



6th Annual Report 2011-2012

Shilpi Cable Technologies Ltd.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

- Mukesh Kumar Gupta, Managing Director
- Manish Goel, CCO & Whole Time Director
 - Ghanshyam Pandey
 - Sunil Kala
 - Sandeep Gupta
 - Neeta Sood, Nominee Director

CHIEF EXECUTIVE OFFICER

- Manish Bhatt

AUDITORS

M/s RMA & Associates
Chartered Accountants
48, Hasanpur,
I. P. Extension,
Delhi – 110 092

Tel: 011-45261214; **Fax:** 011-22248165

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Shruti Bhardwaj

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

PLANT

Unit I

SP 1037, RIICO Industrial Area
Chopanki, Bhiwadi,
Distt. Alwar, Rajasthan.

Unit II

Plot no E 138, RIICO Industrial area,
Bhiwadi, Distt. Alwar, Rajasthan.

BANKERS

IDBI Bank
Punjab National Bank
State Bank of India
UCO Bank
OBC Bank
Bank of Baroda
Union Bank of India
Andhra Bank

Shilpi Cable Technologies Ltd.

NOTICE

Notice is hereby given that the sixth Annual General Meeting of the Members of the Company will be held on Saturday, 29th September, 2012 at 11.30 AM at the Aiwan E Ghalib Auditorium, Mata Sundari Lane, ITO, Delhi 110002, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 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 Manish Goel, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Sunil Kala 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 Section 314 of the Companies Act, 1956 and other approvals, if any, consent of members be and is hereby given for holding of place of profit by Mr Vishal Goel as Marketing Head of the company, at a total monthly remuneration of Rs 1,50,000 per month w.e.f 1st November, 2011.

Resolved further that the Board of Directors of the Company be and is hereby authorized, to change the remuneration, designation and other terms and conditions of the aforesaid appointee, including increase in remuneration upto a limit prescribed under section 314(1B) of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit) Rules, 2011; and to take all such steps and actions and to give such directions, as may be in its absolute discretion deemed necessary and to do all such acts and things which may be necessary or incidental for the purpose."

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

Date: 14th August, 2012

Place: New Delhi

Shruti Bhardwaj
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 Friday, 28th September 2012 to Saturday, 29th September 2012 (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-110 062; 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 Saturday 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.

The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 for Items accompanying the notice as under:

ITEM NO. 5

As per the provisions of section 314 of the Companies Act, 1956 approval of the members of the Company is required for appointment of and payment of remuneration to relative of the Directors. Mr Vishal Goel, relative of the directors is appointed as Marketing Head in the Company w.e.f 1st November 2011.

Your approval is required in terms of the provisions of section 314 of the Companies Act, 1956 by way of Special Resolutions for payment of remuneration to the aforesaid person. Directors recommend for approval on the aforesaid resolutions.

Mr Mukesh Kumar Gupta and Mr Manish Goel, Directors are deemed to be interested in the above resolution.

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

Date: 14th August, 2012
Place: New Delhi

Shruti Bhardwaj
Company Secretary

Shilpi Cable Technologies Ltd.

DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the Sixth Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2012.

Financial Highlights

(Amount in Rs. Lacs)

Particulars	Financial Year ended	
	31 st March, 2012	31 st March, 2011
Net Sales	46,054.89	23,039.77
Other Income	265.97	147.10
Increase/ (Decrease) in Stocks	1660.09	172.33
Total Income	46,320.86	23,200.95
Total Expenditure	43,543.88	21,203.92
Profit before tax	2,776.98	1,997.03
Provision for tax	914.57	661.45
Profit after tax	1,862.41	1,335.58
Transfer to Reserve	3,640.53	2,127.70
Paid-up Share Capital	3,229.88	2,420.00
Reserves and Surplus (excluding revaluation reserve)	9967.55	3,067.69

Year in Retrospect

During the year under review, total income of the Company was Rs. 46,320.86 lacs as against Rs. 23,200.95 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 1,862.41 lacs for the year as against a profit of Rs. 1,335.58 lacs in previous year. The figures of the previous year was not comparable with the current year as current year figures includes the figures of erstwhile Transferor Company-Shilpi Cabletronics Ltd which is merged with the Company w.e.f. the appointed date i.e. 1st April, 2011 in terms of the Scheme of Amalgamation approved by the Hon'ble Delhi High Court vide order dated 14th May, 2012. Your Directors are putting in their best efforts to improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

Material Changes after the close of the financial year

The Scheme of Amalgamation of Shilpi Cabletronics Ltd with Shilpi Cable Technologies Ltd was approved by the Hon'ble Delhi High Court, vide order dated 14th May 2012. The Scheme has become effective w.e.f. 1st June, 2012 the date of filing of order with the Registrar of Companies, Delhi. Since the scheme is operative from the appointed date 1st April 2011 the effect of amalgamation has been given in the present Audited Annual Accounts.

