives of the Company.

The aforesaid terms and conditions have been approved by the Remuneration Committee of the Company on 25th January, 2007.

The Board of Directors or the Managing Director shall have the power to amend or alter the various heads of allowances / perquisites within the overall ceiling as specified above.

The company shall be entitled to terminate his appointment at any time by giving him 3 months notice in writing without assigning any reason or upon payment to him of salary for a period of 3 months in lieu of notice. Mr. G. D. Bhingarkar shall be entitled to terminate his appointment at any time by giving to the company 3 months notice in writing without assigning any reason.

Upon termination of his services Mr. G. D. Bhingarkar shall hand over charge to such persons nominated for that purpose by the company and shall deliver to such person such papers, documents and other property of the company as may be in his possession, custody, control or power.

The foregoing material provisions may also be treated as an abstract of the terms and conditions of the re-appointment of Mr. Bhingarkar as the whole time Director for the purpose of Section 302 of the Companies Act, 1956.

The Board of Directors recommend his appointment as a Wholetime Director of the Company.

Except Mr. Bhingarkar, none of the Directors of the Company is, in any way, concerned or interested in this Resolution.

By Order of the Board
For Cable Corporation of India Ltd.

H. A. Khatau
Chairman & Managing Director

Mumbai, 3rd July, 2007

Registered Office:

Laxmi Building, 4th Floor
6, Shoorji Vallabhdas Marg
Ballard Estate
Mumbai 400 001

Details of Directors retiring by rotation and seeking re-appointment and regularizing the appointment of Director.

Name of the Director	Mr. Mukul Kasliwal	Mr. Utsav Parekh	Mr. Girish D. Bhingarkar
Date of Birth	20th October, 1964	28th August, 1956	17th February, 1950
Date of appointment	10th January, 2005	10th January, 2005	1st February, 2002
Expertise in specific functional areas	19 years of experience in the corporate business / finance	27 years of experience in the Stock market, merchant banking and financial services.	36 years of experience in the field of industrial relations, human resources and administration.
Qualifications	MBA in Finance	B.Com. (Hons.)	B.A., D.L.W., L.L.M.
Directorships in other Companies	1. Entegra Limited 2. Shree Maheshwar Hydel Power Corpn. Ltd. 3. Unitex Designs Ltd. 4. S Kumars Ltd. 5. S Kumars Investments Ltd. 6. Essar Power Ltd. 7. Shree Ram Mills Ltd. 8. Dhvani Terefabs Exports Pvt. Ltd. 9. Raj Infin Pvt. Ltd. 10. MW Infra Holdings Pvt. Ltd. 11. SKG Power Ventures Pvt. Ltd. 12. K U Enterprises Pvt. Ltd. 13. S Kumar & Co. (Tradex) Pvt. Ltd. 14. MW Holdings Pvt. Ltd. 15. SKM Fabrics Pvt. Ltd.	1. Glöbsyn Technologies Limited 2. Lend Lease Company (India) Limited 3. Mcleod Russel India Ltd. 4. McNally Bharat Engg. Co. Ltd. 5. Moving Pictures Co. (India) Ltd. 6. Salveo Life Sciences Ltd. 7. SIMOCO Telecommunication (South Asia) Ltd. 8. SMIFS Capital Markets Ltd. 9. SMIFS Capital Services Ltd. 10. The Sirpur Paper Mills Ltd. 11. Transceivers India Ltd. 12. Xpro India Ltd.	1. Shree Plasticizers & Chemicals Pvt. Ltd. 2. Govardhan Investments Pvt. Ltd.

DIRECTORS' REPORT

Your Directors present the Fiftieth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2007.

