

Annual Report  
**2018-19**



**CORDS CABLE INDUSTRIES LIMITED**



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**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Mr. Naveen Sawhney	Managing Director
Mr. Sanjeev Kumar	Whole Time Director
Mr. Vijay Kumar	Independent Director (Non-Executive)
Mr. Vimal Dev Monga	Independent Director (Non-Executive)
Mrs. Asha Bhandari	Independent Director (Non-Executive)

**MANAGEMENT TEAM**

Mr. Varun Sawhney	Vice President (Marketing, HR & IT)
Mr. Gaurav Sawhney	Vice President (Finance and Banking)
Mr. Hemant Kumar Pandita	Vice President (Marketing)
Mr. Sumer Misri	Senior General Manager (Export)
Mr. Sandeep Kumar	General Manager (Accounts & Taxation)
Mr. Anil Kumar Gupta	General Manager (Technical)
Mr. Jugendra Singh	General Manager (Sales & Marketing)
Mr. Ajay Dixit	General Manager (Sales & Marketing)

**COMPANY SECRETARY**

Ms. Garima Pant

**CHIEF FINANCIAL OFFICER**

Mr. Manoj Kumar Gupta

**REGISTRAR AND SHARE TRANSFER AGENT**

Link Intime India Private Limited  
Noble Heights, 1st Floor, C- 1 Block  
LSC, Near Savitri Market  
Janakpuri, New Delhi- 110028  
Tel No - +91-011-41410592, 93,94  
Fax No- +91-011-41410591  
[Email-delhi@linkintime.co.in](mailto:Email-delhi@linkintime.co.in)

**STATUTORY AUDITORS**

M/s Alok Misra & Co.  
Chartered Accountants  
New Delhi

**STOCK EXCHANGES**

Bombay Stock Exchange Limited  
National Stock Exchange of India Limited

**BANKERS / FINANCIAL INSTITUTIONS**

Canara Bank  
ICICI Bank Limited  
Karnataka Bank Limited  
Vijaya Bank  
State Bank of India  
Rajasthan State Industrial Development & Investment Corporation Ltd. (RIICO Ltd.)  
Bajaj Finance Limited  
Tata Capital Financial Services Limited  
HDFC Bank Limited

**Email ID-**

For Investor- [csco@cordscable.com](mailto:csco@cordscable.com)  
For Others - [ccil@cordscable.com](mailto:ccil@cordscable.com)  
Website - [www.cordscable.com](http://www.cordscable.com)

**REGIONAL OFFICES**

(1) Mumbai (2) Hyderabad (3) Kolkata

**REGISTERED OFFICE**

**Cords Cable Industries Limited**  
CIN : L74999DL1991PLC046092  
94, 1st Floor, Shambhu Dayal Bagh Marg,  
Near Okhla Industrial Area Phase-III,  
Old Ishwar Nagar, New Delhi-110020  
Tel No- +91-011-40551200  
Fax No-+91-011-40551280/81

**PLANT LOCATIONS**

- 1) A-525, E-518, 519, 520, Industrial Area Chopanki, Bhiwadi, District-Alwar (Raj) 301 707
- 2) SP-239, 240, 241, Industrial Area Kahrani, Bhiwadi, District-Alwar (Raj) 301 019

## MANAGEMENT DISCUSSION & ANALYSIS

### ECONOMIC OVERVIEW

#### Global Economy

As per IMF, following a broad-based upswing in cyclical growth that lasted nearly two years, the global economic expansion decelerated in the second half of 2018. Activity softened amid an increase in trade tensions and tariff hikes between the United States of America and China, a decline in business confidence, a tightening of financial conditions, and higher policy uncertainty across many economies. Against this global backdrop, a combination of country- and sector-specific factors further reduced momentum. After peaking at close to 4 percent in 2017, global growth remained strong, at 3.8 percent in the first half of 2018, but dropped to 3.2 percent in the second half of the year.

