

Cable Corporation of India Ltd.

53rd
Annual Report and Accounts
2009-2010

BOARD OF DIRECTORS



Chairman and Managing Director

Mr Hiten A Khatau

Directors

Mrs. N.H. Khatau

Mr. G. D. Bhingarkar

Mrs. N. B. Pasta

Mr. Mukul Kasliwal

Mr. C Sundershyam – Nominee Director

Mr. Abhijit Datta

Mr. Rajiv Saxena

Mr. R Sridharan – Director (Strategy and Business Development)

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: wrs@cablecorporation.com

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

Works

Dattapada Road, Borivili (East), Mumbai 400 066

Tel: 022 28542117 Fax: 022 28540624 / 5268

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

Dist. Nashik – 422 103

Tel: 02551 230328 /329/ 392

Plot No. F-3/2 MIDC, Sinnar Industrial Area, (Malegaon)

Dist. Nashik – 422 103

Tel: 02551 230147 /075 /380

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: wr@cablecorporation.com

Northern Region

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

Post Box No.7111, New Delhi 110 002

Tel: 011 41509010 Fax: 011 41509014

e-mail: ccinr@cablecorporation.com

Eastern Region

34, Allenby Road, 2nd floor, II – A, Kolkata 700 020

Tel: 033 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: sr @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.

Registrars & Transfer Agents

M/s.LinkIntime India P. Ltd

C-13, Pannalal Silk Mills Compound

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

Mumbai 400 078

Tel: 022 25946970 Fax: 022 25946969

Collection Centre at:

202, Daver House, 1st Floor,

Near Central Camera

Dr. D N Road, Fort

Mumbai 400 001

Tel: 022-22694127

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CABLE CORPORATION OF INDIA LIMITED

NOTICE

53rd ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fifty Third Annual General Meeting of the Members of **CABLE CORPORATION OF INDIA LIMITED** will be held at M C Ghia Hall, Bhogilal Hargovindas Building, 2nd floor, Kala Ghoda, 18/20, K Dubash Marg, Mumbai – 400 001 on Thursday 12th August, 2010 at 10.30 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, 2010, 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 Abhijit Datta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr G D Bhingarkar 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. 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 Sections 198, 269, 309 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956, the re- appointment of Mr. H A Khatau as the Chairman and Managing Director of the Company for a further period of five years with effect from 1st October, 2010 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 initialed by a Director 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."

6. 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 314 and other applicable provisions, if any of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and subject to such approvals, permissions and sanctions, if required and as may be necessary, consent be and is hereby accorded to Mr Rohan H Khatau, who is a relative of a Director to hold an office or place of profit in the Company as a Management Trainee upon a monthly basic salary and other allowances, benefits, amenities and facilities with effect from 18th January, 2010 upto the monthly remuneration of Rs.50,000/- under Section 314 of the Companies Act, 1956."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to promote him to higher cadres and/or to sanction him increments and/or accelerated increments within the said cadre or higher cadre as and when the Board of Directors deem fit, subject, however, to the rules and regulations of the Company, in force, from time to time, including the approval of the shareholders and the Central Government, as may be required, pursuant to the provisions of Section 314(1B) and other applicable provisions of the Companies Act, 1956."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take, perform and execute such further steps, acts, deeds and matters, as may be necessary, proper or expedient to give effect to this resolution."

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

RESOLVED THAT in accordance with the provisions of Section 257 and other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re- enactment thereof Mr R Sridharan who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and pursuant to Article 115 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 198, 269, 309, 311 and other applicable provision if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re- enactment thereof and subject to the approval of the shareholders in General Meeting, the appointment of Mr. R Sridharan as Director - Strategy and Business Development w.e.f. 1st June, 2010 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.R Sridharan 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 the Board of Directors be and is hereby authorised 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 and Managing Director**

Place: Mumbai

Date : 31st May, 2010

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, 6 and 7 of the notice is appended hereto.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday the 5th day of August, 2010 to Thursday the 12th day of August, 2010 (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.Link Intime India Pvt. 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 and for the re-appointment of the Chairman and Managing Director of the Company, at the ensuing Annual General Meeting are furnished below .

