

Annual Report 2011-12



CORDS

Cords Cable Industries Limited



CONTENTS	Page No.
Corporate Profile	2
Management Discussion and Analysis Report	3 - 9
Directors Report	10 - 15
Report on Corporate Governance	16 - 30
Auditor's Report	31 - 37
Balance Sheet	38
Profit and Loss Account	39
Cash Flow Statement	40
Schedules to the Accounts	41 - 60



BOARD OF DIRECTORS

Mr. Naveen Sawhney	Managing Director
Mr. D.K. Prashar	Joint Managing Director
Mr. Om Prakash Bhandari	Independent Director
Mr. Ajit Kumar Sahay	Independent Director
Mr. N.K. Balasubramanian	Independent Director

KEY MANAGEMENT PERSONNEL

Mr. V. K. Beri Chief Executive Officer (Designate)	Mr. Dinesh Shukla President (Operations)
Mr. Varun Sawhney Vice President (Marketing, HR & IT)	Mr. Rahul Prashar Vice President (Project & Sourcing)
Mr. H. K. Pandita Vice President (Marketing)	Mr. Gaurav Sawhney Vice President (Finance & Banking)
Mr. Amitabha De Assistant Vice President (Strategic Business)	Mr. Anil Gupta General Manager (Technical)
Mr. Sandeep Kumar General Manager (Accounts & Finance)	Mr. Satinder Bedi Head (Business Development)

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Jyoti Dixit

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
A-40, 2nd Floor, Naraina Industrial Area, Phase II,
Near Batra Banquet Hall, New Delhi-110028
Tel No- +91-011-41410592,93,94
Fax No- +91-011-41410591
Email-delhi@linkintime.co.in

STATUTORY AUDITORS

M/s Sharma Goel & Co
Chartered Accountants, New Delhi

REGISTERED OFFICE

B-1/A-26, Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi-110044.
Tel No- +91-011-40551200
Fax No- +91-011-26951196
Email ID-
- For Investor - ipo@cordscable.com
- For Others - ccil@cordscable.com
Website - www.cordscable.com

BANKERS & FINANCIAL INSTITUTIONS

Canara Bank
ICICI Bank Limited
DBS Bank Limited
Citi Bank NA
State Bank of Patiala
Rajasthan State Industrial Development &
Industrial Corporation Ltd. (RIICO Ltd.)

STOCK EXCHANGES

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

PLANT LOCATIONS

- 1) A-525, Industrial Area Chopanki, Bhiwadi,
Dist. Alwar (Raj) 301 019
- 2) SP-239,240 & 241,
Industrial Area Kahrani,
Bhiwadi Extn.,
Dist. Alwar (Raj) 301 019

REGIONAL OFFICES

(1) Mumbai (2) Hyderabad (3) Kolkata

MANAGEMENT DISCUSSION AND ANALYSIS

Since its inception, Cords Cable Industries has diversified its business model and has shown significant presence in both the domestic as well as international markets, serviced mainly the institutional segments & has catered both the private and public sector clients. The company continued to fine tune its production output to meet country's changing demands. Financial Year 2011-12 had several positive developments. The company met the growing demand for high-quality customized cables that included control, instrumentation, thermocouple cables and power cables. Consequently, the sales of the company surged by over 30%.

ECONOMIC OVERVIEW

GLOBAL: The global economic environment was tenuous at best through the most part of Fiscal 2011-12. Global GDP grew by 3.8% in 2011, significantly lower than the 5.2% growth in 2010. Global economic growth may further decrease in 2012 due to weak activity during the second half of 2011 and the first half of 2012, mainly on account of the damage done by deteriorating sovereign and banking sector developments in the euro area. In emerging markets also, financial conditions began to tighten during the fall of 2011. Amid a general flight from risk, interest rate spreads rose. Funding conditions worsened for banks, contributing to a tightening of lending standards, and capital inflows diminished. As a result, capital flows to developing countries declined by almost half in 2011. Real GDP in many emerging economies was somewhat weaker than expected but growth surprised on the upside in the advanced economies. Economic growth is expected to average about 5.5% - a decline from 6.2% growth in 2011.

Although after suffering a major setback during 2011, global prospects are gradually strengthening again but downside risks remain elevated. Real GDP growth should pick up gradually during 2012-13 from the trough reached during the March quarter of 2012. The reacceleration of activity during the course of 2012 is expected to return global growth in 2013. Real GDP growth in the emerging and developing economies is projected to slow to 5.5 percent in 2012 but then to reaccelerate to 6 percent in 2013, helped by easier macroeconomic policies and strengthening foreign demand. Improved financial conditions, accommodative monetary policies, & a similar pace of fiscal tightening as in 2011 will drive this reacceleration. Even though domestic vulnerabilities have been gradually building, emerging and developing economies shall continue to reap benefits of strong macroeconomic and structural policies. Capital flows to developing countries are also expected to return with new vigor, and risk spreads are expected to come down again. Also, despite a substantial downward revision, Asia is still projected to grow at 7.5% in 2012. (source: World Economic Outlook)

INDIA: Indian economic growth declined from 8.4% in 2010-11 to 6.5% in 2011-12. Growth decelerated in 2011-12 to below the economy's potential due to domestic and global factors. Inflation persistence and widening twin deficits constrained the Reserve Bank's ability for counter-cyclical measures. India has been struggling to catalyze growth and control inflation. Inflation, as measured by the wholesale price index (WPI), was high during most part of the current fiscal year, though by the year's end there was a clear slowdown. After two years, high inflation moderated in the later part of 2011-12 in response to past monetary tightening and growth deceleration. Interest rates increased during 2011-12 and may have impacted investment coupled with the bottom-line of various companies across the board. Also, steeply declining rupee is complicating the decision making for RBI and Finance Ministry to be conservative or stimulate the economy. The rupee is likely to remain stretched as India readies for FCCB repayments. Of the BSE 500 companies, 28 companies had an aggregate FCCB outstanding of Rs.245 bn maturing by FY'13.

In 2012-13, inflation is likely to remain sticky at around 7 per cent with upside risks emanating from a deficient monsoon. Growth in 2012-13 is expected to stay around the previous year's level of 6.5 per cent. However, the

government, in August 2012, promised to take several steps to tackle macro-economic weakness. As these steps materialize, growth is expected to gradually start improving later this year and trend growth is expected to be restored next year. Sight must not be lost of the fact that by any cross-country comparisons, India still remains a front runner. (source: RBI Annual Policy 2012-13)

INDUSTRY SCENARIO

Cables are the crucial infrastructure backbone of an economy, the critical elements that wire up the length and breadth of the country. The prospects of the Cable Industry are interlinked with the health of other industries viz: power, telecom, railways, real estate, steel, infrastructure etc., government's procurement policies, strategic diversifications and switching over to integrated manufacturing. The cable industry is fragmented with number of players in organized sector and many more in the unorganized sector. To bring economies of scale in this industry there is a need to reduce finance cost and to bring in technology and quality improvements which may be sometimes sacrificed under the intense competition. As a result, relatively low margins are plaguing the industry. However, with the growth of other related industries, the Indian cable industry is indeed bound to grow & prosper.

OPPORTUNITIES IN VARIOUS SECTORS

Government of India's Eleventh Five Year Plan emphasized the need for removing infrastructure bottlenecks for sustained growth. It, therefore, proposed an investment of US \$500 billion in infrastructure sectors through a mix of public and private sectors to reduce deficits in identified infrastructure sectors. As a percentage of the gross domestic product (GDP), investment in infrastructure was expected to increase to around 9 per cent. For the first time the contribution of the private sector in total investment in infrastructure was targeted to exceed 30 per cent. Total investment in infrastructure during the Eleventh Plan is estimated to increase to more than 8 per cent of GDP in the terminal year of the Plan -- higher by 2.47 percentage points as compared to the Tenth Plan. The private sector is expected to be contributing nearly 36 per cent of this investment. (source: indiabudget.nic.in)

POWER

The Indian Power Industry is one of the largest and most important industries in India as it fulfills the energy requirements of various other industries. It is one of the most critical components of infrastructure that affects economic growth and the well-being of our nation.

