

**NOTICE**

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Cords Cable Industries Limited will be held on **Monday, 26<sup>th</sup> September, 2011 at 4.00 p.m** at **Shah Auditorium, Shree Delhi Gujarat Samaj Marg, Civil Lines, Delhi-110054** to transact the following business:

**ORDINARY BUSINESS:**

- 1 To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, the Profit and Loss Account for the year ended on that date with the Reports of the Board of Directors and the Auditors thereon.
- 2 To appoint a Director in place of Mr. D.K. Prashar, who retires by rotation and being eligible offers himself for re-appointment.
- 3 To appoint a Director in place of Mr. N.K. Balasubramanian, who retires by rotation and being eligible offers himself for re-appointment.
- 4 To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** subject to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s Sharma Goel and Co., Chartered Accountants,(FRN000643N) be and are hereby, appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be fixed by Board of Directors.”

**SPECIAL BUSINESS:**

- 5 To consider, and if thought fit, to pass, with or without modification(s), the following Resolutions as a **Special Resolution:**

“**RESOLVED** pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, that consent of Company be and is hereby accorded for re-appointment of Mr. Naveen Sawhney as Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> July 2011 to 30<sup>th</sup> June 2016.

**RESOLVED FURTHER** that consent of Company be and is hereby accorded for payment of following remuneration to Mr. Naveen Sawhney as Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> July 2011 to 30<sup>th</sup> June 2014:

Salary	Consolidated Salary at the rate of Rs.3,75,000/- (Rupees Three Lacs Seventy Five Thousand only) per month.
Commission	Commission not exceeding 1% of the net profits of the Company, subject to the approval by the Board of Directors of the Company or any Committee thereof constituted in this regard.
Medical Reimbursement	Medical Expenses incurred by the appointee on self, and family will be reimbursed subject to the maximum of Rs.15,000/- in a year.
Contribution to PF etc	Contribution to the Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company.
Leave Travel Concession	For self and the family once a year in accordance with the rules of the Company.
Gratuity	Gratuity payable as per the rules of the Company.
Leave Encashment	Encashment of leave at the end of the tenure as per the rules of the Company.
Free Car	The Managing Director will be provided with a car and a driver.
Telephone	Free land line telephone and mobile phone facility will be provided.

Provided that total remuneration payable to Mr. Naveen Sawhney as Managing Director either by way of salary, commission, perquisites or otherwise shall not exceed five percent of the net profits of the Company for any financial year as described in the Section I of part II of the Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER** that where in any financial year there are no profits in the company or its profits are inadequate, then Mr. Naveen Sawhney shall be entitled to minimum remuneration as described in Section II of Part II of Schedule XIII of the Companies Act, 1956, as amended from time to time.

**RESOLVED FURTHER** that the terms and conditions set out for appointment and payment of remuneration herein, may be altered and varied from time to time by the Board of Directors of the Company or Remuneration Committee of the Company in its absolute discretion provided that the total remuneration does not exceeds the limits prescribed under Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force).

**RESOLVED FURTHER** that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to the above resolution.”

- 6 To consider, and if thought fit, to pass, with or without modification(s), the following Resolutions as a **Special Resolution**:

“**RESOLVED** pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, that consent of Company be and is hereby accorded for re-appointment of Mr. D.K. Prashar as Whole Time Director (Designated as Joint Managing Director) of the Company for a period of five years with effect from 1<sup>st</sup> July 2011 to 30<sup>th</sup> June 2016.

**RESOLVED FURTHER** that consent of Company be and is hereby accorded for payment of following remuneration to Mr. D.K. Prashar as Joint Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> July 2011 to 30<sup>th</sup> June 2014:

Salary	Consolidated Salary at the rate of Rs.3,75,000/- (Rupees Three Lacs Seventy Five Thousand only) per month.
Commission	Commission not exceeding 1% of the net profits of the Company, subject to the approval by the Board of Directors of the Company or any Committee thereof constituted in this regard.
Medical Reimbursement	Medical Expenses incurred by the appointee on self, and family will be reimbursed subject to the maximum of Rs.15,000/- in a year.
Contribution to PF etc	Contribution to the Provident Fund, Superannuation Fund or Annuity Fund as per the Rules of the Company.
Leave Travel Concession	For self and the family once a year in accordance with the rules of the Company.
Gratuity	Gratuity payable as per the rules of the Company.
Leave Encashment	Encashment of leave at the end of the tenure as per the rules of the Company.
Free Car	The Managing Director will be provided with a car and a driver.
Telephone	Free land line telephone and mobile phone facility will be provided.

