



# **Cable Corporation of India Ltd.**

Report Junction.com

**51<sup>st</sup>**

**Annual Report and Accounts  
2007-2008**

**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.

**Registered Office**

Laxmi Building, 4th floor

6, Shoorji Vallabhdas Marg

Ballard Estate, Mumbai 400 001

Tel: 022- 66144027 / 4100 Fax: 022 66144111 / 4112

e-mail: Secretarial Dept: jkhatau@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**

560 / 562, 6D, 6th floor, Century Plaza

Anna Salai, Teynampet, Chennai 600 018

Tel: 044 -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

## 51st ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty First 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 Tuesday, the 23rd September, 2008 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, 2008, 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. Nandini H Khatau who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Mr. Arun Thiagarajan 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.

## SPECIAL BUSINESS:

## 5. ISSUE OF SHARES THROUGH PREFERENTIAL ALLOTMENT:

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

**"RESOLVED THAT** in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (the said Act) (including any statutory modification or re-enactment thereof, for the time being in force) and in terms of the provisions of the Articles of Association of the Company and of the Listing Agreement entered into with the Stock Exchange where the Company's Equity Shares are listed, the guidelines/ clarifications issued by the Foreign Investment Promotion Board of India (FIPB) and in accordance with the provisions of Chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ("SEBI Guidelines") and clarifications and guidelines issued by the Securities Exchange Board of India ("SEBI") and other statutory/ regulatory authorities and subject to such other approvals, permissions, consents and sanctions of any authorities as may be necessary and subject to such conditions/ modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions and which may be considered appropriate and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any committees thereof for the time being to which all or any of the powers hereby conferred by the Board by these regulations, have been delegated), the consent of the members of the Company be and is hereby accorded to the Board to create, offer,

issue, allot and deliver in one or more tranches, upto 20,00,000 (Twenty lakhs) Equity Shares of Rs.10/- each at a price of Rs. 30/- (Rupees Thirty only) per share to the following promoters:

Sr. No.	Name of the Company	Equity Shares (at a price of Rs.30/- per share)
1	Brinan Investments Pvt.Ltd.	10,00,000
2	Rhiakoh Finance & Investments Pvt. Ltd.	10,00,000
	<b>TOTAL</b>	<b>20,00,000</b>

**RESOLVED FURTHER THAT** the Board or any committee thereof be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be allotted ;

**"RESOLVED FURTHER THAT**

- (a) The Relevant Date for the purpose of calculating the issue price of the abovementioned Equity Shares, in accordance with the SEBI Guidelines relating to preferential issues is August 23, 2008 being the 30th day prior to September 23, 2008 (i.e., the 30th day prior to the date on which the Annual General Meeting of the shareholders is to be held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue);
- (b) the offer, issue and allotment of the aforesaid Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide;
- (c) all the Equity Shares to be so issued on preferential allotment basis shall be subject to the Memorandum and Articles of Association of the Company;
- (d) all the Equity Shares shall upon allotment have the same rights of voting as the existing Equity Shares and shall rank *pari passu* in all respects with the existing Equity Shares of the Company, except that in the Financial Year in which they are issued and allotted, they shall be entitled for such dividend which are declared and paid after such capital is paid up;
- (e) the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also shall be entitled to vary, modify or alter any of such terms and conditions, as it may deem expedient, subject however to the compliance with the applicable guidelines, notification, rules and regulations;
- (f) the Board be and is hereby authorized to accept any amendments, modifications, variations and alterations as SEBI or any other regulatory authority may stipulate in that behalf."

**RESOLVED FURTHER THAT** 20,00,000 Equity Shares of Rs.10/- each shall be allotted on payment of aggregate price including premium of Rs 20/- on the following terms and conditions:

- i. The Equity Shares shall be locked in for a period of three years from the date of their allotment since the allotment is made to the promoters; and
- ii. The allotment of the Equity Shares shall be completed within a period of 15 days from the date of passing of this resolution by the shareholders, provided that where the allotment is pending on account of pendency of any approval from any regulatory authority or the Central Government, the allotment shall be completed by the Company within a period of 15 days from the date of such approvals.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to agree and accept all such condition(s), modification(s) and alteration(s) as may be stipulated by any relevant authorities while according consent or approval to the issue and as may be considered necessary, proper or expedient and give effect to such modification(s) and to resolve and settle all questions, difficulties or doubts that may arise with regard to such issue or allotment and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable without being required to seek any further consent or approval of the members of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers to any Committee of Directors of the Company or the Chairman & Managing Director to give effect to the aforesaid resolution;

**RESOLVED FURTHER THAT** the Company do apply for listing of the new Equity Shares as may be issued with the Bombay Stock Exchange Limited, Mumbai where the Equity Shares of the Company is listed;

**RESOLVED FURTHER THAT** the Company do make an application to the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of the new Equity Shares to be issued on preferential basis."