The Government is investing in this industry through various development schemes: -

- The Rural Electrification Program is an effort to lighten up villages which have faced acute shortage of Power over the years.
- Power for All by 2012' plan aims at a per capita consumption of 1000kwh by the end of the 11th Five Year Plan (2007-12).
- The Accelerated Power Development and Reform Program (APDRP) is being implemented so that the desired level of 15 per cent AT&C (Aggregate Technical and Commercial) loss can be achieved by the end of 11th plan (Currently it is 30%).

The Positive trend in the power sector is most important catalyst for the cable and wire industry. Cables play a crucial part in all three aspects of the power sector - generation, transmission and distribution. Therefore, the trend of cable and wire industry is to a great extent dependent upon the power sector.

STEEL SECTOR

The steel industry has witnessed good growth in past few years. Global steel production touched 1527 MMT in 2011 against 1429 MMT in 2010 - an increase of 6.8% over the previous year. All major steel producing countries reported growth. In 2011, India emerged as the world's fourth largest steel producer after China, USA and Japan. India produced 71 MMT of crude steel in 2011-12 against 68MMT in 2010-11.

India's per capita consumption of 57 kgs is still way behind the developed economies which means a huge growth potential for the country in steel production. As per the latest forecast, India is poised to become the world's second-largest steel producer by 2015. **The increased production and the expansion plans of the steel sector will in turn boost demand for cables as it is required for setting up new facilities.**

REAL ESTATE SECTOR

The real estate sector in India is being recognised as an infrastructure service that is driving the economic growth engine of the country, according to industry experts. In fact, foreign direct investment (FDI) in the sector is expected to increase to US\$ 25 billion in the next 10 years, according to a latest industry body report.

The Reserve Bank of India (RBI) has granted permission to foreign citizens of Indian origin to purchase property in India for residential or commercial purposes. The purchase consideration should be met either out of inward remittances in foreign exchange through normal banking channels or out of funds from NRE/FCNR accounts maintained with a bank in India.

According to the latest reforms, FDI up to 100 percent under the automatic route in townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) is allowed subject to certain guidelines (also for investment by NRIs)

FDI flows into housing and real estate in April-March 2011-12 stood at US\$ 731 million, according to the Department of Industrial Policy and Promotion (DIPP) Sources: Consolidated FDI Policy Department of Industrial Policy and Promotion (DIPP), CII Real Estate Whitepaper and Ministry of Housing & Urban Poverty Alleviation

Growth in the real estate sector is essential to the cables and wires industry.

AIRPORT MODERNIZATION

In 2011-12, airport infrastructure development continued at a significant pace. In 18 non-metro airports, various upgradation works like expansion of terminal buildings, aprons, taxiways, and aerobridges have been taken up. At IGI Airport, Delhi, upgradation of the existing cargo terminal and construction of a Greenfield cargo terminal have been undertaken. At Mumbai Airport, the airport development project is under way. In order to meet the requirements of increasing traffic, work relating to expansion of the terminal building and apron was undertaken at Bangalore International airport. Government also gave 'in-principle' approval for setting up of a greenfield airport at Karaikal in Puducherry and Shirdi in Maharashtra. **Increased activity in Airport modernization shall add to the demand for specialized cables.**

RAILWAYS (including Metro-rails)

The Ministry of Railways Vision 2020 document envisages the railway sector's share in the GDP to increase from the existing level of 1 per cent to about 3 per cent and its revenues to grow by 10 per cent annually over the next ten years. Some of the major goals set for 2020 in the document include:

- (a) laying of 25,000 km of new lines;
- (b) quadrupling of the 6,000 km network with segregation of passenger and freight lines;
- (c) electrification of 14,000 km;
- (d) completion of gauge conversion;
- (e) upgradation of speed to 160-200 kmph for passenger trains; and
- (f) construction of 2,000 km of high-speed rail lines.

METRO-RAIL: The government had approved the implementation of the Bangalore Metro Rail Project of 42.3 km length by Bangalore Metro Rail Corporation Ltd. (BMRCL). The project commenced on 20th January 2007 and is targeted for completion by 31st March 2013. Government had earlier approved the implementation of the east-west metro corridor of 14.67 km length in Kolkata by Kolkata Metro Rail Corporation Ltd (KMRCL). The project is targeted for completion by 31st January 2015. The Chennai Metro Rail Project of 46.5 km length by Chennai Metro Rail Ltd. (CMRL) has also been approved. The project is targeted for completion by 31st March 2015. Recently, Phase III of Delhi Metro for 103.5 km at a total cost of ` 35,242 crore has also been approved and is targeted for completion by 2016. The metro extension to Faridabad has also been sanctioned and is targeted for completion by March 2014. In addition, metro rail projects have been taken up on PPP basis in Mumbai for Versova-Andheri-Ghatkopar (11.07 km) and Charkop to Mankhurd via Bandra (31.87 km) and in Hyderabad (71.16 km) with viability gap funding (VGF) from the Government of India. Apart from this, Jaipur Metro is also underway.

Thus, Ministry's Vision 2020 coupled with an enormous potential for demand for cables in the various Metro Rail Projects shall boost the demand for special cables.

HYDROCARBONS

OIL AND GAS: Production of crude oil, during the financial year 2011-12 is estimated at 38.19 million metric tonnes (MMT), which is about 1.33 per cent higher than the 37.70 MMT produced during 2010-11. Domestic crude oil production during April-December 2011-12 was 28.70 MMT showing a growth of 1.9 per cent over the same period of the previous year. Natural Gas production during April-December 2011-12 was 36.19 billion cubic metre (BCM) as compared to 39.68 BCM during the same period of the previous year.

Under New Exploration Licensing Policy, 103 oil and gas discoveries have been made by private/joint venture (JV) companies in 34 blocks and more than 600 MMT of oil equivalent hydrocarbon reserves have been added. As on 1 April 2011, investment made by Indian and foreign companies was of the order of US \$15.88 billion, out of which, US \$8.51 billion was on hydrocarbon exploration and US \$7.37 billion on development of discoveries.

CBM: India has the fourth largest proven coal reserves in the world and holds significant prospects for exploration and exploitation of CBM. Under the CBM policy, 33 exploration blocks have been awarded. Out of the total available coal-bearing area of 26,000 sq. km for CBM exploration in the country, exploration has been initiated in about 17,000 sq. km. The prognosticated CBM resources in the country are about 92 trillion cubic feet (TCF), out of which only 8.92 TCF has so far been established. Commercial production of CBM in India has now become a reality with current CBM gas production of about 0.23 million metric standard cubic metre per day (MMSCMD).

SHALE GAS: Shale gas can potentially emerge as an important new source of energy in the country. India has several shale formations which seem to hold shale gas. These formations are spread over several sedimentary basins. The Directorate General of Hydrocarbons (DGH) has initiated steps to identify prospective areas for shale gas exploration. A multi-organizational team (MOT) has been formed by the government for analysing the existing data set and suggesting the methodology for shale gas development in India. Further, the Ministry of Petroleum and Natural Gas has signed a memorandum of understanding (MoU) with the USA on 6 October 2010 for assessment of shale gas resources in India, imparting training to Indian geo-scientists and engineers, and providing assistance in formulation of regulatory frameworks.