Provided that total remuneration payable to Mr. D.K. Prashar as Joint Managing Director either by way of salary, commission, perquisites or otherwise shall not exceed five percent of the net profits of the Company for any financial year as described in the Section I of part II of the Schedule XIII of the Companies Act, 1956.

**RESOLVED FURTHER** that where in any financial year there are no profits in the company or its profits are inadequate, then Mr. D.K. Prashar shall be entitled to minimum remuneration as described in Section II of Part II of Schedule XIII of the Companies Act, 1956, as amended from time to time.

**RESOLVED FURTHER** that the terms and conditions set out for appointment and payment of remuneration herein, may be altered and varied from time to time by the Board of Directors of the Company or Remuneration Committee of the Company in its absolute discretion provided that the total remuneration does not exceeds the limits prescribed under Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force).

**RESOLVED FURTHER** that the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to the above resolution.”

7. To consider, and if thought fit, to pass, with or without modification(s), the following Resolutions as a **Ordinary Resolution**:

“**RESOLVED** that pursuant to the provisions of Section 16, sub-section (1) and (2) of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) the Authorised Share Capital of the Company be increased from Rs.12,00,00,000/- (Rupees Twelve Crores) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs.10/-(Rupees Ten) each to 14,00,00,000/-(Rupees Fourteen Crores) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs.10/-(Rupees Ten) each and 2,00,000 (Two Lacs) Preference Shares of Rs.100/-(Rupees Hundred) each by the creation of 2,00,000 (Two Lacs) Preference Shares of Rs.100/-(Rupees Hundred) each.

**RESOLVED FURTHER** that consequent upon the increase of Authorised Share Capital as aforesaid, subject to the approvals, consents, permission and sanctions as may be necessary from the Appropriate Authorities or Bodies, the existing Clause and that Clause V of the Memorandum of Association of the Company be and is hereby substituted as follows:-

**V** “The Authorised Share Capital of the Company is Rs.14,00,00,000/-(Rupees Fourteen Crores) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs.10/-(Rupees Ten) each and 2,00,000 (Two Lacs) Preference Shares of Rs.100/-(Rupees Hundred) each.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors be and are hereby authorised on behalf of the Company to take all necessary steps, do all such acts, deeds and things as it may in its discretion deem necessary or desirable and to delegate the said authority to any person(s) as they may deem fit in their discretion.”

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

“**RESOLVED** pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act 1956 that the Article of Association of the Company be and is hereby altered by inserting the following Article No.23A, 23B after the existing Article No 23 :

**23A Power to issue Redeemable Preference Shares**

- (a) Subject to provisions of Section 80 of the Act and subject to the Provisions on which any shares may have been issued, the Company may issue preference shares which are or at the option of the Company are to be liable to be redeemed :

Provided that :

- (i) no such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of the fresh issue of shares made for the purpose of redemption;
  - (ii) no such shares be redeemed unless they are fully paid;
  - (iii) the premium, if any, payable on redemption shall have been provided for out of profits of the Company or out of Company’s share premium account before the shares are redeemed;
  - (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividends, be transferred to a reserve fund, to be called “the capital redemption reserve account”, a sum equal to the nominal amount of the shares redeemed; and the provisions of the act relating to the reduction of share capital of the Company shall, except as provided in section 80 of the Act, apply as if the capital redemption reserve account were paid-up share capital of the Company.
- (b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit
- (c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its Authorised Share Capital.
- (d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause.

Provided that where new shares are issued before the redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.

- (e) The Capital Redemption Reserve Account may, notwithstanding anything in this article, be applied by the Company, in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

**23B. Provision in case of Redemption of Preference Shares**

The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to then holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:-

- (a) The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its registered office in the presence of one Director at least; and
- (b) Forthwith after every such drawing, the Company shall notify to the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefor.