PROFIT / LOSS AND APPROPRIATIONS

	(Rs. in lakhs)	
	Current Year ended 31.03.2007	Previous Year ended 31.03.2006
Profit / (Loss) before Extraordinary items & tax	27.33	(1987.40)
Less /Add Extraordinary items	(738.53)	(10.87)
Profit / (Loss) after Extraordinary items & before Tax	(711.20)	(1998.27)
Add : Provision for Taxation	15.50	16.35
Less : Deferred Tax Adjustment	-	331.80
Add : Excess/(Short) provision of Income Tax of earlier years	(6.57)	(5.41)
Profit/(Loss) for the year	(733.27)	(1688.23)
Balance brought forward from previous year	(2134.21)	(1386.25)
Less: Transferred from Debenture Redemption Reserve	-	940.27
Balance carried to Balance Sheet	<u>(2867.48)</u>	<u>(2134.21)</u>

OPERATIONS

The Company achieved a turnover of Rs.136.54 crores during the year under review against the turnover of Rs. 98.08 crores in the previous year, showing an increase of 39% during the year.

During the year, the Company has concluded a VRS at the Borivali plant by making payment to 127 workmen out of 184 workmen and settled all their statutory dues including gratuity. Labour problems at Borivali stands resolved with payment of VRS and undertaking signed by all the remaining workers covering productivity and discipline. Industrial relations at Nashik are generally cordial.

DIVIDEND

In view of the carry forward losses, the Directors do not recommend any dividend on Equity Shares for the financial year 2006-07.

CURRENT YEAR'S OUTLOOK AND FUTURE PROSPECTS.

The demand for Power Cable continuous to be on the upswing. During the year the Company received a major order of Rs.100 crores from an Electricity Board. However, the margins are under tremendous pressure due to unprecedented rise in the price of raw material inputs, predominantly metals.

The Company is making efforts to focus on continuous cost reduction, improvement in productivity and increase in performance. This should result in improved performance.

ALLOTMENT OF EQUITY SHARES

During the current year the Company has allotted 56,75,000 equity shares of Rs.10/- each to option holders on exercise of their option to subscribe to the equity shares of the Company as per the terms of the option.

FIXED DEPOSITS

The Company has repaid the principal amount of Fixed Deposits on 16th December, 2005. The interest on these Fixed Deposits has also been paid and the Company Law Board has granted extension of time upto 12th June, 2007 vide its order dated 12th June, 2007.

DIRECTORS

Mr. Mukul Kasliwal and Mr. Utsav Parekh retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

TRADING IN SECURITIES

The suspension on trading in the Equity Shares of the Company have been revoked by the Bombay Stock Exchange on 23rd October, 2006 and subsequently the trading in the Equity Shares of the Company have commenced from 31st October, 2006.

DELISTING WITH DELHI STOCK EXCHANGE / AHMEDABAD STOCK EXCHANGE

In view of the re-commencement of trading in the securities of the Company on the Bombay Stock Exchange, the Company has informed the Delhi Stock Exchange and have submitted fresh application for delisting of the Equity Shares of the Company. The same is under consideration.

The securities of the Company have been de-listed from The Ahmedabad Stock Exchange w.e.f. 17th April, 2007.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- (ii) that they 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 as at 31st March, 2007 and the Profit and Loss Account of the Company for the year ended on that date;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchanges and forming part of this Report is annexed.

A separate section titled "Corporate Governance" is included in the Annual Report and the Certificate from the Company's auditors regarding compliance of conditions of the Corporate Governance as stipulated in Clause 49 of the Listing Agreement is annexed hereto and forms part of the report.

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION

Information as per Section 217(2A) of the Company's Act, 1956 read with the Company's (Particulars of Employees) Act 1975 is not applicable to the Company as none of the employees are drawing salary more than Rs. 24 lacs per annum.

Conservation of Energy, technology absorption and foreign exchange earnings and outgo information as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report is annexed herewith.

AUDITORS

The Auditors' M/s. Sorab S Engineer & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The Auditors' Report to the shareholders do not contain any qualification. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

ACKNOWLEDGEMENTS

Your Directors desire to record their sincere appreciation to the Financial Institutions, Banks, Central and State Governments for their continued cooperation and support.

The Directors take this opportunity to acknowledge the dedicated efforts made by the workers and officers at all levels towards the success achieved by the Company.

The Directors also convey their gratitude to all the Shareholders and Fixed Deposit holders for their continued support, especially in what has been another difficult year for the Company.

On behalf of the Board of Directors

Mumbai, 3rd July, 2007

H. A. KHATAU
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

- Contract maximum demand value variation done as per the load resulting in energy cost saving.
- Change in process technology to eliminate requirement of steam to reduce the boiler running time.

