

# **Cable Corporation of India Ltd.**

**54<sup>th</sup>**  
**Annual Report and Accounts**  
**2010-2011**

## 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

### 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

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

### 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: wrs@cablecorporation.com

#### Northern Region

Milap Niketan, 2<sup>nd</sup> 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, 2<sup>nd</sup> floor, II – A, Kolkata 700 020

Tel: 033 24542671/73/74 Fax: 033 24747592

e-mail: ccier@cablecorporation.com

### Southern Region

6 D, 6th floor, 560 - 562 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, 1<sup>st</sup> 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

#### 54th ANNUAL GENERAL MEETING

**NOTICE is hereby given that the Fifty Fourth Annual General Meeting of the Members of CABLE CORPORATION OF INDIA LIMITED will be held at M C Ghia Hall, Bhogilal Hargovindas Building, 2<sup>nd</sup> floor, Kala Ghoda, 18/20, K Dubash Marg, Mumbai – 400 001 on Wednesday 10<sup>th</sup> August, 2011 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, 2011, 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 Rajiv Saxena 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 Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, consent of the members be and are hereby accorded to the alteration of Articles of Association of the Company as follows:

- i. **The existing Article 2 be amended by the deletion of the following definitions after the last definition “Financial Year” and explanation thereof :**

“SP” means Silver Peak Investments (Mauritius) Limited.

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

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

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

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

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

The following Articles 65B to 65G to be deleted.

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

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

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

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

- (a) SP would give a notice to the Sponsors stating its intention to transfer the SP Warrants or the SP Warrant Shares as above (hereinafter referred to as “**Offer Notice**”). The Offer Notice shall state the number of SP Warrants or SP Warrant Shares proposed to be transferred or sold (hereinafter referred to as the “**Offered Securities**”), the name and address of the proposed transferee, the proposed price on which the SP Warrants or SP Warrant Shares are sought to be transferred or sold and other material terms of the transfer;
- (b) Within ten (10) Business Days of the receipt of the Offer Notice, the Sponsors shall indicate their acceptance or refusal to purchase the Offered Securities at the price indicated in the Offer Notice. In the event the Sponsors elect to exercise their option to purchase the Offered Securities, simultaneous with such acceptance, the Sponsors shall procure a satisfactory legal opinion from a counsel acceptable to SP opining that the Sponsor(s) are permitted to acquire the Offered Securities under and in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or any other Law, and further pay an amount equivalent to 15% (Fifteen Percent) of the applicable purchase price (the “**Commitment Amount**”) by way of a demand draft in favour of SP or its Affiliate as the case may be. Failure by the Sponsors to pay such Commitment Amount within 10 Business Days of the Offer Notice shall be deemed to be a rejection of the Offer Notice by the Sponsors.
- (c) In the event the Sponsors elect not to exercise their option to purchase the Offered Securities, SP shall be free to sell the Offered Securities at a price no lower than the price offered in the Offer Notice and at no better payment terms than offered to the Sponsors under this Article.
- (d) In the event the Sponsors accept the Offer Notice and pay the Commitment Amount and SP receives such legal opinion, as stated above, the Sponsors and SP shall within a further period of 30 days from the above jointly identify an escrow agent and enter into appropriate documentation for the same, and upon due execution of such documentation, the Sponsors shall deposit the remaining consideration for the proposed transfer with such escrow agent, and SP shall deposit the Offered Shares with such escrow agent, whereafter, the transfer of shares shall be made upon completion of formalities and compliances under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or any other Law, have been undertaken by the Sponsors and the monies lying in the escrow shall be paid to SP at the earliest possible.
- (e) In the event the Sponsors accept the Offer Notice and pay the Commitment Amount, and fail to pay the remaining consideration within a period of 30 days from the date of acceptance of the Offer Notice, then:
  - (i) The Commitment Amount shall be forfeited as and by way of liquidated damages; AND
  - (ii) SP shall be entitled to transfer the Offered Securities to any person on any terms and conditions; AND
  - (iii) This Article 65E shall cease to operate in the event of any future transfers by SP.
- (f) For the purposes of this Article 65E the Sponsors hereby authorise and appoint one agent to undertake all acts that may be required and also agree and assure to SP that all decisions taken by their agent would be acceptable and binding to each of them.
- (g) SP shall not transfer or sell, by way of a negotiated sale, in one transaction, SP Warrants or SP Warrant Shares to any Person who is a Competitor of the Company if such single transaction results in a transfer of 5% or more of the fully diluted equity capital of the Company. For the purposes of this Article, the term “competitor” shall mean a company other than the Company carrying on the Business as its principal business in India.