**By Order of the Board
For Cable Corporation of India Limited**

**H A Khatau
Chairman and Managing Director**

Mumbai, 31st May, 2010

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

ANNEXURE TO THE NOTICE

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

Item No.5

The Board of Directors of the Company at its meeting held on 31st May, 2010 re- appointed Mr. H A Khatau as the Chairman and Managing Director of the Company for a further period of 5 years with effect from 1st October, 2010 subject to the approval of the Shareholders in the Annual General Meeting. The terms and conditions including remuneration and perquisites payable to him as recommended by the remuneration committee are set out in the draft Agreement to be entered into by the Company with Mr. H A Khatau.

The remuneration and perquisites payable to Mr. H A Khatau are in conformity with the requirement of Schedule XIII to the Companies Act, 1956.

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

1. Mr. Khatau be appointed as Chairman and Managing Director of the Company with effect from 1st October, 2010 to 30th September, 2015 subject to his appointment being previously determined in pursuance of any of the provisions of this Agreement.
2. Subject to any directions of the Board, Mr. Khatau to have general control and management of the business and affairs of the Company and to do and perform all other acts and things which, in the ordinary course of business, he may consider necessary or proper or in the best interest of the Company.
3. During his employment under this Agreement, Mr. Khatau to devote his whole time and attention to the business of the Company and shall use his best endeavours to promote its interest and welfare.
4. The Company shall pay to Mr. Khatau during the continuance of this Agreement in consideration of the performance of his duties as Chairman and Managing Director, the following remuneration :

a. Salary	: Rs1,60,000/- p.m.
b. Housing	: Rent free fully furnished accommodation to be valued as per Income-tax Rules or House Rent Allowance of Rs.90,000/- p.m. whichever is higher.
c. House Maintenance, Utilities etc.	: Mr. Khatau to be entitled to receive house maintenance allowance and reimbursement of expenses incurred for soft furnishings, utilities and upkeep and repairs of Rs.80,000/- p.m.
d. Medical Reimbursement	: Expenses actually incurred by Mr. Khatau and his family and provision of hospital / personal insurance of Rs.8,333/- p.m.
e. Leave	: As per rules of the Company
f. Leave Travel Concession	: For self and family once in a year.
g. Club Fees	: Fees of clubs
h. Personal Accident Insurance	: For self and family
i. Gratuity	: In accordance with the Rules of the Company
j. Provident Fund and Superannuation Fund	: Contribution to Provident Fund and Superannuation Fund to the extent these singly or put together are not taxable under the Income-tax Act.
k. Provision of Cars and Telephones	: For use on Company's business and telephones at residence. Personal long distance calls shall be billed by the Company to Mr. Khatau.
l. Encashment of Leave	: Encashment of leave unavailed of due to exigencies of business on the termination of this Agreement and at the end of term of office shall not be included in the computation of ceiling on perquisites.
m. Reimbursement of Expenses	: Reimbursement of all entertainment and other expenses properly incurred for the business of the Company.
n. Minimum Remuneration	: Notwithstanding the above where in any financial year during the currency of the term of office as Chairman and Managing Director, the Company has made no profits or its profits are inadequate, the Company will pay the same remuneration as minimum remuneration by way of salary, commission and other allowances and perquisites to the extent of Rs.3,48,833/- p.m.
5. The Agreement may be terminated at any time by either party giving to the other 3 months' notice in writing without assigning any reason, or the Company paying to Mr. Khatau 3 months' salary and other emoluments in lieu of notice. Upon termination of this Agreement, Mr. Khatau shall cease to be Chairman and Managing Director of the Company.

The above remuneration be paid as minimum remuneration to Mr. H A Khatau in the year of loss or inadequacy of profits, in so far as the same is within the ceiling prescribed for payment of minimum remuneration under Schedule XIII of the Companies Act, 1956, or any statutory modifications thereof as may be in force from time to time.

The foregoing material provisions may also be treated as an abstract of the terms of Mr. Khatau's re-appointment as Chairman and Managing Director for the purposes of Section 302 of the Companies Act, 1956.

The Board of Directors considers the remuneration proposed to be paid to Mr. Khatau commensurate with his duties and responsibilities as the Chairman and Managing Director of the Company and therefore recommends the Resolution at Item No.5 of the Notice. The approval of the Members is necessary in view of the provisions of Schedule XIII to the Companies Act, 1956.