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

**H A Khatau  
Chairman & Managing Director**

Place: Mumbai

Mumbai : 23<sup>rd</sup> August, 2008

#### 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 Monday the 15<sup>th</sup> day of September, 2008 to Monday the 22<sup>nd</sup> day of September, 2008 (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, 23<sup>rd</sup> August, 2008

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

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

#### Item No. 5

The Company had issued 4,50,000, 10.5% Redeemable Cumulative Preference Shares of Rs.100/- each (RCPS) to the Promoters and others on a private placement basis.

In view of the losses incurred by the Company, the Company has been neither able to redeem the said RCPS nor pay any dividend.

The Company therefore proposes to make a fresh issue of Equity Shares on a preferential basis at a price of Rs 30/- per share, determined in accordance with the SEBI Guidelines and redeem the 4,50,000, 10.5% Redeemable Cumulative Preference Shares of Rs.100/- each from the proceeds of the same.

The Equity Shares will be offered and issued on a preferential basis to the following Promoters:

Sr. No.	Name of the Company	Equity Shares (at a price of Rs.30/- per share)
1	Brinan Investments Pvt.Ltd.	10,00,000
2	Rhiakoh Finance & Investments Pvt.Ltd.	10,00,000
	<b>TOTAL</b>	<b>20,00,000</b>

The price as per SEBI Guidelines is Rs.24.56/- per share. The Company proposes to issue the Equity Shares of Rs.10/- at a premium of Rs.20/- aggregating to Rs.30/- per equity share. The Equity Shares will be issued on receipt of the consideration amount in full by the Company.

The present resolution is proposed to be passed in order to enable the Board of Directors of the Company to make the above mentioned preferential issue and allotment of Equity Shares for the sole purpose to redeem the Preference Shares of the Company subject to receipt of requisite corporate and regulatory approvals.

We give below the disclosures that are required to be given in the Explanatory Statement to the Special Resolution to be passed under Section 81 (1A) of the Companies Act, 1956 in terms of the SEBI Guidelines.

#### a) Object of the Issue

The purpose of the issue is to redeem the 4,50,000 10.5% Redeemable Cumulative Preference Shares of Rs.100/- each from the proceeds of the fresh issue of Equity Shares to be allotted on preferential basis to the Promoters as required by Section 80(1)(a) of the Companies Act, 1956 and to achieve the long term plans of the Company.

#### b) Intention of the promoters, directors, their associates and relatives and key management personnel to subscribe to the offer.

The proposed allottees being companies are part of the promoters' group. None of the proposed allottees is a director

of the Company, nor do they form part of the key management personnel of the Company.

#### c) Equity Shares to be issued:

The Company will issue and allot upto 20,00,000 Equity Shares of the face value of Rs.10/- each to the Promoters on a preferential basis. The said Equity Shares will be fully paid up and will rank pari passu with the existing shares of the Company.

#### d) Pricing of the issue

The Securities and Exchange Board of India has issued guidelines detailing the pricing formula for preferential allotment of Equity Shares in Chapter XIII of the SEBI Guidelines. As per the above-referred guidelines, the pricing of Equity Shares issued on a preferential allotment basis shall not be less than the higher of the following:

- The average of the weekly high and low of the closing prices of the Equity Shares of the Company quoted on the Stock Exchange during the six months preceding the relevant date, or
- The average of the weekly high and low of the closing prices of the Equity Shares of the Company quoted on the stock exchange during the two weeks preceding the relevant date.

Based on this criterion the minimum price at which the Equity Shares could be allotted works out to be Rs. 24.56/- per share. The price of the Equity Shares is calculated on the basis of the relevant date, i.e. 23<sup>rd</sup> August, 2008 being 30 days before the date of this General Meeting. Therefore, the method of arriving at the price at which the Equity Shares be issued and allotted is in accordance with the SEBI Guidelines as in force on the date of this Notice.

The shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai.

#### d) Relevant date:

The "Relevant Date" for the above purpose is 23<sup>rd</sup> August, 2008 which is 30 days prior to the date of this meeting of the members of the Company.

#### e) Proposed allottee details

- Names of the proposed allottees and their relation, if any, with the existing promoters or persons in control of the Company
  - Brinan Investments Pvt. Ltd.
  - Rhiakoh Finance & Investments Pvt. Ltd.
- In case the proposed allottee is a company, identify its promoters or persons in control over the company and the group they belong to, if any.

