



Shilpi Cable Technologies Ltd.

5th Annual Report 2010-2011





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mukesh Kumar Gupta

Managing Director

Ghanshyam Pandey

CEO & Whole Time Director

Manish Goel

CCO & Whole Time Director

Sunil Kala

Anirudh Goel

Sandeep Gupta

Neeta Sood,

Nominee Director

Rajesh Suri

AUDITORS

M/s RMA & Associates

Chartered Accountants

1479, Lawyers Chambers

Kashmere Gate

Delhi 110 006

REGISTERED OFFICE

Shilpi Cable Technologies Limited

A 19/B-1 Extension

Mohan Co operative Industrial estate

P O Badarpur, Mathura Road

New Delhi 110 044

SHARE TRANSFER AGENT

BEETAL Financial & Computer Services (P) Limited

Beetal House, 3rd Floor, 99 Madangir,

Behind Local Shopping Centre

Near Dada Harsukhdas Mandir, New Delhi – 110062

Tel: 011 29961281; **Fax:** 011 29961284

PLANT

SP 1037, RIICO Industrial Area

Chopanki, Bhiwadi, Tehsil-Tijara

Distt. Alwar, Rajasthan.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Sunita Gaur

BANKERS

IDBI Bank

Punjab National Bank

State Bank of India

Shilpi Cable Technologies Ltd.

Notice

Notice is hereby given that the fifth Annual General Meeting of the Members of the Company will be held on Thursday, 29th September, 2011 at 11.30 AM at 11, Hindi Bhawan, ITO, Delhi 110 002, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Sandeep Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Ghanshyam Pandey who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

The present Statutory Auditors M/s RMA & Associates Chartered Accountants, New Delhi, are holding the office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolution:

“Resolved That pursuant to the provisions of sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956, the Articles of the Association of the Company, and other applicable provisions, if any, and other Competent Authorities, if any, Mr Mukesh Kumar Gupta be and is hereby re-appointed as a Managing Director of the Company for a further period of three years with effect from 1st October, 2011 on the remuneration not exceeding Rs 3,00,000 (Rupees three lac) per month, whether paid as salary, allowance(s), perquisites or a combination thereof.

Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution.”

6. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolution:

“Resolved That pursuant to the provisions of sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956, the Articles of the Association of the Company, and other applicable provisions, if any, consent of the members of the Company be and is hereby given for the re-appointment of Mr Ghanshyam Pandey as the Whole-time Director

designated as Director- Production & Chief Executive Officer of the Company or such other designation as may be decided by the Board, for a period of three years with effect from 1st October, 2011 on the remuneration not exceeding Rs. 3,50,000 (Rupees three lac fifty thousand) per month whether paid as salary, allowance(s), perquisites or a combination thereof.

Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Whole Time Director as it may deem fit and proper.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

7. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolution:

"Resolved That pursuant to the provisions of sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956, the Articles of the Association of the Company, and other applicable provisions, if any, consent of the members of the Company be and is hereby given for the re-appointment of Mr Manish Goel as the Whole Time Director designated as Director- Marketing & Chief Commercial Officer of the Company or such other designation as may be decided by the Board, for a period of three years with effect from 1st October, 2011 on the remuneration not exceeding Rs. 3,00,000 (Rupees three lacs) per month, whether paid as salary, allowance(s), perquisites or a combination thereof.

Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Whole Time Director as it may deem fit and proper.

Shilpi Cable Technologies Ltd.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of section 61 of the Companies Act 1956, the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 and other applicable provisions, if any, consent of the Members of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) to amend, vary or alter the Objects of the Issue and/or deployment of funds as mentioned in the Offer Document dated March 28, 2011, issued by the Company at the time of its Initial Public Offer (IPO) by, inter alia, altering the utilization of the issue proceeds, as the Board may consider necessary or expedient in the best interest of the Company, as described in the Explanatory Statement annexed to this Notice.

Resolved further that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the shareholders."

For and on Behalf of the Board
For **Shilpi Cable Technologies Ltd**

Date : 29th July, 2011

Place : New Delhi

Sunita Gaur
Company Secretary

Notes:

- A. **Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Special Business as set out in the notice is annexed hereto.**
- B. **Appointment of Proxy: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.**
- C. **Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- D. Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- E. **Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- F. **Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 28th September 2011 to Thursday, 29th September 2011 (both days inclusive) for the purpose of the AGM.