A copy of the draft Agreement referred to above will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday.

Mr. H A Khatau is interested in the Resolution at Item No.5 of the Notice since it relates to his own appointment and remuneration.

Mrs. N H Khatau, being the wife of Mr. H A Khatau, is also interested in the above Resolution.

This statement required to be given in case of no profits or inadequacy of profits as required under Schedule XIII of the Companies Act, 1956 to be annexed with this notice is as follows:

I General Information

Nature of Industry

Cable Corporation of India Ltd was incorporated on 1st November 1957 and is into the manufacture and marketing of electric cables & wires and allied products.

Date or expected date of commencement of commercial production

The Company began its commercial production in the year February 1960 .

Financial performance based on given indicators

(Rs In lacs)

Particulars	2006-07	2007-08	2008-09
Gross income	13900.91	11185.89	10418.31
Profit/(Loss) before tax	27.33	(2484.97)	(3241.30)
Profit/(Loss) after tax	(733.27)	(206.75)	(3241.88)
Net worth	6262.08	6372.33	17563.01
Dividend on Equity	Nil	Nil	Nil

Foreign Investments or collaborations

The current foreign shareholding in the share capital of the company is given below :

Foreign Holding	No of shares	% to equity
NRIs / FIIs / Foreign Cos	7255611	11.5726

II Information about the Appointee

Background details

Born on 19th June, 1958, Mr. Hiten A. Khatau comes from the well-known and reputed industrialist family of KHATAUS.

A qualified Chartered Accountant, Mr. Hiten A. Khatau has had a varied general management experience in domestic and international markets as well as in consumer and industrial products.

Past Remuneration

Mr. Hiten A. Khatau was drawing an aggregate annual remuneration of Rs 22.81 lacs

Job Profile & Suitability

Mr. Hiten A. Khatau has been the Chairman & Managing Director of the Company having general control and management of the business and affairs of the Company under the superintendence and control of the Board.

In view of his qualification and the experience in the Cable Industry, his appointment is in the best interest of the Company .

Remuneration Proposed

As stated in the explanatory statement of Item No 5 of the Notice

Comparative remuneration profile with respect to industry, size of the company

The proposed remuneration is not commensurate with his experience and responsibility and significantly below par with the industry levels while compared to the salaries & incentives paid to the Managing Directors of the companies of similar size.

Pecuniary Relationship directly / indirectly with the Company or managerial person, if any

Mr. Hiten A. Khatau is the promoter of the Company and therefore has a pecuniary relationship with the Company

III Other Information

Reason for loss or inadequate profits

The company is facing huge losses due to excess supply, stiff competition and volatile raw material prices . Hence the margins are under tremendous pressure.

Steps taken or proposed to be taken for improvement

The Company is making efforts to focus on cost reduction, improvement in productivity and increase in performance. With the commissioning of the EHV and focus on cost reduction , improvement in performance of the company is expected

Expected increase in productivity and profits in measurable terms

In the year under review , the Company has achieved turnover of Rs.129.14 crores as against the turnover of Rs.94.10 crores in the previous year, showing an increase of 37.24 % during the year. With total orders on hand of Rs. 98.45 crores and with prudent cost controlling measures the company is ought to show an improvement in overall profitability . It is also expected that the EHV Cable business shall grow with good margins resulting in increase of productivity and profits .

IV Disclosures

The shareholders of the company are informed of the remuneration package of the Managing Director by way of explanatory statement u/s 173(2) of the companies Act, 1956 alongwith the notice.

Item No. 6

Mr Rohan H Khatau has completed his Engineering with Majors in Operations Research from Columbia University, Fu Foundation School of Engineering and Applied Sciences, New York. He is working as a Management Trainee in the Company since January 18, 2010 on a monthly remuneration not exceeding Rs 50,000/- per month including usual allowances and perquisites and benefits, amenities and facilities applicable to other employees in the similar post within the same grade, subject to the approval of the Shareholders in the ensuing Annual General Meeting of the Company. He is the son of Mr H A Khatau, Chairman and Managing Director and Mrs Nandini H Khatau, Director of the Company.

The Board of Directors recommend the passing of the resolutions at Item 6 of the notice convening the Meeting for the approval of the Members under Section 314 of the Companies Act, 1956 by way of special resolution.