**RESOLVED FURTHER** that the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 80, 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Memorandum and Articles of Association of the Company, the rules/regulations/guidelines, if any, prescribed by the Securities and Exchange Board of India and/or any other regulatory authority, the Listing agreement entered into by the Company with the Stock Exchanges where the Equity Shares of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction if any, of appropriate authorities, institutions or bodies, as may be required, and subject to such conditions as may be prescribed by them while granting such approval(s), consent(s), permission(s) and/or sanction(s), and which may be agreed by the Board of Directors of the Company (hereinafter referred to as the Board, which term shall also include any committee thereof),

the consent of the Company be and is hereby accorded to the Board, to offer, issue and allot, Redeemable Non-Convertible Preference Shares, Cumulative or Non-Cumulative, at par or on premium and in such numbers as the Board may in its absolute discretion decide for a sum not exceeding Rs.2,00,00,000/-(Rupees Two Crores Only) to promoters of the Company, on preferential basis

**RESOLVED FURTHER THAT** the aforesaid Preference Shares shall be redeemed at the option of the Company and not later than Twenty (20) years from the date of allotment, and on such terms and conditions as may be decided by the Board of Directors in the best interest of the Company.

**RESOLVED FURTHER THAT** the Dividend on these and shall be payable at such rate as the Board may decide.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board of Directors be and are hereby authorised on behalf of the Company to do all such acts, deeds and things as it may in its discretion deem necessary or desirable and to settle any question, difficulties or doubts, clarification and modification that may arise in this regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers to any Committee of Directors of the Company to give effect to the aforesaid resolution.”

**By Order of the Board of Directors**

**Sd/-**

**(Jyoti Dixit)  
Company Secretary**

New Delhi

August 12, 2011

Registered Office

B1/A-26,

Mohan Cooperative Industrial Estate

Mathura Road,

New Delhi – 110044

**NOTES:**

- 1 **A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE THE MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY – EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- 2 Corporate Members intending to send their authorised representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- 3 An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 4 As required by Clause 49 of the Listing Agreement entered with Stock Exchanges the relevant details of Mr D.K.Prashar & Mr. N.K. Balasubramanian, Directors retiring by rotation and seeking re- appointment in accordance with applicable provisions of the Article of Association of the Company are also annexed.
5. The Register of Members and Transfer Books of the Company will be closed from Wednesday, September 21, 2011 to Monday, September 26, 2011, both days inclusive.
6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
7. Members who hold shares in dematerialized form are requested to write their DP ID & Client ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.



**Explanatory Statement under Section 173(2) of the Companies Act, 1956****Item No. 5**

Mr. Naveen Sawhney is Promoter Director of the Company and is on the Board since April 01, 1995. Tenure of Mr. Naveen Sawhney as Managing Director ended on June 30, 2011.

Considering his vast experience, exceptional managerial skills and significant contribution in the growth of the Company, the Board of Directors felt that it would be in the best interest of the Company to re-appoint him as Managing Director of the Company. Based on the recommendations of the Remuneration Committee, all the members whereof are Independent Directors, Board of Directors of the Company in its meeting held on May 28, 2011 reappointed Mr. Naveen Sawhney as Managing Director of the Company for a period of five years subject to approval of shareholders of the Company in General Meeting.

Mr. Naveen Sawhney is a Mechanical Engineer (AMIME) and holds a Post Graduate Diploma in Marketing Management. He has vast experience of 36 years in the Cable Industry. Presently he is heading the Marketing, Strategic Planning and Sourcing division. As Managing Director of the Company he is also responsible for taking policy decisions and motivating the team of professionals to implement management policies.

In terms of provisions of Section 269 Managing Director can be appointed for a term not exceeding five years. Accordingly tenure of Mr. Naveen Sawhney will be from 01.07.2011 to 30.06.2016. Further approval of members for payment of remuneration by way of Special Resolution is sought for a period of three year in view of applicable statutory provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956.

