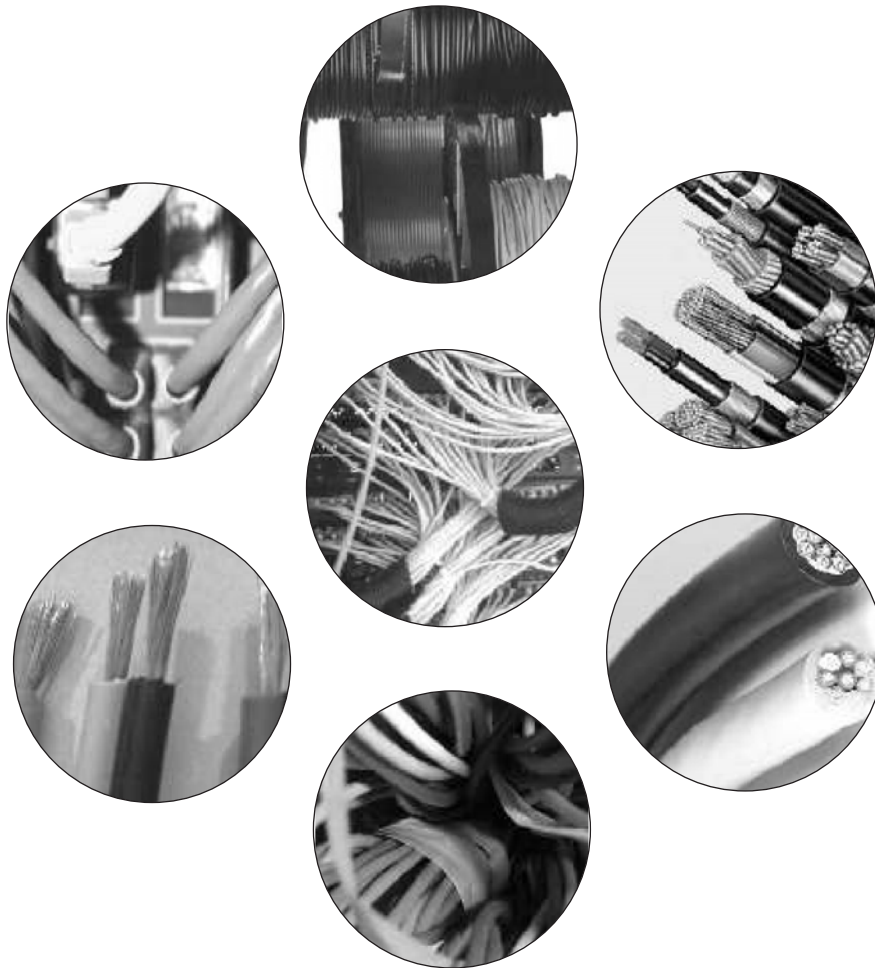


# UNIFLEX CABLES LTD.



**21st Annual Report 2010-11**





## BOARD OF DIRECTORS

Dr. Narendra D. Desai  
(Chairman)  
Shri Kushal N. Desai  
Shri Chaitanya N. Desai  
Shri F. B. Virani  
Shri H. N. Shah  
Dr. N. K. Thingalaya  
Shri S. K. Kinra (w.e.f. 03/01/2011)

## MANAGER & COO

Shri V. K. Bajaj

## COMPANY SECRETARY

Shri M. C. Bhalawat

## AUDIT COMMITTEE

Shri H. N. Shah  
(Chairman)  
Shri F. B. Virani  
Shri C. N. Desai  
Shri S. K. Kinra (w.e.f. 03/01/2011)

## BANKERS

Indian Bank  
Syndicate Bank

## AUDITORS

M/s Rashmi Zaveri & Co.  
(Chartered Accountants)  
Arham, Ground Floor, Suit No. 2,  
Plot No. 266, Near Gandhi Market,  
Sion (E),  
Mumbai - 400 022

## REGISTERED OFFICE

Apar House, Bldg. No. 5,  
Corporate Park,  
Sion-Trombay Road,  
Chembur,  
Mumbai - 400 071  
Tel. : (022) 25263400 / 67800400  
Fax : (022) 2524 6326