Reflecting the slowdown in activity in the latter half of 2018 and the first half of 2019, global growth is set to moderate from 3.6 percent in 2018 to 3.3 percent in 2019, and then to return to 3.6 percent in 2020. The projected pickup in the second half of 2019 is predicated on an ongoing build-up of policy stimulus in China, recent improvements in global financial market sentiment, the waning of some temporary drags on growth in the euro area, and a gradual stabilization of conditions in stressed emerging market economies. The outlook for inflation largely mirrors the prospects for growth and commodity prices. Inflation is projected to remain broadly at current levels for the advanced economy group, while for the emerging market and developing economy, it is set to resume its steady decline of the past decade after a temporary modest rise this year.

Source - <https://www.imf.org/en/Publications/WEO/Issues/2019/03/28/world-economic-outlook-april-2019> - Global Prospects & Policies

#### Indian Economy

India's economy grew slower than expected at 6.8% for the year 2018-19 which was led by slowdown in the H2 of 2018-19 mainly led by NBFCs which has been under severe liquidity pressure affecting consumption finance as well as rural distress adding to it. Responding to the emergent situation, the Reserve Bank of India cut the policy rate by 25 basis points or 0.25 per cent making it three cuts in a row. The CPI Inflation decreased to 3.4% in 2018-19 from 3.6% in 2017-18. India's per-capita income increased 10% to ₹ 10,534 per month in 2018-19 from ₹ 9,580 in FY19 which is an indicator of the prosperity of a country.

The Economic Survey projected a GDP growth at 7 per cent in the 2019-20 fiscal year. India may face challenge on the fiscal front following the economic slowdown that's expected to impact tax collections amid rising state expenditure on the farm sector. The other challenges may include oil prices after Iran sanctions, below-target revenue from the Goods and Services Tax, sourcing funds for big schemes, farmer's income and healthcare.

Investment, especially private investment, is the "key driver" that drives demand, creates capacity, increases labour productivity, introduces new technology, allows creative destruction, and generates jobs.

As articulated by the Prime Minister, Shri. Narendra Modi, India aims to grow into a USD 5 trillion economy by 2024-25, which will make India the third-largest economy in the world. Given 4% inflation, as the Monetary Policy Framework specified by the Government for the Reserve Bank of India, this requires real annual growth rate in GDP of 8%.

Source - <https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-growth-slips-to-5-8-per-cent-in-q4/articleshow/69597967.cms?from=mdr>  
<https://www.indiabudget.gov.in/economicsurvey/> - Economic Survey  
<https://economictimes.indiatimes.com/news/economy/indicators/the-rbi-delivers-with-25-bps-cut-now-all-is-up-to-the-rain-god/articleshow/69674076.cms> - Repo Rate Cut

#### Industry Scenario

The Indian Wire & Cables Industry was estimated to be of ₹ 596 Bn in FY19 which is further estimated to grow to ₹ 686 Bn in FY20. The industry size was ₹ 393 Bn in FY16. The factors behind the cable industry growth in the industry has been and will be due to the huge growth in infrastructure by the government majorly led by investments in smart cities, railways, metro rails, airport development and modernization, freight corridors, power sector, water desalination, sewage treatment, building automation and hydrocarbon sector etc.

The cables and wires industry in India has seen many improvements in the past decade. It has grown from a small industry to a substantially large one during this period. Increased infrastructure spending by the government will boost growth in cables and wires as new construction activities will increase demand for elastomeric and flexible cables, development in infrastructure drives growth for commercial and industrial buildings thus increasing demand for building wires and LV cables. Demand for fire survival cables will be supported by metro, airport and commercial real estate projects. Changing trends in relation to home improvements and increasing disposable incomes to boost demand for retail building wires segment.

The prospects of the Wire and Cable industry are interlinked with the other industries viz: Power, Telecom, Railways, Aviation, Water, FMCG, Real estate, Steel, Cement, Refineries and Infrastructure etc. With investments across different infrastructure segments in the background of government initiatives, the demand for cables is expected to increase considerably.

With the growth of other related industries, the Indian Wire and Cable industry is indeed bound to grow & prosper.

## COMPANY OVERVIEW

Cords Cable Industries Limited (CORDS) is a specialised Control & Instrumentation cable company offering wide range of cable products to multiple industries. CORDS has over 3 decades of rich experience and enjoys a strong brand image, especially in the B2B segment. CORDS designs, develops and manufactures a varied range of Instrumentation, Control, Thermocouple Extension / Compensating, Communication and Power Cables. The company's state of the art manufacturing plants are located at Alwar in Rajasthan.