(b) Additional investment and proposal:

- Use of baby boilers for specific processes to reduce running of main boiler.
- Conversion from BC motors to AC motors at continuous running machines
- Reduction in lighting load by reducing number of fittings and related measures.

(c) Impact of various measures on cost of production:

- Energy conservation measures implemented has marginal effect on overall energy bills and cost of production.

(d) Total energy consumption and energy consumption per unit of production as per form 'A' of the Annexure in respect of industries specified in the schedule. The requirement of giving details under this sub-head does not apply to the Company.

B. TECHNICAL ABSORPTION

Efforts made in technology absorption as per form 'B' are as under:

Form for Disclosure of Particulars with respect of absorption:

Research and Development:

(i) Specific areas in which R & D is carried out by the Company:

Research and Development activities in areas of Cable Technology analytical research and product development are being carried out by the Company.

(ii) Benefits derived as a result of the above R & D:

- Development of various cables catering to specific requirement for power transmission at Extra High Voltage.
- Rationalization in process technology related to extrusion, cross linking and conductor making process.
- Development of axially water tight conductor for EHV Cables.
- Elimination of steam requirement in insulation vulcanization.

(iii) Future plan of action:

- In future, R & D activities will be directed in reducing the material cost of cables and developing newer technologies suitable for emerging trends.

(iv) Expenditure on R & D:

(Rs.'000)

(a) Capital	nil
(b) Recurring	1119
(c) Total	1119
(d) Total R & D expenditure as a percentage of the total turnover	0.08%

Technology Absorption, Adaptation and Innovation:

(i) Efforts in brief made towards technology absorption, adaptation and innovation.

(ii) Benefits derived as a result of the above.

Efforts / Projects

Development Related:

(i) Development of various cables catering to specific requirements of power transmission at EHV

Benefits Derived

Product Development

(ii) Rationalization in process technology related to extrusion and cross-linking process and conductor making.

Process Technology

(iii) Development of curative system to suit specific application and process.

Product Development

Manufacturing related :

Development & Implementation of Process for manufacture of LT XLPE Cables resulting in Reduction of Cycle Time

Process Development

Energy Savings:

Use of Capacitors at Nashik works has ensured that Power factor is kept above 0.95 which has resulted in savings in electricity bills.

Decreased Power Cost

In case of imported technology (imported during the last 5 years) reckoned from the beginning of the financial year.

Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Nil

REPORT ON CORPORATE GOVERNANCE**1. Company's Philosophy on Code of Governance**

The Company's philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally including its interaction with employees, shareholders, customers, institutions and other lenders and places due emphasis on regulatory compliance.

2. Board of Directors**Composition of the Board**

As on 31st March, 2007, the Board comprises of two Whole-time Directors and six Non- Executive Directors of which five are independent Directors. The composition of Board is in conformity with Clause 49 of Listing Agreement which stipulates that at least 50% of the Board should consist of independent Directors in case of Executive Chairman of the Board.

Number of Board Meetings

The Board of Directors met six times during the year on 20th April, 2006, 15th June, 2006, 29th July, 2006, 30th October, 2006, 25th January, 2007 and 10th February, 2007. The maximum time gap between any two consecutive meetings did not exceed four months.

Directors' attendance record and Directorships held

Attendance of each Director at the Board Meetings and the last Annual General Meeting and number of other Directorships and Chairmanship / Memberships of Committees of each Director was as follows:

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	Outside Company Directorships*	Outside Committee position held as	
					Member	Chairman
Mr. H A Khatau	Chairman & Managing Director	5	YES	1	-	-
Mrs. N. H. Khatau	Vice Chairperson – NED/ Not Independent	5	NO	Nil	-	-
Mr. G. D. Bhingarkar	Executive WTD / Not Independent	5	YES	Nil	-	-
Mrs. N.B. Pasta	NED / Independent	6	YES	1	-	-
Mr. Utsav Parekh	NED / Independent	3	NO	12	8	-
Mr. Mukul Kasliwal	NED / Independent	4	YES	7	-	-
Mr. Arun Thiagarajan	NED / Independent	5	YES	11	6	1
Mr. C Sundershyam w.e.f.20.04.06	NED / Independent Nominee of SBI	5	YES	-	-	-

NED - Non-Executive Director WTD - Whole time Director

* Directorships in Private Companies and foreign companies are excluded.