REFINING: The total refining capacity in the country as on 1 January 2012 was 193.39 MMTPA, of which 116.89 MMT was in the public sector, 6.00 MMT was joint ventures, and the balance 70.50 MMTPA in the private sector. Out of the 21 refineries operating in the country, 17 are in public sector, 3 in private sector, and 1 is a joint venture. With the impetus on increasing the refinery capacity, it is expected to increase to 214.07 MMTPA by the end of 2011-12. Refinery production (crude throughput) during 2010-11 had reached 206.15 MMT, showing an increase of 6.9 per cent compared to 192.77 MMT in 2009-10.

Company is actively supplying cables to the Hydrocarbon sector & the impetus on the above shall boost the demand for cables.

With strong investments proposed across sectors, the cable industry in India is slated for a strong growth going forward.

RISKS AND CONCERNS

Liquidity Risk

Liquidity risk arises out of lack of adequate funds in the day to day operations. The Company manages the liquidity risk through prudent resource planning to ensure the availability of adequate funds at all times to meet its obligations on its liabilities as well as disbursement on due dates.

Finance Cost Risk

Finance Cost risk arises due to payment of high rate of interest on term loans and other fund & non fund based facilities being availed by the Company from banks and other financial institutions. The Company tries to minimize this risk by keeping a check on the interest rates charged by various banks and by sweeping its long term/short term loans with banks charging lesser interest rates.

Raw Material Price Fluctuation:

Price Volatility in Company's Basic Raw Materials - Copper, Aluminum, Steel, PVC etc. can severely impact the profits of the Company. To mitigate this risk, the Company inculcates price escalation clause for large orders and hedges these raw-material on the commodity exchange.

Foreign Exchange Risk:

Company imports few of its raw materials and is also engaged in exports its products. Exchange rate fluctuations may have an impact on the performance of the company. To mitigate this risk, the Company resorts to forward booking where deemed appropriate.

FINANCIAL REVIEW
Results of Operations

During the year under review, turnover of the Company grew by over 30% Y-o-Y with Net Sales from Operations of Rs. 37680.74 Lacs, as against Rs. 28961.07 Lacs in FY'11. This growth was driven partly by expansion in production capacity, development of new products and company's entry in to newer markets & segments.

The Operational Profit, before making provision for interest and depreciation & amortisation, amounted to Rs. 3562.15 Lacs as against Rs. 2504.93 Lacs in the previous year. Thus, registering a growth of over 40% in Operational Profit.

The Profit before tax during the year stood at Rs.743.01 Lacs. Whilst Rs.536.31 lacs were earned as Net Profit during the year under review.

(Rs. in Lacs)

Particulars	FY'12	FY'11
Gross Sales	40311.06	31117.50
Net Income from Operations	37680.74	28961.07
Total Expenditure	34118.59	26456.14
(a) Consumption of Raw Material	30097.55	22959.58
(b) Manufacturing Operation	1676.65	1418.18
(c) Staff Cost	1675.74	1217.23
(d) Administrative & Other Expenses	668.65	861.15
OPBITDA	3562.15	2504.93
Depreciation & Amortisation	677.50	434.19
OPBIT	2884.65	2070.74
Finance Charges (Net)	2292.59	1409.71
OPBT	592.06	661.03
Non Operating Income / Other Income	150.95	127.66
PBT	743.01	788.69
Current Year Tax	138.03	51.25
Deferred Tax	68.67	200.32
Wealth Tax	-	-
PAT	536.31	537.12

Segmental Overview

The company operates under a single product segment i.e. Cables. The company mainly focuses on specialized cables which differentiates it from other cable players in the country.

INTERNAL CONTROL SYSTEM

The Company has an Internal Audit System commensurate with its size and nature of the business activities. Internal Audit system with adequate internal controls has been implemented by the management towards achieving efficiency of operations, management of resources, accuracy and promptness of financial reporting and compliance with laws and regulations. The Internal Audit is carried out by independent firm of Chartered Accountants and covers all the key areas of the Company's business.

INDUSTRIAL RELATIONS AND HUMAN CAPITAL

Industrial relations across the Company were cordial, with no labour unrests or strikes during the period under review. This was the result of the management's and employees' efforts to adopt a work culture which adapts itself with the changing scenarios. Company continues to emphasize transparency and innovation, which provides a stimulus to the organization.

Company is committed to the welfare and career growth of its people. It makes continuous endeavor to enhance the skill and competence of its human resources.

FUTURE OUTLOOK

The vision of CORDS is to be recognized as a leading global player, providing products and services, offering comprehensive solutions to the electrical and data connectivity requirements of businesses as well as household users. Its focus is on capturing new markets by developing customers in new and existing territories, to provide new cables for special applications like solar, marine, low temperature cables, cables for automobiles etc.

CAUTIONARY STATEMENT

Statements made in this report in describing the Company's objectives, estimates and expectations are "Forward looking Statements" within the meaning of applicable laws and regulations. They are based on certain assumptions and expectations of future events but the Company, however, can not guarantee that these assumptions are accurate or will be materialized by the Company. Actual results may vary from those expressed or implied, depending upon the economic conditions, Government policies and/or other related factors.

DIRECTORS' REPORT

To,

Dear Members,

Your Directors are pleased to present the Twenty First Annual Report together with the Audited Statement of Accounts of financial year ended March 31, 2012.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	FY 2011-12	FY 2010-11
Gross Sales	40311.06	31117.50
Net Sales	37680.74	28961.07
Other Income	150.95	127.66
Total Income	37831.69	29088.73
Profit before Depreciation & Tax	1420.51	1222.88
Depreciation	677.50	434.19
Profit before Tax	743.01	788.69
Provision for Tax	206.70	251.57
Profit after Tax	536.31	537.12
Profit brought forward from previous year	3271.29	2734.17
Profit available for appropriations	3807.60	3271.29
Appropriations:		
Proposed Dividend (Preference Dividend)	6.03	–
Corporate Dividend Tax	0.98	–
Profit carried forward	3800.59	3271.29

OPERATIONAL HIGHLIGHTS

During the year under review, your Company has registered strong growth. It achieved a turnover of Rs. 37680.74 Lacs as compared to Rs.28961.07 Lacs in the previous year, which is a jump of over 30%. The Operational Profit, before making provision for interest and depreciation, amounted to Rs. 3562.15 Lacs as against Rs. 2504.93 Lacs in the previous year, surging thus by over 40%.

The Profit before tax during the year was Rs.743.01 Lacs.

The Company has build up strong ongoing relationships with its customers and has worked rigorously to deliver them specialized cables which are value-for-money at the same time. This performance has been achieved by focusing on continuous improvement in operational efficiency, customer service, quality, effective working capital management and employees' welfare initiative.

RECOGNITION

Your company was rated as world's 513th fastest growing company by US-based global business newspaper, 'International Business Times', in its list of world's 1000 fastest growing companies in January of 2012. (source: <http://www.ibtimes.com/ibt1000/search/title/Cords+Cable+Industries,+Ltd.>)

NEWLY ADDED PRESTIGIOUS CLIENTS

During the year under review, the Company added several prestigious clients. Few of them have been mentioned here under:

The Company added in its customer profile prestigious worldwide recognized client, 'Veolia Water Solutions Oil & Gas', for a water treatment plant project at the Kingdom of Bahrain. Veolia Water Solutions Oil & Gas is the global division of Veolia Water Solutions & Technologies and is a part of the 155 year old French based 29,647 Million Veolia Environment. VWS Oil & Gas is dedicated to serving the oil and gas industry and supports developments onshore and offshore around the world.

Your Company also got an international approval for its main stream cable products—Instrumentation Cable, Control Cable, Signaling Cable, Thermocouple Cable, Communication Cable and LT Power Cable from its prestigious new customer Tatweer Petroleum, Kingdom of Bahrain.

This year the Company bagged its first order from Portugal's largest Electrical & Electromechanical Group – EFACEC Group. Under this initial order, Control and Instrumentation Cables valuing more then INR 70 Million shall be supplied by your Company towards a Power Plant project undertaken by EFACEC in India.