- G.** All the documents, transfers, dematerialization requests and other communications in relation thereto should be addressed direct to the Company's Registrar and Transfer Agent, M/s Beetal Financial & Computer Services Pvt Ltd at the address mentioned below:

M/s Beetal Financial & Computer Services Pvt Ltd
Beetal House, 3rd Floor, 99 Madangir
Behind Local Shopping centre Near Harsukhdas Mandir,
New Delhi-110062; Phone No.011-29961284.
e-mail:shilpi_ipo@beetalfinancial.com

- H.** Pursuant to Clause 47(f) of the Listing Agreement entered into with the Stock Exchanges, the company has created an exclusive email id for quick redressal of shareholders/investors grievances. The said email ID is investors@shilpicabletech.com
- I. **Inspection of Documents:**** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- J.** The information required to be provided under the Listing Agreement regarding the Directors proposed to be appointed/reappointed is given in the Corporate Governance Report.

Shilpi Cable Technologies Ltd.

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

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice dated 29th July 2011:

Item No 5.

Mr Mukesh Kumar Gupta is promoter director of the company and had been associated with the Company since its incorporation and has made significant contribution in the growth of the company. Your Board have proposed to re-appointed him as Managing Director with effect from 1st October, 2011 for a further period of three years. Approval of members of the company is required for the re-appointment of and payment of remuneration to Mr Mukesh Kumar Gupta as Managing Director.

As per the provisions of clause B, Part II of Schedule XIII of the Companies Act, 1956, a statement containing the information required under the said clause is as follows:

I. GENERAL INFORMATION

| | | |
|-----|---|--|
| (1) | Nature of Industry | Shilpi Cable Technologies Limited is engaged in the business of manufacturing of cables and wires and other related activities. |
| (2) | Date or expected date of commencement of commercial production | The Company obtained Certificate of Commencement on 13 th July, 2006 and started the commercial production from January 2008. |
| (3) | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable |
| (4) | Financial Performance of the Company is given below | |
| | Particulars | Financial Year ended (Amount in Lacs) |
| | | 31st March, 2011 |
| | | 31st March 2010 |
| | Net Sales less Excise Duty | 23039.77 |
| | Other Income | 161.18 |
| | Increase/ (Decrease) in Stocks | 172.33 |
| | Total Income | 23373.28 |
| | Total Expenditure | 21376.25 |
| | Profit before tax | 1997.03 |
| | Provision for tax | 665.21 |
| | Profit after tax | 1331.82 |
| | Transfer to Reserve | 2127.70 |
| | Paid-up Share Capital | 2420.00 |
| | Reserves and Surplus (excluding revaluation reserve) | 3067.69 |
| (5) | Export performance and net foreign exchange collaborations | At present there are no exports in the Company. Further there is no Export foreign collaboration. |
| (6) | Foreign investments or collaborators, if any | There are no foreign investments or collaborations in the company. |

II. INFORMATION ABOUT THE APPOINTEE

| | | |
|-----|--------------------|--|
| (1) | Background details | Mr Mukesh Kumar Gupta is the Managing Director of the company. He is one of the founders of the company and instrumental in the growth of our Company since incorporation. |
|-----|--------------------|--|

| | | |
|-----|--|---|
| (2) | Past remuneration | Rupees 2,00,000 per month |
| (3) | Recognition or awards | NA |
| (4) | Job profile and his suitability | Mr Mukesh Kumar Gupta, aged 56 years has 32 years of experience in cable manufacturing. He is a 1974 batch science graduate from Desh Bandhu Gupta College, Delhi University. He was one of the founder Promoter of the Company. He is in charge of overall supervision of the operations of the Company. |
| (5) | Remuneration proposed | Rs. 3,00,000 (Rupees three lac) per month with effect from 1 st October, 2011, whether paid as salary, allowance(s), perquisites or a combination thereof, as approved by the Remuneration Committee. Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration: <ul style="list-style-type: none"> a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961; b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service or part thereof exceeding six months; and c. Encashment of leave at the end of tenure. |
| (6) | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) | The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience. |
| (7) | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | Save as the remuneration the appointee does not have any other material pecuniary relationship with the Company. |