CORDS is in the business of providing cost-effective and quality solutions for various electrical connectivity requirements. CORDS has carved a niche in manufacturing of customised cables as per the customer's specifications. 95% of the company's orders are based on customer specifications. 81% of the company's cable comprises of Instrumentation & control cables and balance 19% comprises of Power cables. Investments in infrastructure and various industries will prove to be a big positive for the company. CORDS continuously strives to achieve higher efficiencies, cost control, better preventive maintenance and focuses on improving its product mix to attain economies of scale.

Company's current capacity stands at 65,000 Kms p.a. spread across 2 manufacturing facilities in Rajasthan. Chopanki unit has a capacity of 30,000 Kms p.a. while Kahrani unit has a capacity of 35,000 kms p.a. The wire and cable manufactured conform to International standards such as EN, BS, IEC & VDE. The cables cater to various areas which include oil & gas, hydrocarbons, airports, railways, metro rail, smart cities as well as power sector.

## OPPORTUNITIES IN VARIOUS SECTORS

### Oil & Gas

As per IBEF, the oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. India's economic growth is closely related to energy demand; therefore the need for oil and gas is projected to grow more, thereby making the sector quite conducive for investment.

The Government of India has adopted several policies to fulfil the increasing demand. The government has allowed 100 per cent Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products, and refineries, among others. Today, it attracts both domestic and foreign investment. India is expected to be one of the largest contributors to non-OECD petroleum consumption growth globally. Oil imports rose sharply to US\$ 87.37 billion in 2017-18 from US\$ 70.72 billion in 2016-17. India retained its spot as the third largest consumer of oil in the world in 2017 with consumption of 4.69 mbpd of oil in 2017, compared to 4.56 mbpd in 2016.

According to data released by the Department of Industrial Policy and Promotion (DIPP), the petroleum and natural

gas sector attracted FDI worth US\$ 7.00 billion between April 2000 and December 2018. Energy demand of India is anticipated to grow faster than energy demand of all major economies, on the back of continuous robust economic growth. Consequently, India's energy demand as a percentage of global energy demand is expected to rise to 11 per cent in 2040 from 5.58 per cent in 2017. Crude oil consumption is expected to grow at a CAGR of 3.60 per cent to 500 million tonnes by 2040 from 221.76 million tonnes in 2017. Natural Gas consumption is forecasted to increase at a CAGR of 4.31 per cent to 143.08 million tonnes by 2040 from 54.20 million tonnes in 2017. The growth in the oil and gas industry will lead to growth in speciality & control cables.

Source – IBEF <https://www.ibef.org/industry/oil-gas-india.aspx>

### Railway

Cables are an integral part of the railway infrastructure for current supply, control tasks, data transmission etc. In the Budget 2019, government proposed to use public-private partnerships to unleash faster development and completion of tracks, rolling-stock manufacturing and delivery of passenger freight services. Private investments are being pushed thanks to the ₹ 50-trillion investment required between 2018 and 2030, which the government would find difficult to generate by itself.

As much as ₹ 28,100 crore is expected to come during the current year from PPP initiatives. This will include station redevelopment. The Budget estimates government investment in railways to increase by a good 24 per cent to ₹ 65,837 crore from ₹ 53,060 crore in 2018-19. The boost for railway infrastructure will generate demand for cables industry as well.

During the financial year 2018-19, new Metro Rail projects for a total route length of 300 kms have been approved. Moreover, during 2019, nearly 210 kms metro lines have been operationalized. With this, a total of 657 kms of Metro Rail network has become functional across the country,

Source - [https://www.business-standard.com/budget/article/budget-2019-rs-50-trn-investments-in-railways-by-2030-ppp-model-allowed-119070501286\\_1.html](https://www.business-standard.com/budget/article/budget-2019-rs-50-trn-investments-in-railways-by-2030-ppp-model-allowed-119070501286_1.html)

<https://www.financialexpress.com/budget/railway-budget-2019-indian-railways-to-focus-on-suburban-network-boost-for-rapid-rail-and-metro/1632632/>

### Power

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

Between April 2000 and December 2018, the industry attracted US\$ 14.18 billion in Foreign Direct Investment



(FDI), accounting for 3.48 per cent of total FDI inflows in India.