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

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

- (e) With regard to the provisions of this Article 65F, the Parties further agree as under:
- I. It is agreed and the person authorised under Article 65E is also authorised by each of the Sponsors as their agent to undertake all acts that may be required in respect of this Article, and it is also agreed and SP is assured that all decisions taken by such agent would be acceptable and binding to each of the Sponsors.
  - II. **"Change Event"** shall mean:
    - i) transfer or sale of such number of the Equity Shares or Warrants held by the Sponsors, which would result in reduction of their shareholding in the Company to less than the 45% Shareholding, and in case of Warrants, which would result, at a later date in reduction of their shareholding in the Company to less than the 45% Shareholding;
    - ii) any transfer or sale of any Equity Shares or Warrants held by the Sponsors, in case shareholding of the Sponsors in the Company has reduced to less than the 45% Shareholding; or
    - iii) any event that would result in transfer of Control of the Company from the Sponsors to any other Person, either by way of agreement or any other reason whatsoever.

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

The following Article to be deleted:

#### **SHAREHOLDER PROTECTION**

- 193 The provisions of these Articles 193 to 198 are for the benefit of SP a holder of warrants issued in accordance with applicable law by the Company, and convertible into equity shares in the manner specified in the terms of issue of such warrants.
- 194 Article 193 shall apply from the time the Lender no longer has the right to appoint a Nominee Director and shall apply only for the duration set forth in Article 198.
- 195 SP shall have a right to appoint from time to time, one (1) person or as a non whole time director, (which director is hereinafter referred to as "SP Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.
- 196 The Board of Directors of the Company shall have no power to remove from office such SP Nominee Director/s. At the option of SP, such SP Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of SP, such SP Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the SP Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other director of the company.
- The Company shall pay to the SP Nominee Director/s, sitting fees and expenses which the other Directors of the Company are entitled. Any expenses that may be incurred by the Lender or such SP Nominee Director/s in connection with their appointment as Director shall also be paid or reimbursed by the Company to the Lender or as the case may be to such Nominee Director/s.
- 197 The Company shall not give effect to, and the Board of Directors shall not pass any resolution in the event the Director nominated by SP, has declined to approve such resolution in respect of any of the following matters (each a **"Major Decision"**):
- (a) Issuance of any new shares or other securities to any Person or repurchasing of any shares from any of the Company's current shareholders, or reclassifying any shares or other securities or amending any rights or obligations with regard to the Company's shares or other securities, or undertaking of any of the foregoing by a subsidiary;
  - (b) Entering into any change of Control transaction with respect to the Company or any subsidiary. For the purposes of this Article 197(b), "Control" as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management of that Person whether through ownership of voting securities or otherwise;
  - (c) Winding up, liquidation or dissolution of the Company's affairs or entering into any transaction of merger or consolidation, or conveying, selling, leasing or otherwise disposing of (or agreeing to do any of the foregoing at any future time) all or a substantial part of the Company's property.
  - (d) entering into any agreement or arrangement with any Relative (as defined under The Act), Affiliate, group entity or a related Person.
  - (e) Amending or causing to be amended, the Memorandum of Association or these Articles;
  - (f) De-listing, or taking any other action which could reasonably be expected to result in de-listing of any of the securities of the Company from any stock exchange on which the securities are listed from time to time.
198. All of the rights available to SP under Article 197(a) to (f) above shall cease to operate upon the earlier of:
- (a) SP ceasing to hold legal or beneficial interest of at least 10% of the fully diluted equity capital of the Company; OR

- 
- (b) The third anniversary of the date of issuance of warrants under the SP Warrant Agreement.

Upon such cessation of rights, the SP Nominee Director shall resign from the Board.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally authorized to take necessary steps to give effect to the resolution including to take such steps and to do all such acts, deeds, matters and things necessary or expedient to give effect to this resolution.”

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

**RESOLVED 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 , Mr. R Sridharan be and is hereby appointed as Director – Strategy and Business Development for a further period of one year w.e.f. 1st June,2011 on the same terms and conditions and on a 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  
Mumbai : 31<sup>st</sup> May, 2011

**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 and 6 of the notice is appended hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 1<sup>st</sup> day of August, 2011 to Wednesday the 10<sup>th</sup> day of August , 2011 (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 Director – Strategy and Business Development, 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, 31<sup>st</sup> May, 2011**

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

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

### Item No. 5

It is proposed to amend certain Articles in the Articles of Association of the Company, as stated in the Notice, by deleting the relevant clauses which were incorporated to facilitate the company to avail of a loan from J P Morgan Securities (India) Pvt. Ltd., now re-paid.

The Board of Directors have at their meeting held on 31<sup>st</sup> May, 2011 approved the deletions of the relevant clauses of the Articles of Association of the Company.

None of the Directors of the Company are in any way concerned or interested in this Resolution.

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

A copy of the Articles of Association of the Company alongwith the proposed modifications is available for inspection of the Members of the Company at the Registered office of the Company on any working day between 12.00 noon to 3.00 p.m. prior to the date of the Annual General Meeting.