III. OTHER INFORMATION

| | | |
|-----|---|--|
| (1) | Reasons for loss or inadequate profits | The Company is in expansion stage and it will take due time to achieve desired production capacity. Further due to stiff competition from India as well as foreign Players. There is pressure on turnover as well as the profitability of the company. |
| (2) | Steps taken or proposed to be taken for improvement | Your Directors are hopeful that the steps taken by the management including the proposed expansion plans in the company would be increase the turnover and the profitability of the company. |
| (3) | Expected increase in productivity and profits in measurable terms | The company is expected to have improved sales and profitability figures in the next financial years. |

IV. DISCLOSURES

The shareholders of the Company shall be informed of the remuneration package of the Managing Director.

The aforesaid explanatory statement for item no.5 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Mukesh Kumar Gupta as Managing Director under section 302 of the Companies Act 1956.

The members' approval is required by way of a Special resolution for re-appointment of and payment of remuneration to Mr Mukesh Kumar Gupta as the Managing Director.

Your directors recommend the adoption of resolution in the larger interest of the Company.

None of the Directors of the Company except Mr Mukesh Kumar Gupta and Mr Manish Goel are interested and concerned in the proposed resolution.

Shilpi Cable Technologies Ltd.

Item No 6

Mr Ghanshyam Pandey, an executive director of the company and had been associated with the Company since its incorporation and has made significant contribution in the growth of the company. The term of Mr Ghanshyam Pandey as Whole time Director of the company is due to expire on 30th September 2011. Your Board proposed for re-appointed of Mr Ghanshyam Pandey as whole time Director for a further period of three years w.e.f. 1st October 2011. Approval of members of the company is required for the re-appointment of Mr Ghanshyam Pandey as the Whole- Time Director designated as Director- Production & Chief Executive Officer.

As per the provisions of clause B, Part II of Schedule XIII of the Companies Act, 1956, a statement containing the information required under the said clause is as follows:

I. GENERAL INFORMATION

| | | | |
|--|--|--|-----------------------------|
| (1) | Nature of Industry | Shilpi Cable Technologies Limited is engaged in the business of manufacturing of cables and wires and other related activities. | |
| (2) | Date or expected date of commencement of commercial production | The Company obtained Certificate of Commencement on 13 th July, 2006 and started the commercial production from January 2008. | |
| (3) | In case of new companies,expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not Applicable | |
| (4) | Financial Performance of the Company is given below | | |
| Particulars | | Financial Year ended (Amount in Lacs) | |
| | | 31 st March,2011 | 31 st March 2010 |
| Net Sales less Excise Duty | | 23039.77 | 16990.90 |
| Other Income | | 161.18 | 201.81 |
| Increase/ (Decrease) in Stocks | | 172.33 | 287.94 |
| Total Income | | 23373.28 | 17480.65 |
| Total Expenditure | | 21376.25 | 16007.89 |
| Profit before tax | | 1997.03 | 1472.76 |
| Provision for tax | | 665.21 | 502.42 |
| Profit after tax | | 1331.82 | 970.34 |
| Transfer to Reserve | | 2127.70 | 792.12 |
| Paid-up Share Capital | | 2420.00 | 2420.00 |
| Reserves and Surplus (excluding revaluation reserve) | | 3067.69 | 1732.12 |
| (5) | Export performance and net foreign exchange collaborations | At present there are no exports in the Company. Further there is no Export foreign collaboration. | |
| (6) | Foreign investments or collaborators,if any | There are no foreign investments or collaborations in the company. | |

II. INFORMATION ABOUT THE APPOINTEE

| | | |
|-----|--------------------|--|
| (1) | Background details | Mr Ghanshyam Pandey is an experienced professional from the Cable manufacturing industry with more than 27 years of varied experience both in marketing and overall management. Mr Pandey holds a Diploma in Management from the School of Management, University of Delhi |
| (2) | Past remuneration | Rupees 1,75,000 per month plus rent free accommodation provided by the Company. |