**Statement pursuant to Section II (B) of Part II of Schedule XIII of Companies Act, 1956****1. GENERAL INFORMATION:**

1.	Nature of Industry :	Cable Industry
2.	Date or Expected Date of Commencement of Commercial Production.	Company is an existing company.

3.	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.		
4.	Financial performance based on given indicators (Rs .in Lacs)	Particulars	2010-11	2009-10
		Total Income	29088.73	22231.99
		Profit Before Tax and Depreciation	1223.18	989.46
		Depreciation	434.19	366.89
		Profit Before Tax	788.99	622.57
		Tax	251.87	203.96
		Profit After Tax	537.12	418.61
		Equity Capital (face value Rs. 10/-)	1142.78	1142.78
		Earning per Share (Rs.)	4.70	3.66
5.	Export performance based on given indicators (Rs. In Lacs)	Particulars	2010-11	2009-10
		Foreign Exchange Earning	2938.16	4221.89
		Foreign Exchange Outgo	1677.18	1413.38
6.	Foreign Investments or Collaborators, if any.	The Company did not have any foreign investments or collaborations.		

## **II INFORMATION ABOUT THE APPOINTEE:**

### **1. Background Details**

MR. NAVEEN SAWHNEY, 59 Years, is a Mechanical Engineer (AMIME) and holds a Post Graduate Diploma in Marketing Management. He has vast experience of 36 Years in the Cable Industry. He started his career with Delton Cables Limited as a Supervisor in the Quality Control Department in September, 1971, where he worked for two years and then shifted to the marketing wing and worked there about 10 years. In 1985 he left the organization and joined Cords India which was formed for marketing cables for principal Indian Communication Cable Company under our own trade name “Cords” and then shifted to Cords Cable Industries in 1987 to manufacture cables. Presently he is the Managing Director of the Company and heads Marketing, Strategic Planning and Sourcing division.

## **2. Past Remuneration**

The remuneration of Mr. Naveen Sawhney during previous tenure was 2,50,000/- per month and Commission not exceeding 1% of the net profits of the Company excluding medical & other retrial benefits. However, Monthly remuneration was later on revised to Rs. 3,75,000/- w.e.f. October 01, 2009.

## **3. Recognition or awards**

Mr. Naveen Sawhney is renowned personality in Cable Industry

## **4. Job Profile and his suitability**

Mr. Naveen Sawhney is responsible for the overall conduct and management of business and affairs of the Company. This includes broad development of Domestic & International business. He is heading Marketing, Strategic Planning and Sourcing Division. All this coupled with, his strong resources management capability makes him fully suitable for the position.

## **5. Remuneration proposed**

There is no change in his Remuneration. It remains the same as already approved by the members. The abstract containing details of remuneration proposed to be paid to the Managing Director are contained in subject resolution proposed to be passed as special resolution. As per the provisions of Section II of Part II of Schedule XIII, members may approve his remuneration for a period of 3 years.

## **6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person**

Mr. Naveen Sawhney is on the Board of the Company since last 16 years. He has led the Company from its nascent stage and has propelled its growth. He has streamlined the business process operations of the Company and has been a strategic management persona. His skill set and his experience places him at par with similar positions on other major Cable Companies in India. Considering the general industry and the specific company profile, the proposed

remuneration is in line with the industry levels and that of comparatively placed companies in India.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any**

Mr. Naveen Sawhney is holding 22.39% Equity Shares of the Company. Apart from this, he does not have any other pecuniary transaction with the Company except by way of his employment with the Company.

He is relative of Mr. Varun Sawhney, Vice President (Marketing, HR & IT) & Mr. Gaurav Sawhney, Senior Associate Vice President- (Finance & Banking) of the Company.

**III OTHER INFORMATION:**

**Reasons of Loss or Inadequate Profits**

The Company has been earning profits in its operations since inception. However, our pattern of sales is cost plus margin. Due to sharp fluctuations in commodity prices, our margin sometimes goes down. Further overall economy also affects the profits of the Company. As such, out of abundant precautions, the remuneration to the Managing Director is also sought to be approved under Section II of Part II of Schedule XIII of the Companies Act, 1956, so that minimum remuneration could be paid in case of loss or inadequacy of the profits.