## WORKS

Plot No. 158 to 163 and 153, GIDC,  
Umbergaon - 396171  
Distt. Valsad (Gujarat)  
Tel. : (0260) 2562412  
Fax : (0260) 2562950

## EMAIL

info@uniflex.in

## WEBSITE

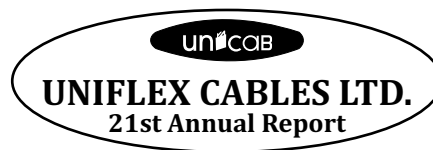
www.unicab.com

## REGISTRAR & TRANSFER AGENT

M/s Karvy Computershare Pvt. Ltd.  
Plot No. 17 to 24, Vithal Rao Nagar,  
Madhapur,  
Hyderabad - 500 081  
Tel : 040 - 23420815 to 28  
Fax : 040 - 23420814 / 23420857  
E-mail : mailmanager@karvy.com  
Website : www.karvycomputershare.com

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## NOTICE

**NOTICE** is hereby given that the 21st Annual General Meeting of the Shareholders of **UNIFLEX CABLES LIMITED** will be held at Mysore Association Hall, Matunga Circle, Near Maheshwari Udyan, Matunga, Mumbai – 400 019 on Thursday, the 25<sup>th</sup> day of August, 2011 at 3.00 P.M. to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit & Loss Account for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Narendra D. Desai, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri H. N. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration

### SPECIAL BUSINESS :

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

**"RESOLVED THAT** subject to the sanction of the Board for Industrial and Financial Reconstruction (BIFR) under the provision of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) / or any such concerned authority, a Draft Rehabilitation Scheme (DRS) envisaging Amalgamation of the Company (UCL), with Apar Industries Ltd., Holding Company (AIL) as laid before the meeting, be and is hereby approved and the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution) be authorized to accept such alterations and modifications in the said DRS as may be stipulated or required by BIFR / or any such concerned authority, Operating Agency, State or Central Government authorities and other concerned persons if any, while sanctioning or participating in the Rehabilitation Scheme by way of Amalgamation and / or granting such approvals, if any required in connection therewith, which the Board may deem fit and in the interest of the Company and to do all such acts, deeds, things and matters as may be necessary to give effect to the said DRS."

### Registered Office :

Apar House, Bldg. No. 5,  
Corporate Park,  
Sion-Trombay Road,  
Chembur,  
Mumbai – 400 071

Place : Mumbai

Date : 26<sup>th</sup> May, 2011

By Order of the Board  
M. C. BHALAWAT  
(Company Secretary)

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.
2. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from Monday, the 22<sup>nd</sup> day of August, 2011 to Thursday, the 25<sup>th</sup> day of August, 2011 (both days inclusive).
3. Members desirous of obtaining information / details about the accounts are requested to write to the Company at least one week before the meeting, so that proper information can be made available at the time of meeting.
4. The details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting as required in terms of Clause 49 of the Listing Agreement of the Stock Exchange are also annexed hereto and forming part of the Notice.
5. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 A.M. and 4.00 P.M. upto the date of the ensuing Annual General Meeting and at the meeting, during the meeting hours.
6. Corporate Members intending to send their Authorized Representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. a) As stated in Paragraph 'O' of the Directors' Report, the Company has received an approval u/s 212(8) of the Companies Act, 1956 from the Ministry of Corporate Affairs, Government of India vide its letter dated January 28, 2011, exempting the Company from attaching the Annual Accounts, Reports and other statements pursuant to Section 212 (1) of the Companies Act, 1956, in respect of the Company's Wholly Owned Subsidiary M/s Marine Cables & Wires Private Ltd. (MCWPL) with the Annual Report of the Company for the financial year ended March 31, 2011. Therefore, the accounts and reports of the said Subsidiary Company are not attached herewith.  
b) However, a statement showing information in aggregate of the said Subsidiary Company in compliance with the aforesaid approval letter dated January 28, 2011 of the Ministry of Corporate Affairs has been attached with the consolidated financial statements.

## ANNEXURE TO THE NOTICE

- c) The Company shall provide a copy of the Annual Accounts and related information/ reports for the year 2010-11 of the Subsidiary Company as required under Section 212 of the Act to the shareholders on their request, free of cost, at any point of time. Further the annual accounts of the Subsidiary Company shall be available for inspection at the Registered Office of the Company and that of the Subsidiary Company.
8. The required Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed here to, forming part of the Notice.
9. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company's R & T Agent M/s Karvy Computershare Pvt. Ltd., Plot no. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad – 500081.

