

Cable Corporation of India Ltd.

56th
Annual Report and Accounts
2012-2013

BOARD OF DIRECTORS



Chairman

Mr H A Khatau
(Chairman & Managing Director till 18.04.2013)

Directors

Mr A Datta
Mr C Sundershyam – Nominee Director
Mr. G. D. Bhingarkar
Mr. M Kasliwal
Mrs. N. B. Pasta
Mr R H Khatau
Mr R Saxena
Mr R Sridharan

Managing Director & CEO

Mr M Digraskar (w.e.f. 18.01.2013)

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 : jkhatau@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: 022-66144145 / 4153 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

Hari Kunj, 2048 Rajdanga Main Road, 1st floor, Kolkata 700 107
Tel: 033 2441 0465 / 2441 0610
e-mail: ccier @cablecorporation.com

Southern Region

Temple Tower, 7th floor,
672, Anna Salai, Nandanam, Chennai 600 035.
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.

Registrars & Transfer Agents

M/s Link Intime India P. Ltd.
C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup (West)
Mumbai 400 078
Tel : 022-25946970 Fax : 022 25946969

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NOTICE**56th ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Fifty Sixth Annual General Meeting of the Members of CABLE CORPORATION OF INDIA LIMITED will be held at Walchand Hirachand Hall, Indian Merchants Chamber, IMC Building, Opposite Railway Station, IMC Marg, Churchgate, Mumbai 400 020 on Monday the 23rd day of September, 2013 at 3.30 p.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Statement of Profit and Loss for the financial year ended 31st March, 2013, the Balance Sheet as at that date together with the Reports of the Board of Directors and of the Auditors thereon.
2. To appoint a Director in place of Mr G D Bhingarkar who retires by rotation and being eligible, offers himself 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 a Director in place of Mrs N. B Pasta who retires by rotation and being eligible, offers herself for re-appointment.
5. 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.

SPECIAL BUSINESS

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 provisions 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, 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, 2013 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."

7. 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 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 Mr. Madhav Digraskar be and is hereby appointed as Managing Director and Chief Executive Officer (CEO) of the Company for a period of 3 years with effect from 18th January 2013 to 17th January 2016 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. Digraskar 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.

Place : Mumbai
Date : 14th August, 2013

Surendra Khemka
CFO & Company Secretary

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(2) of the Companies Act, 1956, relating to item nos. 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 Monday the 16th day of September, 2013 to Monday the 23rd day of September, 2013 (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) To support the Green Initiative in the Corporate Governance taken by the Government members who have not registered their E-mail addresses, so far, are requested to register their E-mail addresses with the Company's Registrar and Transfer Agent at their email id : rnt.helpdesk@linkintime.co.in and / or by writing to them at their address at M/s Link Intime India Pvt. Ltd. (Unit Cable Corporation of India Ltd.), C-13, Pannalal silk Mills Compound, L B S Marg, Bhandup (West), Mumbai 400 078 giving details of their respective Folio No.
- (g) 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.
- (h) 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 at the ensuing Annual General Meeting are furnished below.
- (i) The Company has transferred unclaimed amounts of Debenture interest for the year 2004-05 paid on 1st October 2005, and matured deposits paid on 16th December, 2005 to the Investor Education and Protection Fund as required under Sections 205A and 205C of the Companies Act, 1956.

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

Place : Mumbai
Date : 14th August, 2013

Surendra Khemka
CFO & Company Secretary

Registered Office:

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

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

Item No. 6.

The Board of Directors of the Company at its meeting held on May 31, 2013 reappointed Mr. R Sridharan as the Director-Strategy and Business Development of the Company for a period of 1 year with effect from 1st June 2013 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 1 months' notice in writing without assigning any reason, or the Company paying to Mr. R. Sridharan 1 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 R. Sridharan is interested in the resolution pertaining to his appointment. The Directors recommend the resolution for approval of the Members.