In terms of the Scheme of Amalgamation the company has allotted 52,17,374 equity shares of Rs 10/- each on 2nd June 2012 to SCTL Securities Trust to hold the same in the beneficial interest of Shilpi Cable Technologies Ltd.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company-31st March,2012.

Dividend

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

Corporate Governance

Your Company believes that the great organizations are built on the foundation of good governance practices. Corporate governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulatory and the community at large.

As stipulated under Clause-49 of the listing agreement, the Management Discussion and Analysis Report and the Corporate Governance Report had been incorporated as Separate Section forming part of the Annual Report.

The compliance report on Corporate Governance and a certificate from M/s R & D Company Secretaries regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is attached herewith and forms part of this Annual Report.

Certificate from Managing Director and Chief Financial Officer, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is also enclosed as a part of the Annual Report.

Subsidiaries

During the year under review, your Company has acquired 100% of the total, issued and subscribed and paid up capital of Shilpi Worldwide JLT, UAE and thereby, Shilpi Worldwide JLT is a Wholly Owned Subsidiary.

The erstwhile Wholly Owned Subsidiary of the Company – M/s Shilpi Cabletronics Ltd. has been amalgamated with the Company w.e.f. 1st June, 2012.

Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

- a. **Conservation of Energy & Technology Absorption:** The company endeavor to achieve optimum conservation of energy. The electrical systems on all machines are equipped with latest energy efficient control systems to ensure optimum power utilization. Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings & outgo, is given in **Annexure – A**, forming part of this report.

Shilpi Cable Technologies Ltd.

b. Export Activities: There was no export activity in the Company during the year under review. Your Company may explore to enter into the international market in future.

c. Foreign Exchange Earnings and Outgo:

(Amount in Rs Lacs)

	2011-12	2010-11
Total Foreign Exchange Inflow	Nil	Nil
Total Foreign Exchange outflow	21,105.67	1,3550.70

Particulars of Employees

During the financial year under review, none of the employees of the Company was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

Directors

Except for the following changes, there was no change in the composition of the Board of Directors of the Company subsequent to the last Directors' Report:

- Mr Anirudh Goel and Mr Rajesh Suri have resigned from the Board of Directors w.e.f 15th September, 2011 and 10th September, 2011, respectively.
- Mr Ghanshyam Pandey has resigned from the office of Whole-time Director of the Company w.e.f 31st May, 2012. However, he is continuing as a non-executive director.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr Manish Goel and Mr Sunil Kala, Directors of the Company, are liable to retire by rotation and being eligible, offer themselves for re-appointment.

The brief resumes of the Directors who are to be re-appointed, the nature of their expertise in specific functional areas, names of companies in which they have held directorships, committee memberships/chairmanships, their shareholding, etc. are furnished in the Corporate Governance Report.

The Board recommends their re-appointment at the ensuing Annual General Meeting.

Auditors

M/s RMA & Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-appointment has been obtained from them. Your Directors recommend their re-appointment.

Auditors' Report

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

Directors' Responsibility Statement

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors 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, 2012 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

The shares of the Company are listed on the BSE Ltd. and National Stock Exchange of India Ltd. (NSE) The listing fee for the financial year 2012-13 has already been paid to both the Stock Exchanges.

Acknowledgement

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees, support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

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

Date : 14th August, 2012

Place : New Delhi

Manish Goel
Whole-time Director
DIN No.00163105

Ghanshyam Pandey
Director
DIN No.00163072

Shilpi Cable Technologies Ltd.

Annexure – A

Annexure to the Directors' Report

INFORMATION AS PER SECTION 217(1) (e) READ WITH COMPANIES DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2012:

PARTICULARS AS PER FORM A:

A. POWER AND FUEL CONSUMPTION

	2011-2012	2010-2011
1. ELECTRICITY		
(a) PURCHASED:		
Units (in lacs)	17.65	10.21
Total amount (in lacs)	98.07	50.79
Rate/Units (in Rs.)	5.56	4.97
(b) OWN GENERATION:		
(i) Through Diesel Generator		
Units (in lacs)	1.83	1.82
Total amount (in lacs)	22.78	23.41
Rate/Unit (in Rs.)	12.43	12.86
(ii) Through Steam Turbine/ Generator	NIL	NIL
2. LIGHT DIESEL OIL/FURNILCE OIL		
Quantity (Kilo Ltrs.)	NIL	NIL
Total Cost (in lacs)	NIL	NIL
Average/Ltrs (in Rs.)	NIL	NIL
3. GAS		
a. LPG GAS		
Quantity (K.G.)	NIL	NIL
Total Cost (in lacs)	NIL	NIL
Average/ K.G. (in Rs.)	NIL	NIL
b. NATURAL GAS		
Quantity (SCM)	NIL	NIL
Total Cost (in lacs)	NIL	NIL
Average/ SCM (in Rs.)	NIL	NIL