In Budget 2019, Government proposed “one nation one grid” for affordable power to states. She said the much-needed power reforms — such as the power tariff reform — should be soon taken up. The Saubhagya – ‘Pradhan Mantri Sahaj Bijli Har Ghar Yojana’ — scheme was launched by Prime Minister Narendra Modi in September 2017 to achieve household electrification by providing last-mile connectivity and electricity connections to all households in rural and urban areas. 100% electrification target has been met in all states barring Chhattisgarh — where power penetration currently stands at 99.67%.

As per Central Electricity Authority estimates, total power generation (thermal, hydel and nuclear combined) is expected to grow 6.5% this fiscal — almost double of last year’s 3.5% growth). Total generation is likely to be around 1,330 billion in 2019-20, of which 85% would be thermal. All round supply through out the country will benefit the power cables in India for Cords.

Source – IBEF - <https://www.ibef.org/industry/power-sector-india.aspx>

<https://economictimes.indiatimes.com/industry/energy/power/union-budget-2019-sitharaman-proposes-one-nation-one-grid-for-power-sector/articleshow/70084111.cms>

### **Airport Infrastructure Development**

The civil aviation industry in India has emerged as one of the fastest growing industries in the country during the last three years. India is currently considered the third largest domestic civil aviation market in the world. Domestic passenger traffic grew YoY by 18.28 per cent to reach 243 million in FY18 and is expected to become 293.28 million in FY20E. International passenger grew YoY by 10.43 per cent to reach 65.48 million in FY18 and traffic is expected to become 76 million in FY20E.

According to data released by the Department of Industrial Policy and Promotion (DIPP), FDI inflows in India’s air transport sector (including air freight) reached US\$ 1,817.23 million between April 2000 and December 2018. India’s aviation industry is expected to witness ₹ 35,000 crore (US\$ 4.99 billion) investment in the next four years. The Indian government is planning to invest US\$ 1.83 billion for development of airport infrastructure along with aviation navigation services by 2026.

Specialized Cables are used for these types of developments and developing airport infrastructure indirectly increases usage of specialized cables

Source - <https://www.ibef.org/industry/indian-aviation.aspx>

### **RISKS, THREATS AND CONCERNS**

**Finance Cost Risk:** Finance Cost risk arises due to payment of high rate of interest on term loans and other funds & non-fund based facilities being availed by the company from banks and other financial institutions. The company tries to minimize this risk by keeping a check on the interest rates charged by various banks and by

swapping its long term/short term loans with banks charging lesser interest rates.

**Liquidity Risk:** Liquidity risk is the risk that the company may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital or income in the process. The company manages the liquidity risk by ensuring the availability of adequate funds at all times to meet its liability obligations on before the due dates.

**Raw Material Availability and Price Fluctuations:** Scarce availability and price-volatility in Company’s Basic Raw Materials - Copper, Aluminium, Steel, and PVC etc. can severely impact the profits of the Company. To mitigate these risks, the Company inculcates MOUs with its suppliers, price-booking of raw materials, price escalation clauses for large orders and hedges these raw-materials on the commodity exchange.

**Foreign Exchange Risk:** Foreign exchange risk is a financial risk posed by an exposure to unanticipated changes in the exchange rate between two currencies. Company imports a part of its raw materials and is also engaged in export of its products. To mitigate this risk, the company resorts to forward booking where deemed appropriate.

**Human Resource Risk:** In the absence of quality human resources, the company may not be able to execute its growth plans. To mitigate this risk, the company places due importance to its human capital assets and invests in building and nurturing a strong talented pool to gain strategic edge and achieve operational excellence in all its goals.