### **EXPLANATORY STATEMENT**

As required by Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out material facts relating to business under Item no. 5 of the accompanying notice dated 26<sup>th</sup> May, 2011.

#### **ITEM NO. 5 :**

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

As statutorily required under the provision of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), Company had filed reference with the Board for Industrial and Financial Reconstruction (BIFR). After necessary hearing the Company has been declared as Sick Industrial Company under Section 3(1)(o) of SICA by BIFR and directed the Company to submit Draft Rehabilitation Scheme (DRS) with cut-off-date as 31<sup>st</sup> March, 2010 (Transfer Date 01<sup>st</sup> April 2010) to Operating Agency (OA).

Company had discussions with the management of Apar Industries Ltd., Holding Company (AIL) in this regard. For expeditious revival of the Company, it was proposed to amalgamate the Company with AIL which holds 65.47% paid up equity share capital of the Company taking cut-off-date as 31<sup>st</sup> March, 2010. AIL Registered Office is situated at 301, Panorama Complex, R. C. Dutt Road, Vadodara-390007.

The salient features of the said Proposal/Scheme are as under: –

1. UCL shall with effect from the Transfer Date i. e. 1<sup>st</sup> April, 2010 without further act, deed or thing, be transferred to and vested in Apar Industries Limited (AIL) and on the Transfer Date, UCL shall be deemed to have been amalgamated with AIL as aforesaid.
2. Upon the Scheme being approved by the BIFR and the amalgamation becoming effective in terms of the Scheme, Shareholders of UCL shall be allotted one

equity share of the face value of Rs 10/- each credited as fully paid up of the AIL for every 10 equity shares of the face value of Rs 10/- each fully paid up in UCL. The shares so issued and allotted shall be subject to Lock in period as specified in Regulation 78 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

3. The effective date shall be the date when scheme is sanctioned by the BIFR after complying with conditions specified in the scheme and certified true copy of the order of BIFR is filed with Registrar of Companies. However, for the purpose of preparing the accounts of amalgamated company (AIL) and for purpose of Income Tax, the date of amalgamation shall be April 1, 2010 (Transfer date).
4. Subject to the provisions contained in the scheme, all contracts, deeds, bonds, agreements, instruments and writing and benefits/liabilities of whatsoever nature to which the UCL is a party shall remain in full force and effect.
5. All the permanent employees of UCL shall become the employees of AIL from the effective date of amalgamation.
6. Cost of the proposed Scheme and Means of Financing are as under:-

#### **COST OF REHABILITATION :**

**(Rs. in Lacs)**

Accumulated Losses net of Reserves	461.72
<b>Total</b>	<b>461.72</b>

#### **MEANS OF FINANCE :**

Promoters Contribution (Issuance of new equity shares by AIL)	86.26
Internal Accruals	375.46
<b>Total</b>	<b>461.72</b>

7. The Board of Directors of UCL and AIL at their respective Board Meetings have, subject to the approval of shareholders and the regulatory authorities, approved the amalgamation of UCL with AIL.
8. The following reliefs and concessions in brief are envisaged in the draft Scheme:

#### **FROM CENTRAL GOVERNMENT**

##### **I. INCOME TAX DEPARTMENT**

- (i) Relief from the provisions of Sections 72 (Carry forward and set-off of business losses), 72A (Carry forward and set-off of accumulated losses and unabsorbed depreciation allowance), 115JB (Special provision for payment of Income Tax) of the Income Tax Act, 1961.
- (ii) Allow set-off of the entire carry forward business losses / depreciation of UCL prior to amalgamation under the provisions of Section 32(2) and Section 72 of the Income Tax Act, 1961.