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

### Item No. 6

The Board of Directors of the Company at its meeting held on May 31, 2010 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 and the same was approved by the Shareholders in General Meeting. The Directors at their meeting held on 31<sup>st</sup> May, 2011, approved the re-appointment of Mr R Sridharan as the Director-Strategy and Business Development of the Company for a period of 1 year with effect from 1st June 2011 on the same terms and conditions including remuneration and perquisites payable to him as set out in the draft Agreement to be entered into by the Company with Mr R Sridharan, on the recommendation and approval of the Remuneration Committee and subject to the approval of the shareholders in General Meeting.

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. R. 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. R. 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.

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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 R. 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.**

Place : Mumbai  
Mumbai : 31st May, 2011

**H A Khatau  
Chairman and Managing Director**

**Details of Directors retiring by rotation and seeking  
re-appointment and appointment of Director-Strategy and Business Development.**

<b>Name of the Director</b>	<b>Mrs Nandini H Khatau</b>	<b>Mr Rajiv Saxena</b>	<b>Mr R Sridharan</b>
<b>Date of Birth</b>	10 <sup>th</sup> December, 1958	30 <sup>th</sup> September, 1958	22 <sup>nd</sup> September, 1949
<b>Date of appointment</b>	20 <sup>th</sup> June, 1996	31 <sup>st</sup> October, 2009	1 <sup>st</sup> June, 2010
<b>Expertise in specific functional areas</b>	Industrialist having a wide experience in handling corporate affairs.	Has wide experience in the real estate, metals and ferrous alloys, hospitality and financial services industry and has made various investments in India and UAE. He is an NRI .	Over 35 years of experience in Marketing, Project Management in Electrical Equipment specially relate to Cable Projects
<b>Qualifications</b>	Bachelor of Commerce	Chartered Accountant	Bachelor of Engineering (Electrical)
<b>Directorships in other Companies</b>	1. CCI Projects Private Limited 2. Kamik Real Estate Pvt. Ltd. 3. Great View Properties Pvt. Ltd. 4. Grow High Properties Pvt. Ltd.	1. CCI Realtors Private Limited 2. CCI Projects Private Limited 3. Sthir Trading Co. Private Limited 4. Absolom Exim Private Limited 5. Cronimet Alloys India Limited 6. Future Deal Properties Pvt. Ltd. 7. D M Power Invest Limited 8. Optima Infrastructure Pvt. Ltd.	Nil



Your Directors present the Fifty Fourth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31<sup>st</sup> March, 2011.

**PROFIT / LOSS AND APPROPRIATIONS**

	<b>(Rs. in lacs)</b>	
	<b>Current Year ended 31.03.2011</b>	<b>Previous Year ended 31.03.2010</b>
Profit / (Loss) before Extraordinary items & tax	2820	(3236)
Less /Add Extraordinary items	(1247)	—
Profit / (Loss) after Extraordinary items & before Tax	1573	(3236)
Add : Provision for Taxation	—	—
Add / Less : Excess/(Short) provision of Income Tax of earlier years	3	—
Profit / (Loss) for the year	1576	(3236)
Balance loss brought forward from previous year	(9552)	(6316)
	(7976)	(9552)
Less Appropriated against General Reserve	7019	7019
Debit Balance in P & L Account carried to balance sheet	957	2533

**OPERATIONS**

The Company achieved turnover of Rs 183.68 crores during the year under review from the cable business against the turnover of Rs.128.79 crores in the previous year, showing an increase of 43% during the year.

The Company also earned an income of Rs.5498 lacs (net) as its share of the income from Real Estate Business.

During the year under review Industrial relations remained cordial.

**DIVIDEND**

In view of the carry forward losses, the Directors do not recommend any dividend on Equity Shares for the financial year 2010-11.

**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.200 crores. Margins remain under 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 has shifted a part of its HT lines of manufacture from Borivali to Nashik and the same has been commissioned during the year under review. The Company is upgrading and commissioning its second EHV line in the current year.

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.

As stated in the last Annual report, the Company has commenced the development of its land at Borivali, Mumbai. The Directors are also pleased to inform you that two phases of the project were successfully launched. Whilst outlook for the real estate market in Mumbai is presently soft, the Company is confident of a good response due to a competitive and attractive project.

**DIRECTORS**

Mr R Sridharan was appointed Director – Strategy & Business Development for a period of one year w e f 1<sup>st</sup> June, 2010. It is proposed to re-appoint him for a further period of one year on the same terms and conditions.

Mrs N H Khatau and Mr Rajiv Saxena 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:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;

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- (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 31<sup>st</sup> March, 2010 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 Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not applicable to the Company as none of the employees are drawing salary more than Rs.60 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. (Annexure I)

#### **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 for their continued support, especially in what has been another difficult year for the Company.

**On behalf of the Board of Directors**

Mumbai,  
Dated : 31<sup>st</sup> May, 2011

**H. A. KHATAU  
CHAIRMAN & MANAGING DIRECTOR**