As required by the Companies Act, 1956 and Clause 49 of the Listing Agreement, none of the Directors hold directorships in more than 15 public companies, memberships of Board Committees (Audit / Shareholders Grievance and Remuneration Committees) in excess of 10 and Chairmanship of Board Committees as aforesaid in excess of 5.

Information placed before the Board

As a policy, all major decisions involving new investments and capital expenditure, in addition to matters which statutorily require Board approval, are put up for consideration of the Board. Inter-alia, the following information is regularly provided to the Board as part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting.

- Annual operating plans and budgets.
- Capital budget-purchase and disposal of plant, machinery and equipments.
- Quarterly, half yearly and annual results of the Company.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of the Board .
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payments by clients.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgments or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture agreement or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human resources or on the industrial relations front like signing of wage agreement etc.

- Sale of material nature of investments, subsidiaries, assets, which are not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by the management to limit the risk of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirement and shareholders service such as non-payment of dividend, delay in share transfer etc.

The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

Directors with pecuniary relationship or business transaction with the Company

All Executive Directors receive salary, allowances and perquisites while all Non-Executive Directors receive sitting fees.

Remuneration to Directors

(Amount in Rs.)

Name of Directors	Sitting fees*	Salaries, allowances and perquisites
Mr. H A Khatau	Nil	21,81,350
Mrs. N. H. Khatau	45,000	Nil
Mr. G. D. Bhingarkar	Nil	9,40,277
Mrs. N.B. Pasta	50,000	Nil
Mr. Utsav Parekh	30,000	Nil
Mr. Mukul Kasliwal	20,000	Nil
Mr. Arun Thiagarajan	25,000	Nil
Mr. C Sundershyam w.e.f. 20.04.06	25,000	Nil

* Sitting fees includes payment to the Directors for attending meetings of Board & Committees

The terms of employment of the Chairman and Managing Director and the Executive Director stipulates a severance notice of three months on either side or payment of three months salary in lieu of notice.

During 2006-07, the Company did not advance any loans to any of its Directors. No Stock Options have been issued to any of the Directors on the Board. None of the relatives of any of the Directors are employed in the Company.

Code of Conduct

The Board of Directors has laid down Code of Conduct for all the Directors and the designated employees in the senior management. A copy of the Code of Conduct is available on the website of the company: www.cablecorporation.com. All the Board members and senior management executives have affirmed compliance with the Code of Conduct. A declaration to this effect signed by Mr. Hiten A. Khatau, Chairman and Managing Director is annexed to this report.

BOARD COMMITTEES

The Company has three Board-level Committees-Audit Committee, Shareholders'/Investors' Grievance Committee and Remuneration Committee. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

I. Audit Committee

As on 31st March 2007, the Audit Committee comprises of Mrs. N. B. Pasta, Mrs. N. H. Khatau and Mr. Utsav Parekh. The Committee's Powers and role are as stipulated in Clause 49 of the Listing Agreement and under Section 292 A of the Companies Act, 1956.

During the year under review, four Audit Committee Meetings were held i.e. on 15th June, 2006, 29th July, 2006, 30th October, 2006, and 25th January, 2007. The minutes of the meetings of the Audit Committee are reviewed and noted by the Board. The composition of the Committee and the attendance at the meetings of the Committee are as under:

Name of the Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mrs. N. B. Pasta	Non Executive (Independent Director)	Chairperson	4	4
Mrs. N. H. Khatau	Non - Executive Director (Non Independent Director)	Member	4	4
Mr. Utsav Parekh	Non - Executive (Independent Director)	Member	4	3

All members of the Audit Committee have accounting and financial management expertise. The Chairperson of the Audit Committee attended the Annual General Meeting (AGM) held on 29th July 2006 to answer shareholder queries.

The functions of the Audit Committee of the Company include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.