## ANNEXURE TO THE NOTICE (Contd...)

### II. MINISTRY OF CORPORATE AFFAIRS (MCA), SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI), BOMBAY STOCK EXCHANGE LTD. (BSE) AND NATIONAL STOCK EXCHANGE OF INDIA LTD. (NSE)

- i) To facilitate the allotment of additional equity shares of AIL on preferential basis to the shareholders of Transferor Company (UCL) in lieu of shares held in Transferor Company, under the sanctioned scheme. The existing paid up equity share capital of the Transferor Company shall be cancelled upon allotment of above new equity shares of Transferee Company (AIL).
- ii) Request for relief from stamp duty and registration charges upon consolidation of authorized equity share capital of the amalgamated company by adding authorized capital of amalgamating company (UCL) of Rs. 3000.00 lacs.
- iii) Other standard need based relief and concession from above authorities. CDSL/NSDL shall continue to be custodian for amalgamated company (AIL).

### III. State Government of Gujarat / Regulatory Authorities

Request for waiver of stamp duty / registration charges etc. on amalgamation consequent to transfer / conveyance of assets to amalgamated company as per prevailing policy of the Gujarat State Government.

### IV. EXCISE DEPARTMENT

- a. To consider allowing "Credit balance of Rs. 1115.30 lacs in Excise Duty MODVAT / CENVAT Account of Uniflex Cables Limited for plants at Umbergaon (Gujarat) on Transfer Date be transferred to Excise Duty MODVAT / CENVAT Account of Apar Industries Limited for its plant at Rabale (Maharashtra)."
- b. Request for waiver of duty, interest, fine and penalty which have been imposed / demanded or which may hereafter be imposed/demanded by the Excise authorities and to accept payment of any liability as may be crystallized in final assessment in ten equal annual installments with waiver of interest and penalty.

### V. SALES TAX DEPARTMENT, GOVERNMENT OF GUJARAT

Request for waiver of duty, interest, fine and penalty which have been imposed / demanded or which may hereafter be imposed/demanded by the Sales Tax authorities and to accept payment of any liability as may be crystallized in final assessment in ten equal annual installments with waiver of interest and penalty.

### VI. DGFT AND COMMISSIONER OF CUSTOMS

Extension for fulfilment of export obligation in respect of Advance Licences and to pay crystallised related liabilities, if any, in seven equated annual

installments and waiver of interest and penalty. Waiver of duty, interest, fine and penalty, if any, under Advance Licences or other licenses granted to UCL.

### VII. SUSPENSION OF CONTRACT/ASSURANCES/ AGREEMENTS ETC.

- i) Exemption to UCL and AIL from complying with certain provisions containing in Share Purchase and Shareholders Agreement dated February 11, 2008 (SPSA).
- ii) To declare that all contracts, assurances, agreements, etc. other than those entered into with Banks and Financial Institutions shall remain suspended in pursuance of the provisions of SICA. If amalgamated company is finally required to pay in respect of aforesaid matters the claiming party shall accept payment as may be crystallized in ten equal installments with waiver of interest and damage charges.

### VIII. Request for certain relief to Company and it's Directors from liabilities etc., if any.

The Members may note that the above terms may undergo minor / major modifications if the same are suggested by the concerned authorities / parties and agreed by the Company and accepted by BIFR while granting its final approval. And, therefore, the Board of Directors shall have authority in the resolution to accept such alterations and modifications and also to do such acts, deeds and things as may be necessary in the interest of the Company to give effect to the said Scheme of Amalgamation.

Pursuant to the terms of the Scheme, the approval of the Scheme is required by way of a Special Resolution from the Members of UCL and all other applicable provisions of SICA.

A copy of the Draft Proposal / Scheme of Amalgamation of UCL along with enclosures as submitted to BIFR and other relevant documents are available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 4.00 p.m. upto the date of the meeting and during the meeting hours of the Company.

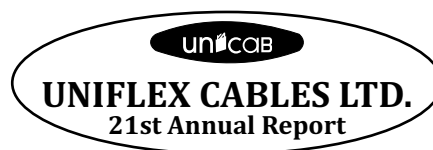
The Resolution as set out in Item No. 5 of the Notice will be placed before the meeting for the approval of the members. Your Directors recommend for the approval of proposed resolution by the Members by way of a Special Resolution.

None of the Directors of the Company is concerned or interested in the proposed resolution except to the extent of their respective shareholding in the Company and Apar Industries Ltd. (AIL), the Holding Company.