Item No.7

The Board of Directors of the Company at its meeting held on 12th January, 2013 appointed Mr. Madhav Digraskar as Managing Director & Chief Executive Officer (CEO), for a period of 3 years with effect from 18th January 2013 to 17th January 2016 subject to the approval of the Members in General Meeting. The terms and conditions including remuneration and perquisites payable to him are set out in the draft Agreement between the Company and Mr. Digraskar. The remuneration committee has also approved the terms of appointment of Mr Digraskar.

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

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

a.	Salary	:	Rs 2.10 lakhs/- p.m.
b.	Housing	:	House Rent Allowance not exceeding Rs1,00,000- p.m. The Company will pay Security Deposit upto Rs. 5,00,000 for this purpose.
c.	Perquisites and other allowances / reimbursement of expenses	:	Mr Digraskar shall be entitled to perquisites such as house maintenance and other allowances including city living allowance, personal allowances, car lease/rental and car fuel, repair and maintenance, professional development, leave travel allowance, reimbursement of expenses towards helper/s, driver/s, watchman, medical for self and family, Mediclaim and Accident Insurance for self and family, and entertainment etc. not exceeding Rs 7.67 lakhs p.m. or Rs 92 lakhs p.a
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 not taxable under the Income-tax Act.
g.	Provision of Telephones	:	For use on Company's business and telephones at residence. Personal long distance calls shall be billed by the Company to Mr. Digraskar.
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.	Performance Bonus	:	Bonus to be linked to (i) agreed criteria of the performance of the Company and Individual Key Result Areas, and will not exceed Rs 30 lakhs p.a. or (ii) commission @1% of profit after tax from the business of the company in the Power Sector, whichever is higher.

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. Digraskar 3 months' salary and emoluments in lieu of notice. Upon termination of this agreement Mr Digraskar shall cease to be Director / Managing Director & CEO of the Company.

The above remuneration shall be paid as minimum remuneration to Mr Digraskar 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 Digraskar's appointment as Managing Director & CEO for the purposes of Section 302 of 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.

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

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 1960.

Financial performance based on given indicators

(Rs In lacs)

Particulars	2009-10	2010-11	2011-12
Gross income	15465	25005	19399
Profit/(Loss) before tax	(3236)	1570	(1986)
Profit/(Loss) after tax	(3236)	1573	(1987)
Net worth	12816	14803	14350
Dividend on Equity	Nil	Nil	Nil

Foreign Investments or collaborations

There was no Foreign Investments or collaborations during the year.

II Information about the Appointee**Background details**

Mr. Madhav Digraskar who is 55 years of age, holds a Bachelor's Degree in Engineering and has a vast experience of over 30 years in various reputable companies. After working for 28 years in ABB, with his last assignment as President, Power Products Division, Mr. Digraskar left ABB in September 2010 to join Sterling & Wilson as President, Products Division. Mr. Digraskar joins CCI from KEC International where he was Chief Executive - Power Systems Division.

Job Profile & Suitability

Mr Digraskar has vast experience in managing both product and project in the electrical field.

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 7 of the Notice

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

The proposed remuneration is 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 Digraskar has no pecuniary relationship with the Company.

III Other Information**Reason for loss or inadequate profits**

The company is facing losses due to stiff competition, inadequate capacity utilization and volatile raw material prices and 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. 120 crores as against the turnover of Rs.159 crores in the previous year. With total orders on hand of approx Rs 100 crores and prudent cost controlling measures and cost reduction, the company is gearing up to show an improvement in overall profitability.