### **RESULTS OF OPERATIONS**

(INR in Lacs)

Particulars	FY’19	FY’18
<b>Gross Sale</b>	<b>48,949.71</b>	<b>42,843.93</b>
<b>Net Income from Operations</b>	<b>41,674.59</b>	<b>36,537.88</b>
<b>Total Expenditure</b>		
Consumption of Raw Material	<b>33,453.45</b>	29,207.66
Manufacturing Expenses	<b>1,644.86</b>	1,204.58
Staff Cost	<b>1,862.47</b>	1,579.18
Administrative & Other expenses	<b>795.32</b>	1,000.74
<b>OPBITDA</b>	<b>3,918.49</b>	<b>3,545.72</b>
Depreciation & Amortisation	<b>567.35</b>	506.04
<b>OPBIT</b>	<b>3,351.14</b>	<b>3,039.68</b>
Finance charges (Net)	<b>2,392.58</b>	2,293.97
<b>OPBT</b>	<b>958.56</b>	<b>745.71</b>
Non Operating Income / Other Income	<b>175.42</b>	175.65
<b>PBT</b>	<b>1,133.98</b>	<b>921.36</b>
Current Year tax	<b>361.34</b>	277.74
Deferred tax	<b>37.22</b>	17.43
<b>Other Comprehensive Income</b>	<b>0.83</b>	(1.96)
<b>PAT</b>	<b>736.25</b>	<b>624.23</b>

During the year under review, Net Sales from Operations stood at ₹ 41,674.59 Lacs, as against ₹ 36,537.89 Lacs in FY'18.

The Operational Profit, before making provision for Interest, Depreciation and Amortization, stood at ₹ 3,918.49 Lacs for FY'19 as against ₹ 3,545.72 Lacs in FY'18. Thereby, the Profit After Tax during the year stood at ₹ 736.25 Lacs, as against ₹ 624.23 Lacs in the previous Financial Year' 18.

Your company has added many new customers in the last one year which are expected to result in multiplying effect into sales, growth in coming years and with Hydrocarbon sector currently being the largest contributor to the revenue stream and across other core sectors and industries like Metro Rails, Freight Corridors, Oil & Gas, FMCG, Ferrous & Non Ferrous Metals, Cement, Metals, Fertilizers, Chemicals, FMCG, Renewable Power, Nuclear & Thermal Power, Indian Railways, Refineries, LPG Bottling, Airports Development & Modernization, Water Desalination, Building Automation, Sewage Treatment etc. CORDS is Pre-qualified supplier and has approvals from a large number of large private corporates as well as PSUs including Cairn, Delhi Metro, ONGC, CPCL, HPCL, IOCL, Bombardier, Asian Paints, Honeywell, BHEL, Tata Steel, Sun Pharma, NTPC, Shree Cement, Engineers India Ltd., L&T, GE, Biocon, Alstom, ACC, ABB, Jubilant Life Sciences, Ansaldo STS, Hitachi, Samsung, Abu Dhabi National Oil Co., Petroleum Development Oman, Yemen Petroleum Co. The company is also exporting cables to various countries in the Middle-East, South East Asia and Africa.

#### SIGNIFICANT CHANGES IN FINANCIAL RATIOS

During the year, on a standalone basis, there was no significant change i.e. which are more than 25% as compared to the previous year, in the financial ratios compared to the previous year. However, there is a slight change in Return on Net Worth as compared to the previous year which is summarized below:

Particular	Consolidated		Change (%)	Reason for Change
	FY 2018-19	FY 2017-18		
Return on Net worth	7.93%	6.81%	1.12%	Growth in return on Net Worth is on account of growth in sales.

#### SEGMENTAL OVERVIEW

The company operates under a single product segment i.e. Cables. The company mainly focuses on specialized instrumentation cable and control cables which differentiates it from most other wire & cable players in the country.

#### INTERNAL CONTROL SYSTEM

The system of Internal Control provides for maintenance of proper accounting records, reliability of financial information and assures its operations are effective and efficient, and its activities comply with applicable laws and regulations. The internal audit is carried out by an independent firm of Chartered Accountants and covers all the key areas of the company's business.

#### INDUSTRIAL RELATIONS AND HUMAN CAPITAL

The Company strives to provide the best working environment with ample opportunities to grow and explore. The Company maintained healthy, cordial and harmonious industrial relations at all levels throughout the year. Every initiative and policy of the Company takes care of welfare of all its employees. The human resource development function of the Company is guided by a strong set of values and policies.