**By Order of the Board**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2011**

**M. C. BHALAWAT**  
**(Company Secretary)**



## ANNEXURE TO THE NOTICE (Contd...)

### IMPORTANT COMMUNICATION TO THE MEMBERS

The Company has implemented the "Green Initiative" as per Circular No. 17/2011 dated 21<sup>st</sup> April, 2011 and Circular no. 18/2011 dated 29<sup>th</sup> April, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices / documents and annual reports to the Shareholders instead of physical mode. Henceforth, the email addresses indicated in your respective Depository Participants (DPs) will be deemed to be your email address for serving notice / documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of Audited financial statements, Directors Report, Auditors Report etc. will also be displayed on Company's website i.e. www.unicab.com. Shareholders holding shares in electronic mode, therefore, requested to ensure to keep their email addresses updated with the Depository Participants (DPs). Shareholders holding shares in physical mode are also requested to update their email addresses by sending email to uclgreeninitiative@karvy.com or info@uniflex.in quoting their folio number. **The Shareholders are, therefore, requested to register their valid email address in order to facilitate the Company to service the documents through electronic mode.**

### Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting.

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

Name of Director	Dr. N. D. Desai	Shri H. N. Shah
Date of Birth	22.05.1940	20.06.1928
Date of Appointment	11.02.2008	30.08.2008
Expertise in specific functional areas	Electrical Engineering	Chartered Accountant
Qualifications	B.Sc. (Hons.), London, M.S.Ele. Engg., Ph.D., Penn., USA, Sigma XI, A.A.M.I.E.E.	B. Com., F.C.A.
List of other Companies in which Directorship held as on 31.03.2011.	<ol style="list-style-type: none"> <li>1. Apar Industries Limited</li> <li>2. Apar Masat Conductors Ltd.</li> <li>3. Apar Corporation Pvt. Ltd.</li> <li>4. Apar Investment INC.</li> <li>5. Scope Pvt. Ltd.</li> <li>6. Apar Investment (Singapore) Pte. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Apar Industries Limited</li> <li>2. Marine Cables &amp; Wires Pvt. Ltd.</li> </ol>
Chairman / Member of the Committee of other Public Companies on which he is a Director as on 31.03.2011.	<ol style="list-style-type: none"> <li>1. Apar Industries Limited <ul style="list-style-type: none"> <li>- Sub - Committee of Directors (Chairman)</li> <li>- Share Transfer &amp; Shareholders' Grievance Committee (Chairman)</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>1. Apar Industries Limited <ul style="list-style-type: none"> <li>- Audit Committee of Directors (Chairman)</li> <li>- Share Transfer &amp; Shareholder's Grievance Committee (Member)</li> <li>- Compensation-cum-Remuneration Committee (Member)</li> <li>- Sub - Committee of Directors (Member)</li> </ul> </li> </ol>
No. of Shares held in the Company	1000	100
Relationship between directors inter se	Related to Shri K N Desai and Shri C N Desai (Sons)	NIL

## DIRECTORS' REPORT

### To The Members,

Your Directors hereunder present the Twenty First Annual Report of the Company together with the Audited Annual Accounts showing the financial position of the Company for the year ended 31<sup>st</sup> March, 2011.

### A. FINANCIAL RESULTS (Rs. In Lacs)

Particulars	31- Mar-11 (Stand alone)	31-Mar-10 (Stand alone)
<b>Operating Profit / (Loss)</b>	<b>(649.08)</b>	(912.58)
Less : Interest & Finance Charges	<b>1544.99</b>	1220.41
(Loss) / Profit before Depreciation & Tax	<b>(2194.07)</b>	(2132.99)
Less : Depreciation	<b>631.20</b>	612.83
<b>(Loss) / Profit before Tax</b>	<b>(2825.27)</b>	(2745.82)
Less : Provision for FBT	<b>0.00</b>	0.00
<b>(Loss) / Profit after Tax</b>	<b>(2825.27)</b>	(2745.82)
Deficit brought forward from previous year	<b>(7369.46)</b>	(4623.64)
Total Loss carried forwarded	<b>(10194.73)</b>	(7369.46)

Consolidated Net Loss of the Company after tax was at Rs. 2937.99 Lacs includes the loss of M/s Marine Cables & Wires Private Limited (Wholly Owned Subsidiary of the Co.) incurred during the year under review.

In view of the losses incurred by the Company, your Directors do not recommend any dividend for the year.