RATING BY CARE

During the year under review Credit Analysis & Research Ltd. (CARE) has re-assigned “CARE BBB+” (Triple B Plus) and “A3+” (A Three Plus) rating to the Long Term & Short Term Bank facilities of the Company in accordance with Basel II norms. Instrument with this rating would carry moderate credit risk. CARE has assigned this rating taking into account vast experience of CCIL's promoters in the Cable Industry, long track record of operations, established position in the Control and Instrumentation cables market, comfortable order book position and moderately favorable capital structure.



DIVIDEND

The Board of Directors after duly considering the requirement of funds for Working Capital and stabilization of its newly commissioned ultra modern cable expansion project at Kaharani have not recommended dividend for the year under review in view to further strengthen the financial position of your Company.

CAPITAL STRUCTURE

During the year under review Authorised Capital of the Company was increased from Rs. 12,00,00,000 (Rupees Twelve Crores) to Rs. 14,00,00,000 (Rupees Fourteen Crores) by addition of 2,00,000 (Two Lacs) Preference Shares of Rs. 100/- each. The Paid Capital of the Company is Rs.13,02,77,800/- (Rupees Thirteen Crores Two Lacs Seventy Seven Thousand and Eight Hundred only) divided into 1,14,27,780 (One Crore Fourteen lacs Twenty Seven Thousand Seven Hundred and Eighty) Equity Shares of Rs. 10/- and 1,60,000 (One Lac Sixty Thousand) Preference Shares of Rs. 100/- each.

CORPORATE GOVERNANCE

A separate report on Corporate Governance forms part of the Annual Report along with the Auditor's Certificate on Compliance.

DIRECTORS

During the year under review, Mr. Naveen Sawhney, Managing Director & Mr. D.K. Prashar, Joint Managing Director were reappointed as Managing Director and Joint Managing Director respectively of the Company for a period of five years with effect from July 01, 2011 to June 30, 2016.

The Board constitutes of-
Mr. Naveen Sawhney, Mr D.K. Prashar- Executive Directors, and
Mr. O.P. Bhandari, Mr. N.K. Balasubramanian, Mr. Ajit Kumar Sahay - Non Executive Independent Directors.

Pursuant to Section 256 of the Companies Act, 1956 Mr. Ajit Kumar Sahay is retiring by rotation and being eligible has offered himself for re-appointment. The Board recommends the name of Mr. Ajit Kumar Sahay for reappointment as Director of the Company. Brief resume of the Director proposed to be reappointed, nature of his expertise in specific functional areas, name of companies in which he hold directorships and memberships/chairmanships of Board Committees, shareholding detail as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges are provided in the Report on Corporate Governance.

None of the Directors of the Company is disqualified from being appointed as Director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors report that:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit and loss account for the year under review;
3. They have taken proper and sufficient care 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;
4. They have prepared the Annual Accounts for the financial year ended March 31, 2012 on a going concern basis.

AUDITORS

M/s Sharma Goel & Co., Chartered Accountants, Auditors of the Company will retire at the conclusion of the ensuing AGM and are eligible for reappointment as per the certificate furnished by them under Section 224(1B) of the Companies Act, 1956

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The Company has given due attention towards conservation of energy. Our Energy Efficiency drive includes:-

- All air conditioners, lights and computers are shut down after office hours (except at the time of work commitments.)
- There is an optimum ratio of glass windows to utilize natural daylight and proper insulation/ventilation to balance temperature and reduce heat.
- Your Company supports the 'Green Initiative' taken by the Ministry of Corporate Affairs ("MCA") and urges its shareholders to accept electronic delivery of documents as prescribed by Law and provide valuable support to the Company in conserving the environment by reducing impact of printing.

FOREIGN EXCHANGE EARNING AND OUTGO

(a)	Activities relating to export, initiatives taken to increase exports, development of new export markets for products and export plans	During the year under review, the Company's products were exported mainly to Middle-East countries. Company participated in Exhibitions, Technical Seminars & Conferences in foreign countries for promotion of its products. Efforts continue to enlarge the geographical reach on export market in order to maximize foreign exchange inflow and every effort made to minimize the foreign exchange outflow.
(b)	Total Foreign Exchange used & earned: Earnings Outgo	Rs.1542.43 Lacs Rs.1717.52 Lacs

PARTICULARS OF EMPLOYEES

As per the limit prescribed in Companies (Particulars of Employees) Amendment Rules, 2011 none of our employee falls within that category.

So, no Information is required to be furnished under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

PUBLIC DEPOSITS

The Company has not accepted deposits from the public within the meaning of Section 58(A) of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion & Analysis is provided in a separate section and forms part of this Report.

ACKNOWLEDGEMENT

Your Directors also wish to place on record their appreciation for the continuous support received from the bankers, shareholders, customers, suppliers, various statutory bodies of the Government of India and the Company's employees at all levels.

New Delhi
August 08, 2012

FOR & ON BEHALF OF THE BOARD

**Sd/-
Naveen Sawhney
(Chairman)**

ANNEXURE TO THE DIRECTORS REPORT- PARTICULARS OF EMPLOYEES AS ON MARCH 31, 2012

A Employed throughout the year under review and were in receipt of remuneration for the year which, in the aggregate was not less than Rs 6000000/- per annum.

S.No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration	Qualification/ Experience (in years)	Shareholding in the Company in Number & Percentage
NIL	NIL	NIL	NIL	NIL	NIL	NIL

B Employed for the part of year and was in receipt of remuneration which in the aggregate was not less than Rs 5,00,000/- per month :-

S.No.	Name	Age (Years)	Designation/ Nature of Duties	Remuneration	Qualification/ Experience (in years)	Shareholding in the Company in Number & Percentage
NIL	NIL	NIL	NIL	NIL	NIL	NIL

REPORT ON CORPORATE GOVERNANCE**I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Good Corporate Governance is the adoption of best business practices which ensures that the Company operates within the regulatory framework. The adoption of such corporate practices ensures accountability of the person in charge of the Company on one hand and brings benefits to investors, customers, creditors, employees and the society at large on the other. The Company firmly believes in practicing good Corporate Governance and endeavours to improve on these aspects on an ongoing basis.

II. BOARD OF DIRECTORS

The current strength of the Board is 5 members comprising of 2 Executives Directors and 3 Independent Directors. The Chairman of the Board is Executive and more than half of the total Board consists of Independent Directors.

The composition and category of Directors alongwith other Directorships and Memberships in Board Committees as on March 31, 2012:

Name & Designation	DIN	Independent/ Non- Independent Director	No. of Directorship (Other than Cords Cable)	No. of Chairmanships/ Memberships in Board Committees of other Companies
Mr. Naveen Sawhney Managing Director	00893704	Non -Independent Director	1	-
Mr. Devender Kumar Prashar Joint Managing Director	00540057	Non -Independent Director	1	-
Mr. O.P. Bhandari Non-Executive Director	0046524	Independent Director	3	-
Mr.N.K. Balasubramanian Non-Executive Director	0049608	Independent Director	1	-
Mr. Ajit Kumar Sahay Non-Executive Director	00353414	Independent Director	4	4

DIRECTORS' ATTENDANCE RECORD

During the financial year ended March 31, 2012, Four Board Meetings were held on May 28, 2011; August 12, 2011; November 12, 2011; February 11, 2012

The attendance of each Director at the Board Meetings and the last Annual General Meeting are as under:

Name of the Director	No. of Meetings	Attendance (% thereof)	Whether attended Last AGM
Mr. Naveen Sawhney	4	100	Yes
Mr. Devender Kumar Prashar	4	100	Yes
Mr. O.P. Bhandari	4	100	Yes
Mr. N.K. Balasubramanian	2	50	No
Mr. Ajit Kumar Sahay	3	75	No

III. AUDIT COMMITTEE

The Audit Committee of the Board has been constituted in accordance with the requirements prescribed under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

During the financial year ended March 31, 2012 four Audit Committee meetings were held on May 28, 2011; August 12, 2011; November 12, 2011; February 11, 2012.