#### FUTURE OUTLOOK

The vision of CORDS is to be recognized as a leading global player, providing products and services, offering comprehensive solutions to the electrical, data and signal connectivity requirements of businesses as well as household users. It focuses on capturing new markets by developing customers in new and existing territories, to provide new cables for special applications like solar, marine, low temperature cables, cables for automobiles etc.

#### DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

#### CAUTIONARY STATEMENT

*Statement made in this report in describing the company's objectives, estimates and expectations are "Forward looking Statement" within the meaning of applicable laws and regulations. They are based on certain assumptions and expectations of future events but the company, however, cannot guarantee that these assumptions are accurate or will be materialized by the company. Actual results may vary from those expressed or implied, depending upon the economic conditions, Government policies and/or other related factors.*

On Behalf of The Board of Directors

**Naveen Sawhney**  
Managing Director  
DIN : 00893704

**Sanjeev Kumar**  
Whole Time Director  
DIN : 07178759

New Delhi  
August 13, 2019



## DIRECTORS' REPORT

To,

Dear Members,

Your Directors take pleasure in presenting the 28<sup>th</sup> Annual Report of your company together with the audited statement of accounts for financial year ended March 31, 2019.

### FINANCIAL HIGHLIGHTS

(₹ in Lacs)

Particulars	FY 2018-19	FY 2017-18
Revenue from Operations	41,674.59	36,537.88
Other Income	175.42	175.65
<b>Total Income</b>	<b>41,850.01</b>	<b>36,713.53</b>
<b>Operating Expenditure</b>	<b>37,756.10</b>	<b>32,992.16</b>
<b>Profit before interest, tax and depreciation (PBITD)</b>	<b>4,093.91</b>	<b>3,721.37</b>
Finance Cost	2,392.58	2,293.97
Depreciation	567.35	506.04
<b>Profit before tax (PBT)</b>	<b>1,133.98</b>	<b>921.36</b>
Provision for Tax	398.56	295.17
Other Comprehensive Income	0.83	(1.96)
<b>Profit after Tax (PAT)</b>	<b>736.25</b>	<b>624.23</b>
Profit brought forward from previous year	6,157.79	5,533.56
Profit available for appropriations	6,894.04	6,157.79
<b>Appropriations:</b>		
Transferred to General Reserve	-	-
Profit carried forward	6,894.04	6,157.79

### COMPANY'S PERFORMANCE/STATE OF COMPANY'S AFFAIRS

During the year under review, your company's total revenue stood at ₹41850.01 lacs as against ₹36713.53 lacs in the previous year. Your Company earned Profit Before Interest, Tax and Depreciation of ₹4093.91 lacs as against a PBITDA of ₹3721.37 lacs in the previous year. The interest cost was ₹2392.58 lac as against ₹2293.97 lacs in the previous year. The finance cost includes the Preference Share Dividend and tax thereon as and when approved and declared in Annual General Meeting (AGM). Preference Dividend paid in F.Y. 2017-18 was ₹16.86 lacs and in the FY 2018-19 was ₹19.29 lacs.

Your company earned profit after tax for the year of ₹736.25 lacs as against a PAT of ₹624.23 lacs earned in the previous year.

FY 2018-19 witnessed a lot of investment in infrastructure by government & private players in the focus areas of power, railway, metro rails, roads & related sectors. The cables are an integral part of all the development undertaken and hence its demand tends to move in tandem with it. The overall development also led to rise in demand of your company's products and is expected to continue given huge capital expenditures lined up for the upcoming years. As a result, company's net sales grew by 14% and profit after taxes grew by more than 18% for FY19 vs. FY18. Our efforts to manage the finance cost

has been showing in our performance for the year which only grew by about 4% whereas top line grew by much higher than that. Increased capacity utilization is expected to further improve financial performance of the company going forward.

#### Newly added prestigious export/domestic clients

Your company in the previous year has been approved by many reputed institutions and authorities as their vendor which testifies our excellent product quality. Your company started the year with getting approved as vendor for a Gulf Oil major in the hydrocarbon sector for instrumentation, control, fiber optics & LV power distribution. Company received revalidation as approved vendor for Engineers India Limited (EIL).