**Steps taken or proposed to be taken for improvement**

The Company has continuously worked upon in achieving better efficiencies, of cutting cost at every stage of production, better preventive maintenance, making product mix having higher contribution and achieving higher production so that the company can achieve the scale of economy and maintain higher margin of profit. With the commencement of commercial production of our new unit the additional revenues shall be generated in the coming years.

***Expected increase in productivity and profits in measurable terms.***

The Company expects increase in the profits in line with the increase in its activity and market penetration.

None of the Directors except Mr. Naveen Sawhney is concerned or interested in the said resolution.

Your Board commends the Special Resolution for your approval.

**Item No. 6**

Mr. D.K. Prashar is Promoter Director of the Company since April 01, 1995. Tenure of Mr. D.K. Prashar as Joint Managing Director ended on June 30, 2011

Considering his vast experience, exceptional managerial skills and significant contribution in the growth of the Company, the Board of Directors felt that it would be in the best interest of the Company to re-appoint him as Joint Managing Director of the Company. Based on the recommendations of the Remuneration Committee, all the members whereof are Independent Directors, Board of Directors of the Company in its meeting held on May 28, 2011 re-appointed Mr. D. K. Prashar as Joint Managing Director of the Company for a period of five years subject to approval of shareholders of the Company in General Meeting

Mr. D.K. Prashar holds a Diploma in Mechanical Engineering. He has vast experience of 37 years in the Cable Industry. Presently he is heading the Manufacturing Operations of the Company. As JMD of the Company he is responsible for motivating the team of professionals to implement management policies.

**Statement pursuant to Section II (B) of Part II of Schedule XIII of Companies Act, 1956**

**I. GENERAL INFORMATION:**

1.	Nature of Industry :	Cable Industry
2.	Date or Expected Date of Commencement of Commercial Production.	Company is an existing company.
3.	In case of New Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.

	Financial performance based on given indicators (Rs .in Lacs)	Particulars	2010-11	2009-10
		Total Income	29088.73	22231.99
		Profit Before Tax and Depreciation	1223.18	989.46
		Depreciation	434.19	366.89
		Profit Before Tax	788.99	622.57
		Tax	251.87	203.96
		Profit After Tax	537.12	418.61
		Equity Capital (face value Rs. 10/-)	1142.78	1142.78
		Earning per Share (Rs.)	4.70	3.66
5.	Export performance based on given indicators (Rs. In Lacs)	Particulars	2010-11	2009-10
		Foreign Exchange Earning	2938.16	4221.89
		Foreign Exchange Outgo	1677.18	1413.38
6.	Foreign Investments or Collaborators, if any.	The Company did not have any foreign investments or collaborations.		

## II. INFORMATION ABOUT THE APPOINTEE :

### 1. Background Details

MR. D. K. PRASHAR, 61 Years, has a diploma in Mechanical Engineering. He has over 37 years of experience in Cable Industry. He started his career with Delton Cable Limited as a Supervisor in Final Testing department. There he worked for nearly 4 years and then he shifted to Marketing wing where he worked for almost 10 years. He left Delton in 1984 & joined Cords India which was formed for marketing of cables for principal M/s Indian Communication Cable Company with its own trade name "Cords". In 1987 he joined Cords Cable Industries, a partnership firm, to enter into manufacturing of cable. Presently he is working as a Joint Managing Director of our Company. He heads the manufacturing operations at Bhiwadi.

### 2. Past Remuneration

The remuneration of Mr. Devender Kumar Prashar during previous tenure was Rs. 2,50,000/- per annum & Commission not exceeding 1% of the net profits of the Company excluding medical & other retiral benefits. However, Monthly remuneration was later on revised to Rs. 3,75,000/- w.e.f October 01, 2009.

**3. Recognition or awards**

Mr. Devender Kumar Prashar is renowned personality in Cable Industry.

**4. Job Profile and his suitability**

Mr. Devender Kumar Prashar has been instrumental in giving direction to the entire team of Cords & has been responsible for monitoring their performance on regular basis. Mr. Prashar is actively involved in monitoring the overall manufacturing operations at Bhiwadi plant as well as the new unit at Kaharani. The Board is confident that Mr. Devender Kumar Prashar management capabilities will enable the Company progress further.