The Composition of Audit Committee and Attendance of Directors at the above meetings are as follows:

The Chairman of the Committee is a Non-Executive Independent Director.

Name	Position in the Committee	No. of Meetings attended
Mr. O.P. Bhandari	Chairman, Independent, Non- Executive	4
Mr. N.K. Balasubramanian	Member, Independent, Non- Executive	2
Mr. Naveen Sawhney	Member, Managing Director, Executive	4
Mr. Ajit Kumar Sahay	Member, Independent, Non- Executive	3

The Audit Committee Meetings are usually attended by the Independent Directors, Joint Managing Director & Senior Associate Vice President (Finance & Banking) of the Company. The Company Secretary acts as Secretary to the Audit Committee.

The Terms of reference of the Audit Committee includes the matters stated in Clause 49 (II)(D)

IV. REMUNERATION COMMITTEE

The Remuneration Committee comprises of 3 Directors, all Non-Executive and Independent Directors. The terms of reference of Remuneration Committee includes determining the company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment. The decisions of Remuneration Committee are placed for information in the subsequent Board Meeting.

The Committee accordingly meets only as per needs. It met once during the financial year 2011-12 on May 28, 2011.

The composition of Remuneration Committee and attendance of the Directors of the meeting is as follows:

Name	Position in the Committee	No. of Meetings attended
Mr. N.K. Balasubramanian	Chairman, Independent, Non- Executive	1
Mr. Ajit Kumar Sahay	Member, Independent, Non- Executive	1
Mr. O.P. Bhandari	Member, Independent, Non- Executive	1

Remuneration Policy:

The Company has paid the following remuneration to Directors during the year under review, which is in accordance with the provisions of the Companies Act, 1956:

Non Executive Directors

During the year under review, none of the Non-Executive Directors had any pecuniary relationship or transaction vis-à-vis the company, other than payment of sitting fee as mentioned below.

(Amount p.a in Rs.)

S. No.	Name of Director	Sitting Fees	Total
1.	Mr. O.P. Bhandari	40,000	40,000
2.	Mr. N.K. Balasubramanian	20,000	20,000
3.	Mr. Ajit Kumar Sahay	30,000	30,000

Whole Time Director

(Amount p.a in Rs.)

S. No.	Name of Director	Salary	Perquisites & Allowances	Commission	Total
1.	Mr. Naveen Sawhney	Salary: 45,00,000	10,81,038	2,43,000	58,24,038
2.	Mr. Devender Kumar Prashar	Salary: 45,00,000	10,81,038	2,43,000	58,24,038

V. INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee of the Board has been constituted in accordance with Clause 49 to supervise and to look into the redressal of investors requests/complaints pertaining to transfer/transmission/demat/remat/split of shares/non-receipt of annual report/non receipt of declared dividend etc.

The Investor Grievance Committee comprises of three members with two Non-Executive Independent Directors.

During the financial year ended March 31, 2012 four Investor Grievance Committee meetings were held on May 28, 2011; August 12, 2011; November 12, 2011; February 11, 2012.

The composition of the Committee and attendance of the Directors at the above meetings is as follows:-

Name	Position in the Committee	No. of Meetings attended
Mr. Ajit Kumar Sahay	Chairman, Independent, Non- Executive	3
Mr. O.P. Bhandari	Member, Independent, Non- Executive	4
Mr. Naveen Sawhney	Member, Managing Director, Executive	4

Ms. Jyoti Dixit, Company Secretary is the Compliance Officer of the Company

During the year the Company received 15 complaints, out of which no complaint is pending as on March 31, 2012.

VI. GENERAL BODY MEETINGS

Location, date and time of Annual General Meeting held during the preceding 3 years and the Special Resolution passed thereat are as follows:

Year	Date & Time	Location	Special Resolution passed
2011	September 26, 2011 4.00 p.m.	Shah Auditorium, Shree Delhi Gujarat Samaj Marg, Civil Lines, Delhi-110054	<p>Re-appointment of Mr. Naveen Sawhney as Managing Director of the Company for a period of five years w.e.f. July 01, 2011 to June 30, 2016.</p> <p>Re-appointment of Mr. D.K. Prashar as Joint Managing Director of the Company for a period of five years w.e.f. July 01, 2011 to June 30, 2016.</p> <p>Increase of Authorised Share Capital of the Company from Rs.12,00,00,000/- (Rs. Twelve Crores) to Rs.14,00,00,000/- (Rs. Fourteen Crores) by creation of 2,00,000 (Two Lacs) Preference Shares of Rs.100/- (Rs. Hundred) each.</p> <p>Amendment in Articles of Association of the Company by inserting Article No. 23A, 23B after existing Article No. 23.</p> <p>Issue & allotment of Non Convertible Redeemable Preference shares for a sum not exceeding Rs. Two Crores to promoters of the Company, on preferential basis.</p>
2010	September 30, 2010 11:00 a.m.	The Little Theatre Group, Copernicus Marg , New Delhi-110001	<p>Appointment of Mr. A.K. Sahay as Director of the Company u/s 257 of Companies Act, 1956 who was appointed as Additional Director on May 29, 2010.</p> <p>Restoration of remuneration of Mr. Naveen Sawhney, Managing Director and Mr. D.K. Prashar, Joint Managing Director of the Company.</p>
2009	July 24, 2009 10:00 a.m.	The Little Theatre Group, Copernicus Marg , New Delhi-110001	<p>Appointment of Ms. Suchita Malhotra as Manager Finance u/s 314 (1) of Companies Act, 1956.</p> <p>Approval for extension of time for attainment of objects of the proceeds of IPO by a further period of one year w.e.f. April 2009 to April 2010 and cost overrun, if any.</p>

During the year under review, no postal ballot was conducted pursuant to Section 192A of the Companies Act, 1956.

VII. DISCLOSURES

- (a) Disclosures regarding materially significant related party transactions:
The Company follows the following policy in disclosing the related party transactions to the Audit Committee-
- (i) A statement in summary form of transactions with related parties in the ordinary course of business is placed before the Audit Committee
 - (ii) Details of material individual transactions with related parties which are not in the normal course of business is placed before the Audit Committee
 - (iii) Details of material individual transactions with related parties or others, which are not on an arm's length basis is placed before the Audit Committee, together with management's justification for the same

For details refer Note No. 12 of Schedule 18[C] attached to the Annual Accounts.

- (b) There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during the last three years.
- (c) The Company has complied with the mandatory requirements of Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. It has fulfilled the following non-mandatory requirements as prescribed in Annexure 1D to Clause 49-
- ◆ The Company has set up a Remuneration Committee details of which have been given earlier in this Report.
 - ◆ The statutory financial statements of the Company are unqualified.
 - ◆ The Company has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.
- (d) Managing Director / GM (Accounts & Finance) certification- As required by Clause 49 of Listing Agreement, the certificate issued by the Managing Director is forming part of this Report.

- (e) Compliance Certificate on Corporate Governance- As required by Clause 49 of Listing Agreement, the Compliance's Certificate is given as an Annexure to this Report.
- (f) Disclosure regarding shares lying in Demat Suspense Account :-

Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	Aggregate number of Shareholders are 06 & the outstanding shares in the suspense account lying at the beginning of the year are 903.
Number of Shareholders who approached issuer for transfer of shares from suspense account during the year.	1
Number of Shareholders to whom shares were transferred from suspense.	1
Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the end of the year.	Aggregate number of Shareholders are 05, and the outstanding shares in the suspense account lying at the end of the year are 599.
That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	Yes, The voting rights on these shares are frozen till the rightful owner of such shares claims the shares.

