



Shilpi Cable Technologies Ltd.



11th
Annual Report
2016-17

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mukesh Kumar Gupta, Chairman-cum-Director
Manish Goel, Managing Director
Sandeep Gupta, Independent Director
Nalini Malhotra, Independent Director

PRESIDENT

Iqbal Singh

CHIEF FINANCIAL OFFICER

Shailendra Kumar

COMPANY SECRETARY & COMPLIANCE OFFICER

Gurvinder Singh

AUDITORS

Statutory Auditor
M/s RMA & Associates LLP
Chartered Accountants
Plot No.75, LGF,
Patparganj Industrial Area,
Delhi – 110 092

Cost Auditor

M/s. MM & Associates,
Cost Accountants
10D, Sector-7, Pocket-1,
Dwarka, New Delhi-110075

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

REGISTERED OFFICE

A-19/B-1 Extension
Mohan Co-operative Industrial estate
P. O. Badarpur, Mathura Road
New Delhi 110 044

PLANTS

Unit I

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

Unit II

E 138, RIICO Industrial area, Phase I
Bhiwadi, Distt. Alwar, Rajasthan.

BANKERS

IDBI Bank
Punjab National Bank
Bank of Baroda
Andhra Bank
Indian Bank
Axis Bank
Union Bank of India
Oriental Bank of Commerce
Canara Bank
Bank of India
Vijaya Bank
State Bank of India
Syndicate Bank
Bank of Maharashtra

Website

www.shilpicables.com

Investor Relations Email ID

investors@shilpicabletech.com

Corporate Identity Number

L64201DL2006PLC150753



BOARD'S REPORT

Dear Members

The Board of Directors hereby submits the report of the business and operations of your Company ('the Company' or 'Shilpi') along with the audited financial statements, for the financial year ended March 31, 2017.

Financial Highlights

Financial Summary and performance Highlights of your Company, for the financial year ended March 31, 2017 on standalone basis, are as follows:

(` in lacs)

| PARTICULARS | Standalone | |
|--|--------------------|------------------|
| | 2016-17 | 2015-16 |
| Revenue from operations | 200,442.92 | 190,581.13 |
| Other Income | 1,432.73 | 366.96 |
| Increase/(Decrease) in stocks | (894.17) | (2,050.27) |
| Total Income | 201,875.65 | 190,948.09 |
| Total Expenditure | 270,225.74 | 182,249.58 |
| Profit/ (Loss) Before tax | (68,394.13) | 8,698.51 |
| Provision for tax | 144.70 | 3,068.15 |
| Profit/(Loss) after tax | (68,538.83) | 5,630.36 |
| Paid-up Share Capital | 11,063.23 | 11,063.23 |
| Reserves and Surplus (excluding revaluation reserve) | (45,245.97) | 25,190.25 |

Previous year's figures have been regrouped/ rearranged wherever considered necessary.

Company Performance

The Company's revenue during the year are ` 201,875.65 lacs, as compared to revenue of ` 190,948.09 lacs in the previous year. The Company's loss before tax is ` 68,394.13 lacs during the year, as compared to profit of ` 8,698.51 lacs in the previous year. The Company incurred a loss of Rs. 68,538.83 lacs, as against a net profit of ` 5,630.36 lacs in the previous year.

Transfer to Reserves

The Company does not propose to transfer any amount to the General Reserve out of the amount available for appropriations.

Fixed deposits

Shilpi have not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of Balance sheet date.

Material Changes and Commitments affecting financial position between the end of the financial year and date of the report

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between end of the financial year of the Company March 31, 2017 till the date of this report, except the following:

- Suspension of Powers of Board due to Initiation of Insolvency proceedings against the Company by Hon'ble National Company Law Tribunal (NCLT), New Delhi Bench vide its order dated 24th May, 2017.
- Consolidation of Hosur Plant into Bhiwadi Plant for Better Control over Production and Facilities in the month of October 2017.
- Subsequent vacation of Hon'ble NCLT order by Hon'ble NCLAT by its order dated August 1, 2017 and restoration of Powers of the Board.
- Five new petitions has been filed against the Company under IBC, 2016 before the Hon'ble NCLT, Principal Bench, New Delhi.
- Non-payment of dues to various banks and financial lenders.