Mr. Hiten A. Khatau and Mrs. Nandini H Khatau being his relatives are concerned or interested in the resolution at Item no.6 of the notice. The proposed appointment is in the interest of the Company and your Directors recommend the resolution for approval.

Item No. 7

Mr. R. Sridharan was appointed as Additional Director by the Board at its Meeting held on 31st May, 2010. pursuant to Section 260 of the Companies Act, 1956 read with Article 115 of the Articles of Association of the Company.

As per Section 260 of the Companies Act, 1956 he holds office only upto the date of the forthcoming Annual General Meeting of the Company .

The Company has received notice in writing from a member alongwith deposit of Rs 500/- for proposing the candidature of Mr R Sridharan for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 195

Mr. R Sridharan is not disqualified from being appointed as a Director in terms of Section 274 (1)(g) of the Companies Act, 1956.

Further the Board also appointed Mr. R Sridharan as the Director-Strategy and Business Development of the Company for a period of 1 year with effect from 1st June 2010 subject to the approval of the Shareholders in General Meeting. The terms and conditions including remuneration and perquisites payable to him are set out in the draft Agreement to be entered into by the Company with Mr R Sridharan .

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

The material provisions of the draft Agreement relating to Mr. R. Sridharan's appointment are as under :

- | | | |
|---|---|--|
| a. Salary | : | Rs.75,000 per month. |
| b. Housing/ House Rent Allowance | : | Rent free accommodation to be valued as per Income-tax Rules or House Rent Allowance. |
| c. Perquisites and other allowances/
Reimbursement of expenses | : | Mr. R.Sridharan shall be entitled to perquisites such as house maintenance and other allowances including Personal pay, Personal Allowances, Education, Professional Development, Leave Travel Allowance, reimbursement of Expenses towards helpers, watchman, Medical for self and family, Entertainment etc. not exceeding Rs. 64,000/- per month or Rs. 7,68,000/- per annum. |
| d. Leave | : | As per rules of the Company |

-
- | | | |
|-------------------------------------|---|--|
| e. Gratuity | : | In accordance with the Rules of the Company |
| f. Provident Fund | : | Contribution to Provident Fund to the extent these singly or put together are not taxable under the Income-tax Act. |
| g. Provision of Cars and Telephones | : | For use on Company's business and telephones at residence. Personal long distance calls shall be billed by the Company to Mr. Sridharan |
| h. Encashment of Leave | : | Encashment of leave unavailed of due to exigencies of business on the termination of this Agreement and at the end of term of office shall not be included in the computation of ceiling on perquisites. |
| i. Reimbursement of Expenses | : | Reimbursement of all entertainment and other expenses properly incurred for the business of the Company. |
| j. Minimum Remuneration | : | Notwithstanding the above where in any financial year during the currency of the term of office as Director- Strategy & Business Development, the Company has made no profits or its profits are inadequate, the Company will pay the same remuneration as minimum remuneration by way of salary and other allowances and perquisites to the extent of Rs. 1,94,000/- p.m. |

The Agreement may be terminated at any time by either party giving to the other 3 months' notice in writing without assigning any reason, or the Company paying to Mr. Sridharan 3 months' salary and emoluments in lieu of notice. Upon termination of this agreement Mr R Sridharan shall cease to be Director – Strategy & Business Development of the Company .

A copy of the draft Agreement referred to above will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day except Saturday

None of the Directors except Mr Sridharan is interested in the resolution pertaining to his appointment . The Directors recommend the resolution for approval of the Members.