**5. Remuneration proposed**

There is no change in his Remuneration. It remains the same as already approved by the members. The abstract containing details of remuneration proposed to be paid to the Joint Managing Director are contained in subject resolution proposed to be passed as special resolution. As per the provisions of Section II of Part II of Schedule XIII, members may approve his remuneration for a period of 3 years.

**6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.**

Mr. D. K. Prashar is on the Board of the Company since last 16 years. He has led the Company from its nascent stage and has propelled its growth. He has streamlined the business process operations of the Company and has been a strategic management persona. His skill set and his experience places him at par with similar positions on other major Cable Industries in India. Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.

**7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Mr. Devender Kumar Prashar is holding 22.43% Equity Shares of the Company. Apart from this, he does not have any other pecuniary transaction with the Company except by way of his employment with the Company.

He is relative of Mr. Rahul Prashar, Vice President (Operations) of the Company.

**III OTHER INFORMATION :**

**1. Reasons of Loss or Inadequate Profits**

The Company has been earning profits in its operations since inception. However, our pattern of sales is cost plus margin. Due to sharp fluctuations in commodity prices, our margin sometimes go down. Further, overall economy as a whole also effects the profits of the Company. As such, out of abundant precautions, the remuneration to the Joint Managing Director is sought to be fixed also under Schedule XIII to the Companies Act, 1956

**2. Steps taken or proposed to be taken for improvement**

The Company has continuously worked upon in achieving better efficiencies, cutting cost at every stage of production, better preventive maintenance, making product mix having higher contribution and achieving higher production so that the company can achieve the scale of economy and maintain higher margin of profit. With the commencement of commercial production of our new unit the additional revenues shall be generated in the coming years.

**3. Expected increase in productivity and profits in measurable terms.**

The Company expects increase in the profits in line with the increase in its activity and market penetration.

None of the Directors except Mr. D. K. Prashar is concerned or interested in the said resolution.

Your Board commends the Special Resolution for your approval.

**Item No. 7,8 & 9**

The Company has global operations and significant growth plans. With the growing expansion of Company's business, it is desirable to raise more funds. In order to bring down the overall borrowings of the Company and to strengthen the finances of the Company, it is proposed to raise funds by issue of preference shares aggregating to an amount not exceeding Rs.2 Crores to the promoters at the terms and conditions as may be agreed to by the Board of Directors of the Company and the Subscriber(s)

The Present Authorised Share Capital of the Company is Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- (Rupees ten) each. In order to accommodate the proposed issue of preference shares, it is proposed to increase the Authorised Share Capital of the Company from Rs. 12,00,00,000/- (Rupees Twelve Crores only) to Rs.14,00,00,000/- (Rupees Fourteen Crores only) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- (Rupees ten) each and 2,00,000 (Two Lacs) Preference Shares of Rs. 100/- (Rupees Hundred) each.





The increase in the Authorised Share Capital requires amendment to Capital Clause in the Memorandum of Association of the Company and approval of the Members by way of Ordinary Resolution in terms of Sections 16 and 94 of the Companies Act, 1956.

Further, as per the provisions of Section 80 and 81 of the Companies Act, 1956, approval of the Members by way of Special Resolution is sought to be obtained for the proposed issue of preference shares.

For the purpose of giving effect to above proposal the Articles of Association of the Company needs to be altered. Also pursuant to the provisions of Section 31 and other applicable provisions of Companies Act, 1956 any alterations in Articles of Association of the Company requires the prior approval of the shareholders in General Meeting by a Special Resolution.

Accordingly, the members approval is being sought for passing the resolutions as set out above.

Your Directors commend the proposed Resolutions for approval by the Members.

None of the Directors of the Company is concerned or interested in the said resolutions except to the extent of their shareholding (before and after allotment of Redeemable Preference Shares) and the shareholding of their relatives, if any, in the Company..

**By Order of the Board of Directors**

**Sd/-  
(Jyoti Dixit)  
Company Secretary**

**New Delhi**

**August 12, 2011**

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Registered Office

B1/A-26,

Mohan Cooperative Industrial Estate

Mathura Road,

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