Dividend

In view of losses during the year, your directors do not recommend any dividend to the shareholders.

Performance and Financial Position of Subsidiaries/ Joint Ventures/ Associates

As on 31st March, 2017, the Company had One Wholly Owned Subsidiary Company viz. “Shilpi Worldwide DMCC, UAE” and one step down subsidiary viz. Shilpi Worldwide PTE Ltd, Singapore. Further, Company also had one joint Venture Company i.e. Shilpi Eyecom Technologies Private Limited.

Shilpi Worldwide DMCC, UAE: During the year under review, the revenue of the Company decreased from AED 743,385,646 in the financial year 2015-16 to AED 495,195,370 in the financial year 2016-17.

Shilpi Worldwide PTE Ltd, Singapore: During the year under review, the sales of the Company increased from USD 89,613,930 in the financial year 2015-16 to USD 102,463,575.35 in the financial year 2016-17.

Shilpi Eyecom Technologies Private Limited, India: The Company has not yet started its business due to non-fulfilment of obligations by the other party to JV Agreement. So, your directors are not in position to comment on financials of JV Company.

The consolidated financial statement of the Company and its subsidiaries are prepared in manner as provided under Section 129 of the Companies Act, 2013 read with rules made there under. Accordingly, statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures in Form AOC-1 is attached as **Annexure-I**.

Policy for determining material subsidiaries of the Company has been provided on the website: <http://www.shilpicables.com/pdf/Policy%20for%20Determining%20Material%20Subsidiary.pdf>

Change in the nature of business

There has been no major change in the nature of business of your Company during the year.

The Joint Venture Agreement executed between your Company and Eyecom Telecommunications Equipments Ltd, New Zealand ('Eyecom') was terminated by your Company due to non-fulfilment of obligations by the Eyecom during the year.

Directors and Key Managerial Personnel

In terms of Section 149 of the Companies Act, 2013, the Company has appointed the following as Independent Directors on the Board:

- Mr. Sandeep Gupta
- Mrs. Nalini Malhotra (appointed w.e.f. June 30, 2017)
- Mr. Sunil Kala (resigned w.e.f. May 03, 2017)
- Mr. Vikas Gupta (resigned w.e.f. March 30, 2017)
- Ms. Malika Gupta (resigned w.e.f. August 04, 2016)
- Mrs. Chitra Sarkar (resigned w.e.f. May 03, 2017)

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015. In the opinion of the Board, they fulfill the conditions of independence as specified in the Companies Act, 2013 and rules made thereunder and are independent of the management.

The details of the familiarization programmes for Independent Directors are disclosed on the Company's website <http://www.shilpicables.com/pdf/Familiarisation%20Programme%20for%20Ind.%20Directors.pdf>

In terms of Section 203 of the Act, the following are appointed/ designated as Key Managerial Personnel of your Company by the Board:

- Mr. Manish Goel, Managing Director
- Mr. Ghanshyam Pandey, Whole-Time Director (resigned w.e.f. June 06, 2017)
- Mr. Manish Bhatt, Chief Executive Officer (resigned w.e.f. July 31, 2017)
- Mr. Ajay Mahajan, Chief Financial Officer (resigned w.e.f. May 01, 2017)
- Mr. Shailendra Kumar, Chief Financial Officer (appointed w.e.f May 29, 2017)
- Ms. Sneha Modi, Company Secretary (resigned w.e.f. June 23, 2016)
- Mr. Ravi Shankar, Company Secretary (appointed w.e.f August 12, 2016 & resigned w.e.f. May 1, 2017)
- Mr. Gurvinder Singh, Company Secretary (appointed w.e.f July 1, 2017)



Further, Mr. Mukesh Kumar Gupta is the non-executive Chairman of the Board.