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

**H A Khatau
Chairman and Managing Director**

Place: Mumbai

Date : 31st May, 2010

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

Name of the Director	Mr G D Bhingarkar	Mr Abhijit Datta	Mr Hiten A Khatau	Mr R Sridharan
Date of Birth	17 th February , 1950	1st June, 1949	19 th June, 1958	22 nd September, 1949
Date of appointment	1 st February, 2002	31 st October, 2009	1 st October, 2005	1 st June, 2010
Expertise in specific functional areas	Over 40 years experience in industrial relations, human resource & labour management	Over 45 years of experience in Banking & Finance	Over 25 years of general management experience in domestic and international markets as well as in consumer and industrial products:	Over 35 years of experience in Marketing, Project Management in Electrical Equipment specially relate to Cable Projects
Qualifications	B.A., DLW, LLM	M.A. (Economics), C.A.I.I.B.	Chartered Accountant	Bachelor of Engineering (Electrical)
Directorships in other Companies	1. Shri Plasticizers & Chemicals Pvt Ltd 2. Govardhan Investments Pvt Ltd	1. Asset Reconstruction Company (India) Limited 2. Bengal Tea & Fabrics Limited 3. Bhaskar Silicon Private Limited	1. Entegra Limited 2. Mulraj Khatau & Sons Limited 3. Khatau Makanji & Company Pvt Ltd	Nil

DIRECTORS' REPORT

Your Directors present the Fifty Third Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2010.

PROFIT / LOSS AND APPROPRIATIONS

	(Rs. in lakhs)	
	Current Year ended 31.03.2010	Previous Year ended 31.03.2009
Profit / (Loss) before Extraordinary items & tax	(3236.09)	(3241.30)
Less /Add Extraordinary items	-	-
Profit / (Loss) after Extraordinary items & before Tax	(3236.09)	(3241.30)
Add : Provision for Taxation	-	(14.00)
Add / Less :Excess/(Short) provision of Income Tax of earlier years	(0.02)	13.42
Profit / (Loss) for the year	(3236.11)	(3241.88)
Balance loss brought forward from previous year	(6316.11)	(3074.23)
	(9552.22)	(6316.11)
Less Appropriated against General Reserve	7019.30	6316.11
Debit Balance in P & L Account carried to balance sheet	2532.92	-

OPERATIONS

The Company achieved turnover of Rs.128.79 crores during the year under review against the turnover of Rs.94.10 crores in the previous year, showing an increase of 36.86 % during the year.

Our EHV plant was commissioned during the year under review and commercial production commenced from January , 2010 and has contributed Rs 13.3 crores to the total turnover till 31st March, 2010.

Industrial relations at both the Units viz. Borivali and Nashik remained cordial.

DIVIDEND

In view of the carry forward losses, the Directors do not recommend any dividend on Equity Shares for the financial year 2009-10.

CURRENT YEAR'S OUTLOOK AND FUTURE PROSPECTS.

The demand for Power Cable continues to be good. Orders on hand are to the tune of Rs.98.45 crores. However, the margins are still under tremendous pressure due to excess supply, stiff competition and volatile raw material prices.

It is expected that the EHV Cable business shall grow positively with good margins and we shall have the advantage of full capacity utilization in the coming years.

The Company is also undertaking shifting of its HT lines of manufacture from Borivali to Nashik with up-gradation which is likely to go into production in Q3 of 2010-11. The Company has successfully implemented a Voluntary Retirement Scheme for all its Workers at its Borivali Plant.

The Company is making efforts to focus on continuous cost reduction, improvement in productivity and increase in performance. With the above initiatives the company is expected to achieve leap in turnover, increase in revenue and better overall performance.

The Directors are also pleased to inform you that the Company has commenced the development of its land at Borivali, Mumbai. After appointing Project Managers to undertake the development, the first phase of the Project was successfully launched in March' 10. The second phase is expected to go on stream in the second quarter of the current financial year.

DIRECTORS

The Board of Directors at their meeting held on 31st October, 2009 appointed Mr Abhijit Datta as a Director in the casual vacancy caused by the resignation of Mr Utsav Parekh and Mr Rajiv Saxena as a Director in the casual vacancy caused by the resignation of Mr Arun Thiagarajan.

The Board of Directors at its meeting held on 31st May, 2010 re-appointed Mr H A Khatau as the Chairman and Managing Director of the Company for a period of 5 years w.e.f. 1st October, 2010 subject to approval of the shareholders in general meeting on the terms and conditions including remuneration etc. as stated in the Notice.

Mr R Sridharan was appointed as an Additional Director effective June 1, 2010. He was also appointed as Director – Strategy & Business Development for a period of one year. In terms of Section 260 of the Companies Act, 1956 he shall hold office only upto the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from member proposing his candidature for the office of Director.

Mr G D Bhingarkar and Mr Abhijit Datta retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re - appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- 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, 2010 and the Profit and Loss Account of the Company for the year ended on that date;