VIII. MEANS OF COMMUNICATION

- The quarterly and half-yearly/Annual financial results are forthwith communicated to the Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE), where the shares of the Company are listed, as soon as they are approved and taken on record by the Board of Directors.
- Financial Results are published in leading newspapers, namely, Financial Express, Business Standard in English and Jansatta in Hindi.
- The financial results are also put up on Company's website www.cordscable.com.
- Management Discussion & Analysis is separately annexed and forming part of the Annual Report.

IX In compliance with SEBI Regulations on Prevention of Insider Trading, the Company has already in place a comprehensive Code of Conduct for its Directors, Management and the designated employees as described under the regulations. The code advises them on procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautioning them on consequences of non-compliances.

X. GENERAL SHAREHOLDER INFORMATION

- (i) **21th Annual General Meeting**
The next Annual General Meeting of the Company is scheduled to be held on Wednesday, 26th September, 2012 at 3.00 p.m at The Little Theatre Group, Copernicus Marg, New Delhi – 110001
- (ii) **Financial Calendar (Tentative)**

Results for quarter ending June 30, 2012	On or before 14.08.2012
Results for quarter ending September 30, 2012	On or before 14.11.2012
Results for quarter ending December 31, 2012	On or before 14.02.2013
Results for year ending March 31, 2013	On or before 30.05.2013
- (iii) **Date of Book Closure for Annual General Meeting**
September 21, 2012 to September 26, 2012 (both days inclusive)
- (iv) & (v) **Listing on Stock Exchanges and Stock Code**
Bombay Stock Exchange and National Stock Exchange.

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange	532941
National Stock Exchange	CORDSCABLE

ISIN No. INE792I01017

- (vi) & (vii) **Market Price Data (for the period April 01, 2011 to March 31, 2012)**
Share Price Performance in comparison with NSE Index:

Month	Cords		Nifty Index	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April' 11	40.35	33.00	5944.45	5693.25
May' 11	38.75	30.50	5775.25	5328.70
June' 11	39.00	31.50	5657.25	5195.90
July' 11	41.70	34.20	5740.40	5453.95
Aug' 11	39.40	29.00	5551.90	4720.00
Sep' 11	35.90	30.85	5169.25	4758.85
Oct' 11	31.80	28.80	5399.70	4728.30

Month	Cords		Nifty Index	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
Nov' 11	34.00	24.90	5326.45	4639.10
Dec' 11	29.45	21.75	5099.25	4531.15
Jan' 12	33.00	26.40	5217.00	4588.00
Feb' 12	38.95	29.30	5629.95	5159.00
Mar' 12	32.00	26.00	5499.40	5135.90

Share Price Performance in comparison with BSE Sensex:

Month	Cords		BSE Index	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April' 11	40.20	33.00	19,811.14	18,976.19
May' 11	38.95	30.25	19,253.87	17,786.13
June' 11	38.80	32.05	18,873.39	17,314.38
July' 11	42.00	34.20	19,131.70	18,131.86
Aug' 11	39.45	29.15	18,440.07	15,765.53
Sep' 11	36.00	31.00	17,211.80	15,801.01
Oct' 11	31.95	28.25	17,908.13	15,745.43
Nov' 11	32.45	25.10	17,702.26	15,478.69
Dec' 11	28.90	21.85	17,003.71	15,135.86
Jan' 12	33.35	28.00	17,258.97	15,358.02
Feb' 12	34.00	26.90	18,523.78	17,061.55
Mar' 12	32.75	25.15	18,040.69	16,920.61

(viii) Registrar and Share Transfer Agent

The Company has appointed Link Intime India Pvt. Ltd. as its Registrar and Share Transfer Agent to whom communications regarding change of address, transfer of shares etc should be addressed. The address of the Registrar and Share Transfer Agent is as under-

Name & Address of R & T Agent : Link Intime India Pvt. Ltd.
A-40, 2nd Floor, Naraina Industrial Area, Phase- II,
Near Batra Banquet Hall, New Delhi 110028
Tel No. +91-011- 41410592,93,94
Fax No. +91-011- 41410591
E-mail delhi@linkintime.co.in
Website www.linkintime.co.in

(ix) Share Transfer System

The shares of the Company are traded in dematerialized form. Transfer request received in Physical forms are transferred within a period of 30 days from the date of lodgment subject to documents being valid and complete in all respects. In order to expedite the process of share transfer in line with Corporate Governance requirements, the Company has delegated the power of share transfer to R&T Agent 'Link Intime India Pvt. Ltd.'

(x) Distribution of Shareholding As on March 31, 2012

No. of Shares Held	No. of Share Holders	% of Share Holders	Aggregate Shares Held	% of Shareholding
1 - 500	7908	88.0526	977259	8.5516
501 - 1000	502	5.5896	421983	3.6926
1001 - 2000	250	2.7837	383619	3.3569
2001 - 3000	95	1.0578	247063	2.1620
3001 - 4000	31	0.3452	113079	0.9895
4000 - 5000	58	0.6458	275898	2.4143
5001 - 10000	69	0.7683	532929	4.6635
10001 - *****	68	0.7572	8475950	74.1697
TOTAL	8981	100.000	11427780	100.000

Shareholding Pattern as on March 31, 2012

S.No .	Category of Shareholders	Total no of Shares	Shares held as a percentage of total number of shares
1.	Promoters	6440410	56.36
2.	Financial Institutional / Banks	12695	0.11
3.	Bodies Corporate	595449	5.21
4.	Individual Holding less than 1 Lakh	2660167	23.28
5.	Individual Holding in excess 1 Lakh	1547884	13.54
6.	NRIs	111067	0.97
7.	Clearing Members	60108	0.53
	GRAND TOTAL	11427780	100.00

Statement Showing Shareholding of Persons belonging to the Category “Promoter & Promoter Group” as on March 31, 2012.

S.No .	Name of Shareholders	Numbers of Shares	Shares held as a percentage of total number of shares
	Promoters		
1.	Naveen Sawhney	2622615	22.95
2.	D. K. Prashar	2683250	23.48
3.	Gaurav Sawhney	197966	1.73
4.	Varun Sawhney	175444	1.54
5.	Adarsh Sawhney	224006	1.96
6.	Amit Prashar	192540	1.68
7.	Rahul Prashar	184247	1.61
8.	Adesh Prashar	160342	1.40
	GRAND TOTAL	6440410	56.36

Statement Showing Shareholding of Persons belonging to the Category “Public” and holding more than 1% of the total number of shares as on March 31, 2012

S.No .	Name of Shareholders	Numbers of Shares	Shares as a percentage of total number of shares
1.	Yogesh Shashikumar Savadekar	250000	2.19
2.	Rita Hitendra Haria	150000	1.31
3.	Jagdish N Master	131625	1.15
	GRAND TOTAL	531625	4.65

(xi) Dematerialization of shares and liquidity

The shares of the Company are traded in dematerialized form. 1819374 equity shares of the Company stands in CDSL A/c, 9487484 equity shares stands in NSDL A/c & Balance 120922 are in physical form as on March 31, 2012.

The equity shares of the Company are actively traded at BSE & NSE.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on liquidity

The Company has not issued any GDRs/ADRs/Warrants etc.