During the year and till the date of report, details of change in the Board of Directors and the Key Managerial Personnel are as below:

| Name | Designation | Date of Appointment | Date of Resignation | Date of change in designation |
|-------------------------|---------------------|---------------------|---------------------|-------------------------------|
| Mr. Vikas Gupta | Director | 31-03-2015 | 30-03-2017** | N.A. |
| Mr. Hans Das Maheshwari | Director | 31-01-2015 | 11-02-2017*** | N.A. |
| Ms. Malika Gupta | Director | 31-03-2015 | 04-08-2016* | N.A. |
| Mrs. Chitra Sarkar | Director | 29-05-2015 | 03-05-2017* | N.A. |
| Mrs. Nalini Malhotra | Additional Director | 30-06-2017 | N.A. | N.A. |
| Mr. Ajay Mahajan | CFO | 14-08-2015 | 01-05-2017* | N.A. |
| Mr. Shailendra Kumar | CFO | 29-05-2017 | N.A. | N.A. |
| Ms. Sneha Modi | Company Secretary | 27-01-2014 | 23-06-2016* | N.A. |
| Mr. Ravi Shankar | Company Secretary | 12-08-2016 | 01-05-2017* | N.A. |
| Mr. Gurvinder Singh | Company Secretary | 30-06-2017 | N.A. | N.A. |
| Mr. Manish Bhatt | CEO | 24-05-2014 | 31-07-2017* | N.A. |

*Resigned due to personal reasons.

**Resigned due to Health Issues.

***Office vacated under Section 167(1)(b) of the Companies Act, 2013.

Mr. Mukesh Kumar Gupta, Non-Executive Chairman is liable to retire by rotation in the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Directors recommend his re-appointment.

The Board has laid down separate Codes of Conduct for Directors and Senior Management personnel of the Company and the same are posted on the Company's website at http://www.shilpicables.com/pdf/code_new.pdf. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct. The Managing Director has also confirmed and certified the same. The certification is enclosed at the end of the Report on Corporate Governance.

Disclosure of commission paid to managing or whole time directors

There is no commission paid or payable by your company to the managing director or the whole time director.

Number of meetings of the Board of Directors

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from the other Board business. In case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually meeting of the Board are held in the Company's registered office situated at Delhi. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per guidelines in Listing Regulations to the extent it is relevant and applicable. The Agenda for the Board and Committee meetings include detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

During the year all the recommendations of the Audit Committee were accepted by the Board.

The Board met six times during the financial year. The meetings detailed are provided in the Corporate Governance report that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Annual Evaluation of Board performance and performance of its committees and individual directors

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The nomination and remuneration committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination

of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and management.

Directors were evaluated on aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfilment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance /support to management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartially, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Areas on which the Committees of the Board were assessed included mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The NRC also reviewed the performance of the Board, its Committees and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

Remuneration Policy for the Directors, Key Managerial Personnel and other employees

The Current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. The policy of the Company on director's appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub section (3) of Section 178 of the Companies Act, 2013 is available on our website at <http://www.shilpicables.com/pdf/NominationRemuneration%20Policy.pdf> There has been no change in the policy since last fiscal. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company. The Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters is set-out in **Annexure-II** to this Report.

Committees of the Board

As on March 31, 2017, the Board had five committees: the Audit Committee, the Nomination and Remuneration Committee, the Corporate Social Responsibility Committee, the Stakeholders Relationship Committee & the Finance Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance report section of this Annual Report.

Conservation of Energy, research and development, technology absorption, foreign exchange earnings and outgo

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are attached as **Annexure-III**.

Particulars of Employees and Remuneration

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in **Annexure-IV** to this Report.

Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations.



All Related Party Transactions are placed before the Audit Committee for approval. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

In line with the requirements of the Companies Act, 2013 and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same is uploaded on the Company's website: <http://www.shilpicables.com/pdf/RPT%20Policy.pdf>. Details of Related Party Transactions as per AOC-2 are provided in **Annexure-V**.

Loans and investments

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in notes to the financial statements.

Extract of Annual Return

In accordance with Section 92 of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2017, an extract of the annual return in the prescribed format is provided in **Annexure-VI** to the Board's report.

Auditors and Auditors' Report

M/s. RMA & Associates, Chartered Accountants (Firm Registration No. 00978N) have been appointed as the Statutory Auditors of the Company in the 8th Annual General Meeting of the Company held on September 1, 2014, to hold the office till the conclusion of 13th Annual General Meeting of the Company, subject to the ratification of shareholders at every Annual General Meeting.