### B. REVIEW OF OPERATIONS

During the year under review, the Company has achieved Sales Turnover (net of excise) of Rs. 31127.28 Lacs as against Rs. 18061.85 Lacs for the financial year ended 31<sup>st</sup> March, 2010 which is quite substantial, but this was not sufficient to break-even and Company has incurred a Net Loss of Rs. 2825.27 Lacs before tax as against a loss of Rs. 2745.82 Lacs for the previous year ended 31.03.2010. The various steps taken for improving the operations were reflected in higher sales turnover and reduced operating loss in year under review.

### C. SUBMISSION OF DRAFT REHABILITATION SCHEME (DRS) FOR APPROVAL TO THE BOARD FOR INDUSTRIAL & FINANCIAL RECONSTRUCTION (BIFR) ENVISAGING AMALGAMATION OF THE COMPANY WITH APAR INDUSTRIES LTD., THE HOLDING CO. (AIL).

Pursuant to the reference made by the Company in accordance with the provisions of Sick Industrial Companies (Special Provisions) Act 1985 (SICA) to the Board for Industrial & Financial Re-construction (BIFR), the Company has been declared as Sick Industrial Company by BIFR vide its' order

dated October 26, 2010 and directed the Company to file a fully tied up Draft Rehabilitation Scheme (DRS) for its revival to Syndicate Bank who has been appointed as Operating Agency (OA) to examine the DRS. After having preliminary discussion with the management of AIL, the Holding Company, the Company has submitted DRS to OA which include proposal for amalgamation of the Company with AIL with cut-off-date as 31<sup>st</sup> March 2010 for expeditious revival.

In the opinion of the Management of the Company and also its Holding Company, the above option is most suitable for expeditious revival of the Company as there is blink possibility of its revival independently. The Company is pursuing the matter with BIFR for early approval of the said Rehabilitation Proposal submitted by the Company. The Company is also proposing appropriate Resolution in the notice to the members to take the approval of its shareholders in the ensuing Annual General Meeting (AGM) for the same.

### D. PROPOSAL FOR AMALGAMATION OF MARINE CABLES & WIRES PVT. LIMITED (MCWPL) - A WHOLLY OWNED SUBSIDIARY OF THE COMPANY - WITH APAR INDUSTRIES LTD. (AIL), THE PARENT COMPANY.

As reported last year, M/s Marine Cables & Wires Pvt. Limited (MCWPL), a Wholly Owned Subsidiary of the Company, which was doing job works for the Company, has also been declared as Sick Industrial Company by BIFR and directed MCWPL to submit a Draft Rehabilitation Scheme (DRS) for its revival.

The Management of your Company had discussion on the matter with the management of AIL and also with MCWPL with regard to revival of MCWPL. As directed by BIFR, MCWPL has already submitted a Draft Rehabilitation Scheme (DRS) proposing Amalgamation of MCWPL with AIL for consideration and sanction by BIFR. Syndicate Bank, Mumbai has been appointed as Operating Agency (OA) by BIFR to monitor/ review and submit the final Rehabilitation Proposal. The OA is taking necessary steps in the matter as directed by BIFR.

### E. SHARE CAPITAL

During the year, under review there was no change in the issued and paid up share capital of the Company which stood at Rs. 2498.04 lacs divided into 249,80,366 number of equity shares of Rs. 10/- each fully paid.

### F. LISTING

The Company's equity shares are listed on the Bombay Stock Exchange Ltd. (BSE), Mumbai.



## **DIRECTORS' REPORT (Contd.)**

### **G. FUTURE OUTLOOK**

The business environment for Cable industry is still challenging but showing signs of industrial and infrastructure growth. However, the Industry is having excess capacity compared to demand currently. The future outlook in terms of investment in the infrastructure sector, particularly power, is also good. This indicates that demand for the cable business should improve further. We are optimistic that Financial year 2011-12 will be a better year than earlier Financial years.

The industry has significantly expanded its' capacity resulting in a price war like situation with reduction in prices and margins, though demand is at a higher level. It is expected that margins will also slowly improve and in the next 1-2 years should come back to the pre-2008 level. The recovery in margins has been slow due to significant overcapacity in the industry.