Your company was also approved as a pre-qualified supplier with Airports Authority of India (AAI), approved vendor with Raipur Development Authority (RDA) for supplying of cables for 3 years, approved vendor for Government works in the state of Punjab for "Aluminium Conductor LT Cables (ISI Marked)" and approved vendor for RDSO (Research Design & Standards Organization) under Government of India – Ministry of Railways.

Your Company's current focus is on increasing its business from a variety of segments including the Hydrocarbons, Freight Corridor, Smart Cities Mission, Railway signalling and Protection systems and various Infrastructure projects.

## CAPITAL STRUCTURE

During the Financial Year under review, Company has not issued any Equity/ Preference shares to its shareholders.

The Authorised Capital of the Company is ₹ 17,10,00,000/- (Rupees Seventeen Crores Ten Lakhs Only) divided into no(s) 1,35,00,000 (One Crore Thirty Five Lacs) Equity Shares of ₹ 10/- (Rupees Ten) each and no(s) 3,60,000 (Three Lacs Sixty Thousand) Non Convertible Cumulative Redeemable Preference Share of ₹100/- (Rupees Hundred) each.

Also, the Issued, Subscribed and paid up share capital of the Company is ₹ 14,52,77,800/- (Rupees Fourteen Crores Fifty Two Lakhs Seventy Seven Thousand Eight Hundred only) divided into no(s) 1,29,27,780 (One Crore Twenty Nine Lakh Twenty Seven Thousand Seven Hundred and Eighty only) Equity shares of ₹ 10/- (Rupees Ten) each and no(s) 1,60,000 (One Lakh Sixty Thousand) Non- Convertible Cumulative Redeemable Preference Shares of ₹ 100/- each fully paid.

## APPROPRIATIONS:

### a) Transfer to Reserves

During the Financial year ended on March 31, 2019, no amount has been transferred to General Reserves of the company.

### b) Dividend

Dividend @ 10% p.a. on No(s) 1,60,000 Non Convertible Cumulative Redeemable Preference Shares of ₹ 100 each fully paid up for the FY ended on March 31, 2019 is recommended. These shares are not listed on any stock exchanges.

The Board of Directors, after duly considering the requirement of funds for Working Capital and repayment of loan instalments, have not recommended dividend on equity shares for the year under review in view to further strengthen the financial position of your Company.

## CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended March 31, 2019.

## PARTICULARS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

As on date of this report, your company does not have any subsidiary, joint ventures and associate company. Further, during the period under review no company become or ceased to be its subsidiaries, joint venture or associate company.

## LISTING OF SHARES

The shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The listing fee for the year 2019-20 has already been paid to the stock exchanges.

## ISO CERTIFICATES

Your company is to be awarded the globally recognized prestigious ISO 9001: 2015, ISO 14001:2004 and BS OHSAS 18001:2007 Certification, for meeting international standards of Quality, Environmental, Occupational Health and Safety Management Systems.

## CREDIT RATING

Credit Analysis and Research Ltd. (CARE Ratings) reaffirmed the credit ratings of the company's long term / short term bank facilities:

Facilities	Rating	Rating Definition
Long term Bank Facilities	CARE BBB; Stable (Triple B; Outlook: Stable)	This rating is applicable to facilities having tenure of more than one year. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. 'Stable' outlook indicates expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.
Short term Bank Facilities	CARE A3 (A Three)	This rating is applicable to facilities having tenure up to one year. Instruments with this rating are considered to have moderate degree of safety regarding timely payment of financial obligations.

## DETAILS OF ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS

During the period under review, no material order has been passed by any regulator or court or tribunal which would impact the going concern status and the Company's future operations excepting to the extent as may be mentioned in the Notes to Accounts attached to the Financial Statements forming part of the Annual Report.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of the applicable provisions of the Act and the Articles of Association of the Company, Mr. Naveen Sawhney (DIN: 00893704), Managing Director of the company shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

On the recommendation of Board, the proposal regarding his re-appointment as Director is placed for your approval.

Brief resume and other details of Mr. Naveen Sawhney, who is proposed to be re-appointed as a Director of your company, have been furnished in the Explanatory Statement to the Notice of the ensuing Annual General Meeting.