The persons in control of the companies mentioned above are promoted by Mr. H. A. Khatau.

## f) Shareholding pattern before and after the offer.

The information on shareholding pattern before and after the offer is given below:

Sr. No.	Category of Shareholder	Pre-Issue Shareholding		Post-Issue Shareholding	
		Total No. of Shares	%	Total No. of shares	%
(A)	Promoters' Holding				
1	Promoters				
(a)	Indian	15744550	50.0041	17744550	52.9900
(b)	Foreign	-	-	-	-
2	Persons acting in concert	-	-	-	-
	Total Promoters' shareholding (A)	15744550	50.0041	17744550	52.9900
(B)	Non-Promoters holding				
1	Institutions				
(a)	Mutual Funds / Insurance Cos.	1682900	5.3448	1682900	5.0256
(b)	Financial Institutions / Banks	500	0.0016	500	0.0015
(c)	Foreign Institutional Investors	-	-	-	-
	Sub-Total (B)(1)	1683400	5.3464	1683400	5.0271
2	Non-Institutions				
(a)	Bodies Corporate	4607228	14.6324	4607228	13.7585
(b)	Individuals	5344441	16.9737	5344441	15.9600
(c)	Overseas Corporate Bodies / NRI	3957142	12.5677	3957142	11.8171
(d)	Others	149789	0.4757	149789	0.4473
	Sub-Total (B)(2)	14058600	44.6495	14058600	41.9829
	Total Non-PromotersShareholding (B) + (B)(1) + (B)(2)	15742000	49.9959	15742000	47.0100
	TOTAL (A) + (B)	31486550	100.00	33486550	100.00

The above pattern is based on full subscription of the Equity Shares on allotment of shares.

## Lock-in:

The Equity Shares to be issued and allotted to the Promoters on a preferential basis will be subject to lock-in for a period of three year from the date of allotment as per the SEBI Guidelines in this behalf.

## g) Proposed time within which the allotment shall be complete.

The Board proposes to allot the Equity Shares within a period of 15 days from the date of this General Meeting in terms of the said SEBI Guidelines.

## h) Auditor's Certificate

The certificate from the Statutory Auditors of the Company towards the Compliance of the SEBI Guidelines for preferential allotment and the pricing of the shares thereof will be available for inspection by the members of the Company at its registered office during business hours till the date of the Annual General Meeting.

## i) Dematerialisation

The Equity Shares being offered and allotted to the Promoters shall be in dematerialised form.

## j) The identity of the proposed allottees and the percentage of post preferential issued capital that may be held by them.

As stated earlier, it is proposed to allot Equity Shares representing 20,00,000 Equity Shares of the Company to the promoters.

The percentage of post preferential issued capital that may be held by them will be 52.99%.

## k) Acquisition details

i. Number and percentage of shares proposed to be allotted pursuant to the special resolution passed under Section 81(1A) of the Companies Act, 1956 preferential allotment (with respect to expanded capital) 20,00,000 Equity Shares of Rs10/- each representing 5.97% of the expanded capital base.

## ii. Allotment Period

Within 15 days from the date of approval and receipt of the entire consideration.





## l) Terms of Payment

The Equity Shares are being issued at a price of Rs.30/- per share at a face value of Rs.10/- and premium of Rs.20/- per Equity Share.

## m) Consequential changes, if any, in the Board of Directors of the Company

There will not be any change in the Board of Directors of the Company pursuant to this preferential allotment.

### Consequential changes in the voting rights

Voting Rights will change in tandem with the shareholding pattern

## n) Consequential changes in the control over the Company

There will be no consequential change in the control over the Company.

## o) Approval under the Companies Act, 1956

Section 81 of the Companies Act, 1956 provides inter alia, that whenever it is proposed to increase the subscribed capital of the Company by a further issue and allotment of shares, such shares shall first be offered to the existing shareholders of the Company, unless the shareholders decide otherwise in general meeting by way of special resolution.

Accordingly the consent of the shareholders of the Company is being sought pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, SEBI Guidelines and the provisions of the Listing Agreement with the Stock Exchange authorizing the Board of Directors to offer, issue and allot the shares as stated in the resolution, on a preferential basis, in such form, manner and upon such terms and conditions as the Board of Directors may in its absolute discretion may deem fit.

The members are therefore requested to grant their approval to the passing of the resolution as set out in the Notice.

The proposed offer is in the interest of the Company and your Directors recommend the resolution for approval.

The Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of Equity Shares that may be subscribed by the companies/institutions of which they are directors or members.

By Order of the Board  
For Cable Corporation of India Limited

H A Khatau  
Chairman & Managing Director

Mumbai, 23<sup>rd</sup> August, 2008

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

Name of the Director	Mrs Nandini H Khatau	Mr. Arun Thiagarajan
Date of Birth	10th December, 1958	7th September, 1944
Date of appointment	20th June, 1996	30th January, 2006
Expertise in specific functional areas	Industrialist having a wide experience in handling corporate affairs.	32 years of experience in Corporate Management
Qualifications	B.Com.	M.Sc. Engg., G.B.A.
Directorships in other Companies	<ol style="list-style-type: none"> <li>1. Brinan Investments Pvt. Ltd.</li> <li>2. Krishabh Chemicals &amp; Plastics Pvt.Ltd.</li> <li>3. Jayalaxmi Holdings Pvt. Ltd.</li> <li>4. ALK Holdings Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. WeP Peripherals Ltd.</li> <li>2. ING Vysya Bank Ltd.</li> <li>3. Alstom Projects India Ltd.</li> <li>4. Krone Communications Ltd.</li> <li>5. PSI Data Systems Ltd.</li> <li>6. GMR Infrastructure Ltd.</li> <li>7. GMR Energy Ltd.</li> <li>8. Birla Technologies Ltd.(Subsidiary of PSI Data Systems Ltd.)</li> <li>9. Aditya Birla Minaca Worldwide Ltd. (subsidiary of Aditya Birla Nuvo Ltd.) Prev. Transworks Information Services Ltd.</li> <li>10. Idea Cellular Ltd.</li> <li>11. TTK Prestige Ltd.</li> </ol>

## DIRECTORS' REPORT

Your Directors present the Fifty First Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2008.

### PROFIT / LOSS AND APPROPRIATIONS

	(Rs. in lakhs)	
	Current Year ended 31.03.2008	Previous Year ended 31.03.2007
Profit / (Loss) before Extraordinary items & tax	(2484.97)	27.33
Less /Add Extraordinary items	2356.36	(738.53)
Profit / (Loss) after Extraordinary items & before Tax	(128.61)	(711.20)
Add : Provision for Taxation	(17.25)	( 15.50)
Less : Deferred Tax Adjustment		-
Add : Excess/(Short) provision of Income Tax of earlier years	(38.80)	( 6.57 )
Profit / (Loss) for the year	(184.66)	(733.27)
Balance brought forward from previous year	(2867.48)	(2134.21)
Add: Leave encashment of earlier years	(22.09)	-
Balance carried to Balance Sheet	<u>(3074.23)</u>	<u>(2867.48)</u>

### OPERATIONS

The Company achieved a turnover of Rs. 109.25 crores during the year under review against the turnover of Rs. 118.65 crores in the previous year, showing a decrease of 7.92% during the year.

### DIVIDEND

In view of the carry forward losses, the Directors do not recommend any dividend on Equity Shares for the financial year 2007-08.

### CURRENT YEAR'S OUTLOOK AND FUTURE PROSPECTS.

The demand for Power Cable continue to be on the upswing. Orders on hand are to the tune of Rs. 122.3 crores. However, the margins are still under tremendous pressure due to unprecedented rise in the price of raw material inputs, predominantly metals and PVC / XLPE compounds.

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 12,25,000 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.

### DIRECTORS

Mrs N H Khatau and Mr Arun Thiagarajan retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for reappointment.

### DELISTING WITH DELHI STOCK EXCHANGE

The securities of the Company have been de-listed from The Delhi Stock Exchange w.e.f. 27th March, 2008.

### 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, 2008 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 Exchange 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 lakhs 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 co-operation 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 for their continued support, especially in what has been another difficult year for the Company.

On behalf of the Board of Directors

Mumbai,  
Dated : 29th July, 2008

**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 DC 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.
  - Development of Segmental Conductor of 1200 sq.mm for EHV cable.
  - Development of technology for manufacture of 110 kV XLPE cable in CCV line.
- (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.
  - Development of Technology for manufacture of higher size of 110kV XLPE cable in CCV line
- (iv) Expenditure on R & D: (Rs.'000)
 

(a) Capital	nil
(b) Recurring	1778
(c) Total	1778
(d) Total R & D expenditure as a percentage of the total turnover	0.14%

#### 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:

- |   | Benefits Derived    |
|---|---------------------|
| (i) Development of various cables catering to specific requirements of power transmission at EHV                | 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 |
| Manufacturing of XLPE cable of voltage above 33kV in CCV line   | 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