IV Disclosures

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

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

Place : Mumbai
Mumbai : 14th August, 2013

Surendra Khemka
CFO & Company Secretary

**Details of Directors retiring by rotation and seeking
re-appointment and appointment of a Managing Director and an Executive Director.**

Name of the Director	Mr G D Bhingarkar	Mr Rajiv Saxena	Mrs Nayna B Pasta	Mr R Sridharan	Mr Madhav Digraskar
Date of Birth	17 th February, 1950	30 th September, 1958	22 nd May, 1951	22 nd September, 1949	11 th January, 1957
Date of appointment	1 st February, 2002	31 st October, 2009	27 th May, 2002	1 st June, 2010	18 th January, 2013
Expertise in specific functional areas	Over 43 years experience on industrial relations, human resources and labour management.	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 31 years experience in finance & taxation.	Over 37 years of experience in Marketing, Project Management in Electrical Equipment specially relate to Cable Projects	Has a vast experience of over 30 years in managing both products and projects in the electrical field which would be beneficial to the Company.
Qualifications	B.A., DLW, LLM	Chartered Accountant	C. A.	Bachelor of Engineering (Electrical)	Bachelors degree in Engineering
Directorships in other Companies	Nil	CCI Realtors Private Ltd. CCI Projects Private Ltd. Sthir Trading Co. Pvt. Ltd. Whitespring Estates Pvt. Ltd. Cronimet Alloys Ltd. Future Deal Properties Pvt. Ltd. Matrix Sociis Holdings Limited Metkore Alloys & Industries Ltd.	Khatau Industries Pvt. Ltd. Cheerful Properties Pvt. Ltd.	Electrical Cables Development Association Limited	Nil

DIRECTORS' REPORT

Your Directors present the Fifty Sixth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2013.

PROFIT / LOSS AND APPROPRIATIONS

(Rs. in lacs)

Particulars	Current Year ended 31.03.2013	Previous Year ended 31.03.2012
Profit / (Loss) after Extraordinary items & before Tax	1818	(1986)
Less : Provision for Taxation	-	-
Add / Less :Excess/(Short) provision of Income Tax of earlier years	-	(1)
Profit / (Loss) for the year	1818	(1987)
Balance Profit / (Loss) brought forward from previous year	(9985)	(7978)
Balance in statement of profit and loss carried to balance sheet	(8147)	(9965)

OPERATIONS

During the year under review the Cable business segment of the Company achieved turnover of Rs 120 crores compared to the turnover of Rs. 159 crores in the previous year. The drop in turnover was mainly due to paucity of working capital, major part of which remained blocked in servicing the turnkey orders. Raw Material prices remained extremely volatile whereas stiff competition impacted EBDITA margins adversely.

During the year the income from Real Estate operations amounted to Rs 89 Crores.

Industrial relations remained cordial during the year under review

DIVIDEND

In view of the carry forward losses, the Directors do not recommend any dividend on Equity Shares for the financial year 2012-13.

CURRENT YEAR'S OUTLOOK AND FUTURE PROSPECTS

The outlook for the current year, at present, is sluggish. The macro economic environment (and especially the infrastructure sector) is passing through a difficult phase. However, keeping in view the improvement in the demand of various state utilities and reform measures being undertaken by them coupled with positive outlook for the power and infrastructure sectors, the outlook has more likelihood of improvement in the medium term.

In EHV segment, the Company has been competing against international players. It is expected that EHV Cable business shall grow with good margins and the Company shall have the advantage of full capacity utilization in the coming years.

DIRECTORS

The Board of Directors at its meeting held on 12th January, 2013 appointed Mr. Madhav Digraskar as Managing Director & Chief Executive Officer (CEO), for a period of 3 years with effect from 18th January 2013 subject to the approval of the Members in General Meeting on the terms and conditions including remuneration and perquisites payable to him as set out in the Notice. The remuneration committee has approved the terms of appointment of Mr Digraskar.

Mr Hiten Khatau has stepped down as Managing Director of the Company w.e.f. end of business hours as on 18.04.2013. However, he continues as Chairman and Non-Executive Director of the Company.

Mr R Sridharan was appointed Director – Strategy & Business Development for a period of one year w e f 1st June, 2012. It is proposed to re-appoint him for a further period of one year.