(x) Plant Locations

- A-525, Industrial Area, Chopanki, Bhiwadi, Distt. Alwar - 301019 (Rajasthan)
- SP-239,240 & 241, Industrial Area Kahrani, Bhiwadi Extn., Dist Alwar, (Rajasthan)

(xi) Address for Correspondence

Company Secretary,
Cords Cable Industries Ltd.
B-1/A-26, Mohan Cooperative Industrial Estate,
Mathura Road, New Delhi 110044
Tel No.011- 40551200
Fax No. 011- 26951196
Email ID: ipo@cordscable.com



Managing Director (MD) and GM (Accounts & Finance) Certification

We, Naveen Sawhney, Managing Director & Sandeep Kumar, GM (Accounts & Finance) of Cords Cable Industries Ltd to the best of our knowledge and belief certify that

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2012 and to the best of our knowledge and belief:
- (i) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these statements together present a true and fair view of the company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee
- (i) significant changes in internal control over financial reporting during the year, if any,
 - (ii) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

Sd/-
(Naveen Sawhney)
Managing Director

August 08, 2012

Sd/-
(Sandeep Kumar)
GM (Accounts & Finance)

New Delhi

Managing Director (MD) declaration on compliance of Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and Senior Management and the same is available on the corporate website www.cordscable.com

I confirm that the Company has in respect of financial year ended March 31, 2012 received from the members of the Board and Senior Management team of the company a declaration of the compliance with the Code of Conduct as applicable to them.

Dated: August 08, 2012
Place: New Delhi

Sd/-
(Naveen Sawhney)
Managing Director



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members of Cords Cable Industries Limited

We have examined the compliance of conditions of Corporate Governance by Cords Cable Industries Limited for the year ended on March 31, 2012 as stipulated in the Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that as per the records maintained by the company no investor grievances are pending for a period exceeding one month against the company.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Gupta Gulshan & Associates
Company Secretaries

Sd/-
Gulshan Kumar Gupta
Prop.
M. No. 5576
CP No. 3925

New Delhi
August 08, 2012

Details of Directors Seeking Appointment / Re-appointment at the Annual General Meeting

Particulars	Mr. Ajit Kumar Sahay
Date of Birth	July 1, 1942
Date of Appointment	May 29, 2010
Qualification	Bachlors Degree in Mining Engineering with Honors from Indian School of Mines and holds the Professional Competency Certificate for First Class Mine Managers in which he stood First in India
Expertise in specific functional area	Extensive Managerial Experience of above four decades in both Public and Private Sectors
Directorships held in other Public Companies (excluding foreign companies)	NIL
Membership/Chairmanship of committees of other public/private companies (includes only Audit Committee and Investor's Grievances Committee)	1) M/s Haryana Explosives Pvt. Ltd. 2) M/s AKS Expo-Chem Pvt. Ltd. 3) M/s Barjora Enterprises Pvt. Ltd. 4) M/s UCG Mining Technologies Services Pvt. Ltd.
Number of shares held in the Company	NIL

Auditor's Report**Auditor's Report to the Members of Cords Cable Industries Limited.**

We have audited the attached Balance Sheet of Cords Cable Industries Limited, as at 31st March 2012, and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, as further amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable; and
- v) On the basis of written representation received from the Directors of the Company as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors are disqualified from being appointed as Director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) In our opinion, and to the best our information and according to the explanations given to us,

the said financial statements give the information required by the Companies Act, 1956, in a manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance sheet, of the state of affairs of the Company as at 31st March 2012;
- b. in the case of the Profit and Loss Account, of the profit for the year ended on that date.
- c. in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **SHARMA GOEL & CO.**
Chartered Accountants
(Firm's Registration No.000643N)

(CA.Amar Mittal)
Partner
Membership No.: 17755

Place : New Delhi
Dated : May 28, 2012



Annexure to Auditor's Report.

With reference to the Annexure referred to in the Auditor's report, to the members of the company on the financial statements for the period ended 31st March 2012, we report that:

1. In respect of its fixed assets:
 - a) The company has maintained proper records of fixed assets showing full particulars, including quantitative details and situation of fixed assets.
 - b) All the assets have been physically verified by the Management during the year according to a regular program of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been observed on such verification.
 - c) During the year, the company has not disposed off substantial part of fixed assets.
2. In respect of its inventories:
 - a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and the book records.
3. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4(iii) of the Companies (Auditor's Report) order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 is not applicable to the company for the current year.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any instance of major weaknesses in internal controls.

5. In respect of the contracts or arrangements referred to in Section 301 of the companies Act, 1956:
 - a) To the best of our knowledge and belief and according to the information and explanation given to us, we are of the opinion that the particulars of contracts or arrangements, that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
7. The Company has an internal audit system, which in our opinion is commensurate with the size and nature of its business.
8. We are of the opinion that prima facie, the cost record and accounts prescribed by the Central Government under Section 209 (I) (d) of the Companies Act, 1956 have been made and maintained. We have not, however, carried out a detailed examination of the records with a view to determining whether they are accurate or complete.
9. In respect of statutory dues:
 - a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income Tax and other material statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty. There were no dues on account of Cess under Section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues, as at March 31, 2012 for a period of more than six months from the date they became payable.

- b) According to information and explanations given to us, details of dues of Excise Duty, Service Tax and Sales Tax which have not been deposited on account of a dispute are given below:

Name of the Statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duties	359716/-	2005-06	Commissioner (Appeals), Central Excise & Custom, Jaipur
	Penalty	75000/-		
	Excise Duties	330225/-	2004-05	CESTAT, New Delhi
	Excise Duties	162054/-	2005-06	CESTAT, New Delhi
	Penalty	162054/-		
	Excise Duties	176867/-	2005-06	Commissioner of Central Excise & Custom, Jaipur
	Penalty	50000/-		
	Excise Duties	161169/-	2006-07	Commissioner (Appeals), Central Excise & Custom, Jaipur
	Penalty	161169/-		
	Excise Duties	3159709/-	2006-07	Commissioner (Appeals), Central Excise & Custom, Jaipur
	Excise Duties	5783018/-	2006-07	CESTAT, New Delhi
	Excise Duties	260222/-	2006-07	Commissioner (Appeals), Central Excise & Custom, Jaipur
	Penalty	50000/-		
	Excise Duties	81681/-	2006-07	Asst. Commissioner Central Excise, Bhiwadi
	Excise Duties	746412/-	2004-05	CESTAT, New Delhi
	Excise Duties	6024771/-	2007-08	CESTAT, New Delhi
	Excise Duties	67441/-	2007-08	CESTAT, New Delhi
	Excise Duties	612151/-	2007-08	Commissioner Central Excise & Custom, Jaipur
	Excise Duties	2281042/-	2007-08	Commissioner (Appeals), Central Excise & Custom, Jaipur
	Excise Duties	5437100/-	2008-09	CESTAT, New Delhi
	Excise Duties	1309877/-	2008-09	Joint Commissioner, Central Excise, jaipur
	Excise Duties	15271114/-	2009-10	CESTAT, New Delhi

	Excise Duties	15337611/-	2009-10	CESTAT, New Delhi
	Excise Duties	1105939/-	2009-10	Joint Commissioner, Central Excise, Jaipur
	Excise Duties	337944/-	2010-11	Asst Commissioner, Central Excise, Bhiwadi
	Excise Duties	406601/-	2010-11	Asst Commissioner, Central Excise, Bhiwadi
	Excise Duties	18237626/-	2010-11	Commissioner of Central Excise, Jaipur-I
	Interest on Service Tax	1003041/-	2009-10	Commissioner of Central Excise, Jaipur-I
	Excise Duties	276589/-	2011-12	Asst Commissioner, Central Excise, Bhiwadi
	Excise Duties	236874/-	2008-09 to 2011-12	Asst Commissioner, Central Excise, Bhiwadi
	Excise Duties	15568226/-	2011-12	Commissioner of Central Excise, Jaipur-I
Sales Tax Act	Sales Tax	7232954/-	2008-09	Addl. Commissioner & Special Joint Commissioner
	Penalty	1954386/-	2008-09	
	Interest	565697/-	2008-09	

10. The company does not have accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank and financial institution. The company has not borrowed any sums by way of debentures.
12. According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of paragraph 4(xiv) of the Order are not applicable.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.