Further, the ratification in respect with the appointment of M/s. RMA & Associates, Chartered Accountants as the Statutory Auditors of the Company is proposed for the ratification of shareholders in the Notice of 11th Annual General Meeting of the Company.

Auditor Qualified Opinion: Out of the total outstanding debtors mentioned in note No-16, overseas debtors amounting to ₹ 258.97 crore are outstanding for more than one year. Further sale of ₹ 344.69 Cr has been done to these overseas debtors even there is no realization in these accounts for last more than one year. The total figure of such outstanding overseas debtors as on 31.03.2017 is ₹ 603.67 Cr. We are of opinion that certainty of realization of these debtors cannot be determined on the basis of evidence available to us. Consequently, we were unable to determine whether any adjustments to these amounts were necessary, which in the opinion of the management is recoverable.

Qualified Opinion in Caro: 1) The assets have not been physically verified by management during the year. 2) In our opinion and according to the information and explanations given to us, the company has not complied with the provisions of section 185 of the Companies Act, 2013. The company has extended loan/advances to Shilpi Cable Pvt Ltd of ₹ 1.44 crores out of which received back ₹ 1.20 crores and ₹ 24 Lakhs still pending as on 31.03.2017.

Management view on Qualified Opinion made by Statutory Auditor: The management has sought balance confirmation from the customers to evaluate their recoverability. Accordingly, the provision for bad & doubtful debts for ₹ 17694.62 lakhs has been made and receivables have been written off amounting to ₹ 17739.25 lakhs. In the opinion of the management, the provision for doubtful debt and write off is adequate. The management is following up with the customers for recovering the balance due from them.

Management view on Qualified Opinion made by Statutory Auditor in Caro: 1) The Company has policy to cover the Physically Verification of the all fixed assets in a period of 3 years. Fixed Assets would be physically verified in next 2 years. 2) The Company is in process of recovery of amount which is of temporary nature & will take necessary approval from authorities, if required.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; the Secretarial Audit Report provided by the Secretarial Auditors is annexed as **Annexure-VII**.

Auditor Qualified Opinion:

- 1) Form MGT-14 is not filed with the Registrar for change in terms of the appointment of the Managing Director;
- 2) Company has made default under section 185 by providing loan to one of its group company in which the existing director is a member;

- 3) The Company has paid remuneration of ` 2,39,78,400/- to Mr. Manish Goel, Managing Director and ` 38,75,000/- to Mr. Ghanshyam Pandey, Whole Time Director of the Company without the prior approval of the Central Government;
- 4) Intimation of the Board Meeting dated August 12, 2016 in which the dividend is to be declared and quarterly financials were to be approved was forwarded to the Stock Exchange dated August 03, 2016, However the Trading window was closed on August 05, 2016 which constitute a non-compliance of SEBI (Prohibition of Insider Trading Regulations), 2015.

Management view on Qualified Opinion made by Secretarial Auditor:

- 1) The Company is in process of seeking Condonation of the form MGT-14 from the respective authorities.
- 2) The Company is in process of recovering the amount given to its group Company.
- 3) The Company is in process of taking necessary approval from Shareholders in the 11th Annual General Meeting & thereafter approval of Central Government as well.
- 4) That was inadvertently and Company will take care of it near future.

Cost Records and Cost Audit Report

On the recommendation of Audit Committee, the Board of Directors in its meeting held on 30th August, 2017 has appointed M/s. MM & Associates, Cost Accountants as the Cost Auditor of the Company for the financial year 2017-18 on the aggregate remuneration of ` 60,000/- (Rupees Sixty Thousand only) plus taxes, as applicable and out of pocket expenses, in accordance with the provisions under Section 148 of the Companies Act, 2013 read with rules made there under.

The remuneration payable to the Cost Auditor of the Company has been proposed for the ratification by the members of the Company and shall form part of the notice of 11th Annual General Meeting.

Internal Control Systems and adequacy of Internal Financial Controls

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorized, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The report of the statutory auditors on the Internal Financial Control of the Company is part of the Auditors Report on the Annual Financial Statement of the Company for the financial year ended March 31, 2017.