Our Company has further de-bottlenecked its capacity in the Elastomeric and Power cable divisions making certain idle facilities suitable for Power Cables besides addition of few new types of equipment. The capacity of fiber optic cables is also being enhanced by upgrading existing equipments and addition of new machinery. Several measures have been taken to improve process, productivity and quality with new equipments and manpower training. The last year has seen a major improvement in Company's sales performance as a consequence of these actions. We expect to continue with this momentum resulting in a better performance in Financial year 2011-12, both in terms of sales and profitability with an objective to break even. If the pricing environment improves due to stronger than expected demand, the performance of the Company may further benefit.

### **H. CORPORATE GOVERNANCE**

Your Directors fully endorse the principles of Corporate Governance and to implement the same as per requirements of Clause 49 of the Listing Agreement. The Management Discussion & Analysis and Corporate Governance Report are attached to this report.

### **I. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with regard to the Directors' responsibility statement, it is hereby confirmed that :

- i. In the preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards were followed along with proper explanations relating to material departures, if any.

- ii. Appropriate accounting policies were selected and applied them consistently and made judgement and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the financial year for that period.

- iii. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- iv. The annual accounts were prepared on a going concern basis.

### **J. DEPOSITS**

Your Company has not accepted any fixed deposit from public within the meaning of Section 58-A of the Companies Act and rules made there under.

### **K. BOARD OF DIRECTORS**

- i) Shri S.K. Kinra has been appointed as a Special Director by the Board for Industrial & Financial Reconstruction (BIFR) New Delhi on the Board and other committees of the Board of Directors of the Company w.e.f. 3<sup>rd</sup> January, 2011.
- ii) Dr. Narendra D. Desai and Shri H. N. Shah, the Directors of the Company, retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, offer themselves for re-appointment.

Appropriate resolutions for approval of the members for the re- appointment of Dr. Narendra D. Desai and Shri H. N. Shah as Directors of the Company have been proposed in the notice to the Members for the ensuing Annual General Meeting.

The Board recommends their appointment / re-appointment.

### **L. PARTICULARS OF EMPLOYEES**

There are no employees whose remuneration was in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

### **M. AUDITORS**

The Auditors, M/s. Rashmi Zaveri & Co. Chartered Accountants, are retiring at the ensuing Annual General Meeting and they are not seeking re-appointment. The Audit Committee at their meeting held on 26<sup>th</sup> May, 2011 have recommended the name



## DIRECTORS' REPORT (Contd.)

of M/s Sharp & Tannan, Chartered Accountants, to be appointed as Statutory Auditors of the Company in place of retiring Auditors. The Company has received necessary certificate u/s 224(1B) of the Companies Act from M/s Sharp & Tannan, Chartered Accountants. The Board recommends the appointment of M/s Sharp & Tannan as Statutory Auditors of the Company by the shareholders at the ensuing Annual General Meeting.

### N. AUDITORS' REPORT

The observations contained in the Auditor's Report are self-explanatory and therefore, no further comments are required separately.

### O. OTHER INFORMATION

- a) The Company has been granted exemption for the year ended March 31, 2011 by the Ministry of Corporate Affairs vide its letter dated 28<sup>th</sup> January, 2011 from attaching to its balance sheet, the annual report of the Company's wholly owned subsidiary viz. M/s Marine Cables & Wires Pvt. Limited. As required in terms of the exemption, a statement containing brief financial details of the said subsidiary for the year ended 31<sup>st</sup> March, 2011 are included in the annual report of the Company.

- b) Attached to and forming part of this report are the following :

- i) Particulars relating to conservation of energy, technology absorption and foreign exchange earning and outgo.
- ii) Report on Corporate Governance and Auditors' Certificate regarding compliance of the conditions of Corporate Governance.

### P. ACKNOWLEDGEMENT

Your Directors would like to express their gratitude for the support, assistance and co-operation received from the Bankers, Apar Industries Ltd. (AIL), the Holding Company, Government Authorities, Customers, Vendors and Shareholders of the Company. Your Directors also wish to place on record their appreciation for the dedicated services rendered by the loyal employees of the Company in the difficult time.

**FOR AND ON BEHALF OF THE BOARD**

**(DR. N. D. DESAI)**  
**CHAIRMAN**

**Place : Mumbai.**  
**Date : 26<sup>th</sup> May, 2011**