Mrs N H Khatau resigned as a Director of the Company from the conclusion of the meeting of the Board of Directors held on 12th January, 2013. The Board placed on record the valuable guidance given by her during her tenure as a Director of the Company.

Mr G D Bhingarkar, Mr R Saxena and Mrs N B Pasta 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 judgments 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, 2013 and the Profit and Loss Account of the Company for the year ended on that date;
- 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;
- 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.

DELISTING

On 24th June 2013, the Company received a delisting proposal from Great View Properties Private Limited (GVPPL), part of the promoter group of the Company, which along with other promoter shareholders in aggregate holds 74.99% of the issued, subscribed and paid-up share capital of the Company. Pursuant to the said letter, GVPPL and other promoter entities along with Viscose Holdings Limited, another promoter group company, have notified their intention to acquire the entire public shareholding of the Company representing 25.01% of the issued, subscribed and paid-up share capital, and voluntarily delist the equity shares of the Company from BSE Limited, in accordance with the applicable provisions of the SEBI (Delisting of Equity Shares) Regulations, 2009.

Accordingly, the Company initiated the process of seeking the approval of the shareholders through postal ballot. Your Directors are pleased to inform you that, the shareholders of the Company have approved the proposal to voluntarily delist the equity shares of the Company by passing a special resolution with requisite majority on 7th August 2013. The Company is currently in the process of seeking the in-principle approval from BSE Limited. Delisting of the equity shares of the Company is subject to the fulfillment of conditions and procedure prescribed by the SEBI (Delisting of Equity Shares) Regulations, 2009.

PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees drawing salary more than Rs. 60 lacs per annum if employed throughout the financial year or drawing salary more than Rs. 5 lacs per month if employed for a part of the financial year are required to be set out in the Annexure to the Directors Report. However as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Members who are desirous of obtaining such particulars are requested to write to the Company Secretary of the Company .

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review we have obtained ISO 14001 certification from BVQI , apart from the already existing ISO 9001 certification.

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

COST AUDIT

In pursuance to the provisions of Section 233B of the Companies Act, 1956 and with the prior approval of the Central Government, M/s. ABK & Associates, Cost Accountants (Regn. No. 036) were appointed as Cost Auditors to conduct audit of cost records for Cables and Conductors activity for the financial year 2012-13.

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 Director

Place : Mumbai,
Dated : 14th August, 2013

**H. A. KHATAU
CHAIRMAN**

Annexure I 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:
- Rationalization of process technology in the Factory resulting in Energy Cost Saving.
 - Capacitor devices have been put on individual machines for PF improvement.
 - Energy meters have been provided on majority of the machines for monitoring energy consumption.
- (b) Additional investment and proposal:
- Energy Audit carried out by an External Agency for assessing current status & recommendation for further improvement.
 - Proposals recommended have been implemented for majority of their recommendation
- (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) Provision to disclose particulars with respect to total energy consumption and energy consumption per unit of production does not apply to the Company.

B TECHNICAL ABSORPTION

- (a) 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, development of Elastomeric cable, special type of conductors & accessories for Extra High Voltage cables are being carried out by the Company.

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

- Development of 400kV cables.
- Development of process technology related to extrusion, cross linking, resulting in elimination of high voltage failure & reduction in dimension of high voltage & medium voltage cable.
- Development of technology for manufacture of 400 kV XLPE cables.
- Development of Copper Segmental Conductor for 1400 sq.mm for EHV cable.
- Development of technology for manufacture of 1400 sq.mm 220 kV XLPE cable.
- Development of technology for manufacture of Submarine cable.

- (iii) Future plan of action:

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

- (iv) Expenditure on R & D: (Rs.in laks)

(a) Capital	Nil
(b) Recurring	54
(c) Total	54
(d) Total R & D expenditure as a percentage of the total turnover	0.25%