Risk management

Your Directors has adopted a Risk Management Policy for the Company. The Audit Committee of the Company reviews the risks involved in the Company from time to time, if any, and takes appropriate measures to minimize the same. The Audit Committee ensures that the policy for risk management is adopted across the Company.

The copy of Risk Management Policy is uploaded on website of the Company at <http://www.shilpicables.com/pdf/Risk%20Management%20Policy.pdf>

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment. Your Company, through its risk management process, strives to contain impact and likelihood of the risks within the risk appetite as decided by the management.

There are no risks which in the opinion of the Board threaten the existence of your Company.

Vigil mechanism/Whistle Blower Policy

The Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee.

The copy of Whistle Blower/vigil mechanism policy is uploaded on the website of your company at <http://www.shilpicables.com/pdf/Vigil%20Mechanism%20Policy.pdf>

Corporate Governance, Business Responsibility Report & Management Discussion and Analysis Report

Corporate Governance is about maximizing shareholder value legally, ethically and sustainably. At Shilpi, the goal of corporate governance is to ensure fairness for every stakeholder. We believe sound corporate governance is critical to enhancing and retaining investor trust. We always seek to ensure that our performance is driven by integrity. Our



Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

Pursuant to the SEBI (Listing obligations and disclosure Requirements) Regulations, 2015 and the Listing Agreements with the Stock Exchanges and relevant sections of the Act, the Management Discussion and Analysis Report are annexed as **Annexure-VIII**. Further a Report on Corporate Governance and Certificate on compliance of the SEBI (LODR) Regulations, 2015 is as **Annexure-IX** and Business Responsibility Report are annexed as **Annexure-X**.

Code of Conduct for Prevention of Insider Trading

Your Company's Code of Conduct for Prevention of Insider Trading covers all the Directors, senior management personnel, persons forming part of promoter(s)/promoter group(s) and such other designated employees of the Company, who are expected to have access to unpublished price sensitive information relating to the Company. The Directors, their relatives, senior management personnel, persons forming part of promoter(s)/promoter group(s), designated employees etc. are restricted in purchasing, selling and dealing in the shares of the Company while in possession of unpublished price sensitive information about the Company as well as during the closure of trading window.

During the year, the Board of Directors has amend the Insider trading policy and the same can be accessed on the website of the Company – <http://www.shilpicables.com/pdf/16may.pdf>

Your Board of Directors has also approved the Code for Fair Disclosure and the same can be accessed through the following link: <http://www.shilpicables.com/pdf/16may2.pdf>

Corporate Social Responsibility

Shilpi is committed to improve quality of lives of people in the community its serves through long term stakeholder value creation. CSR activities at Shilpi are implemented through Udaar Bharti i.e. a registered educational society. Sandeep Gupta as Chairman, with Sunil Kala and Mr. Ghanshyam Pandey as Members. The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the web link: <http://www.shilpicables.com/pdf/CSR%20Policy%20.pdf>

The Annual Report on Corporate Social Responsibility Activities is annexed as **Annexure-XI**.

Significant/material orders passed by the regulators

During the period under review and till the signing of this report, the Corporate Insolvency resolution process was initiated by Hon'ble NCLT vide its order dated May 24, 2017 under IBC, 2016. Further Our Company has preferred the appeal against such order and said appeal was allowed by Hon'ble NCLT vide its order dated August 01, 2017. In such an event the Company may not be on going concern.

Employees Stock Option Scheme

Your Company has implemented as an Employee Stock Option Scheme (Shilpi ESOS 2014), to reward the eligible employees for their contribution to the success of the Company and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the Scheme is to attract, reward, motivate and retain its employees for high levels of individual performance which will ultimately contribute to the success of the Company. The relevant disclosure as per the SEBI (Share Based Employee Benefits) Regulations, 2014 read with the SEBI Circular No. CIR/CFD/ POLICY CELL/2/2015 dated 16th June, 2016 is as below:

| | | |
|-----|---|--|
| 1. | Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time | Disclosed in the financial statement [Please see sub-note no. 18 of note 28] |
| 2. | Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time | Disclosed in the financial statement [Please see sub-note no. 10 of note 28] |
| 3. | Details related to ESOS: | |
| (i) | A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including | |