16. In our opinion and according to the information and explanations given to us, the term loans taken by the company were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we are of opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. According to information and explanation given to us, the company has made preferential allotment of preference shares to parties covered in the register maintained under section 301 of the Company's Act, 1956 and the price at which such shares have been issued is not prejudicial to the interest of the company.
19. The company has not issued any debentures. Accordingly, paragraph 4(xix) of the Order is not applicable.
20. The company has not raised any money by way of public issue during the year. Accordingly Paragraph 4(xx) of the order is not the applicable.
21. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us by the management, we report that no material fraud on or by the Company has been noticed or reported during the course of our audit.

For **SHARMA GOEL & CO.**
Chartered Accountants
(Firm's Registration No.000643N)

(CA.Amar Mittal)
Partner
Membership No.: 17755

Place : New Delhi
Dated : May 28, 2012

**BALANCE SHEET AS AT 31st MARCH, 2012** (Amount in Rs.)

		As at 31.03.2012	As at 31.03.2011
SCHEDULE NO			
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	1	13,02,77,800	11,42,77,800
Reserves & Surplus	2	<u>85,80,81,804</u>	<u>80,51,52,425</u>
		98,83,59,604	91,94,30,225
Non-Current Liabilities			
Long Term Borrowings	3	33,16,57,907	41,94,11,853
Deferred Tax Liability (Net)	4	5,50,83,436	4,82,16,284
Other Long-Term Liabilities	5	2,67,93,076	1,62,93,000
Long-Term Provisions	6	<u>75,44,748</u>	<u>56,55,603</u>
		42,10,79,167	48,95,76,740
Current Liabilities			
Short Term Borrowings	7	47,90,12,103	40,98,83,199
Trade Payables	8	88,24,65,313	82,23,45,518
Other Current Liabilities	9	18,19,01,587	15,15,58,274
Short Term Provisions	10	<u>87,33,645</u>	<u>58,67,899</u>
		1,55,21,12,648	1,38,96,54,890
TOTAL		<u>2,96,15,51,419</u>	<u>2,79,86,61,855</u>
ASSETS			
Non-Current Assets			
Fixed Asset	11		
Tangible Asset		1,14,29,43,306	1,14,42,88,458
Capital Work-in-Progress		64,98,533	64,98,533
Long Term Loans & Advances	12	<u>1,80,33,997</u>	<u>1,71,57,746</u>
		1,16,74,75,836	1,16,79,44,737
Current Assets			
Inventories	13	47,36,26,985	46,15,31,373
Trade Receivables	14	89,72,56,993	78,20,64,942
Cash & Bank Balances	15	12,19,83,529	9,21,37,991
Short Term Loans & Advances	16	26,27,23,271	25,61,88,832
Other Current Assets	17	<u>3,84,84,805</u>	<u>3,87,93,980</u>
		1,79,40,75,583	1,63,07,17,118
TOTAL		<u>2,96,15,51,419</u>	<u>2,79,86,61,855</u>
Significant Accounting Policies	25		
Notes on Financial Statements	1 to 38		

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR SHARMA GOEL & CO.
Chartered Accountants
Firm's Registration No.000643N

NAVEEN SAWHNEY
Managing Director

D. K. PRASHAR
Joint Managing Director

CA. AMAR MITTAL
(Partner)
Membership No.:17755

JYOTI DIXIT
Company Secretary
M.No.: 6229

Place : New Delhi

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2012**

	SCHEDULE NO	Year Ended 31.03.2012	Year Ended 31.03.2011
INCOME			
Revenue from Operations	18	3,76,80,74,127	2,89,61,06,783
Other Income	19	1,50,94,781	1,27,65,623
Total Revenue		3,78,31,68,908	2,90,88,72,406
EXPENDITURE			
Cost of Material Consumed	20	3,08,45,80,848	2,32,28,97,382
Changes in Inventories of finished goods, work-in-progress & stock in trade	21	(7,48,25,760)	(2,69,39,294)
Employee benefits expenses	22	16,75,74,470	12,17,23,215
Finance Costs	23	22,92,59,143	14,09,70,880
Depreciation	11	6,77,49,589	4,34,18,608
Other Expenses	24	23,45,30,197	22,79,33,276
Total Expenses		3,70,88,68,487	2,83,00,04,067
Profit before Tax		7,43,00,421	7,88,68,339
Tax Expenses :			
Current Tax		1,48,74,246	1,57,24,834
Less : MAT Credit Entitlement		(10,71,410)	(1,03,31,873)
		1,38,02,836	53,92,961
Earlier Year Tax		—	(2,68,774)
Deferred Tax		68,67,152	2,00,32,247
Profit for the Tax		5,36,30,433	5,37,11,905
Earning per Equity Share of face value of Rs. 10/- each	32		
Basic		4.63	4.70
Diluted		4.63	4.70
Significant Accounting Policies	25		
Notes on Financial Statements	1 to 38		

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR SHARMA GOEL & CO.
Chartered Accountants
Firm's Registration No.000643N

NAVEEN SAWHNEY
Managing Director

D. K. PRASHAR
Joint Managing Director

CA. AMAR MITTAL
(Partner)
Membership No.:17755

JYOTI DIXIT
Company Secretary
M.No.: 6229

Place : New Delhi
Dated: May 28, 2012

**CASH FLOW STATEMENT FOR THE YEAR ENDED**

	(Amount in Rs.)	
	Year Ended 31.03.2012	Year Ended 31.03.2011
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	7,43,00,421	7,88,68,339
Adjustments for:		
Depreciation	6,77,49,589	4,34,18,608
Loss on sale of fixed assets (Net)	8,14,474	1,26,314
Interest & Finance Charges	22,92,59,143	14,09,70,880
Interest income	(1,29,52,541)	(93,84,598)
Profit on Foreign Exchange Fluctuation	(10,39,606)	53,59,072
Provision for employee benefits (Net of Payments)	37,09,001	12,83,613
Operating profit before working capital changes	36,18,40,481	26,06,42,228
Adjustments for:		
Increase in Inventories	(1,20,95,612)	(6,72,15,034)
Increase in Trade Receivables	(11,51,92,051)	(21,40,71,433)
Increase Loans & Advances	(71,01,515)	(5,26,24,524)
Increase Trade/Other payables	8,20,70,677	22,83,15,813
Cash generation from operating activities	30,95,21,980	15,50,47,049
Less: Direct taxes Paid	1,35,37,644	1,30,64,670
Net cash generation from operating activities	29,59,84,336	14,19,82,379
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets/capital works-in-progress	(5,13,33,539)	(41,96,16,295)
Sale proceeds of fixed assets	1,52,900	60,000
Interest received	86,83,663	98,04,622
Net cash used in investing activities	(4,24,96,916)	(40,97,51,673)
C CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings (Net)	(1,18,69,681)	34,70,12,830
Unsecured loans-Received/(Paid)	—	(19,73,085)
Interest & Finance Charges paid	(22,77,72,202)	(12,55,47,098)
Dividend paid(Including tax thereon)	—	(1,33,08,560)
Proceeds from issue of Preference shares	1,60,00,000	—
Net cash from/(used) in financing activities	(22,36,41,883)	20,61,84,086
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT(A+B+C)	2,98,45,537	(6,15,85,208)
Cash and cash equivalents at the beginning of year	9,21,37,991	15,37,23,199
Cash and cash equivalent at the end of year	12,19,83,529	9,21,37,991

Note:

- The Above Cash Flow Statement has been prepared under "Indirect method" as set out in Accounting Standard -3 (AS-3) on 'Cash Flow Statement' as notified under the Companies (Accounting Standards) rules, 2006 as amended .
- Previous year figures have been regrouped and /or reclassified wherever necessary to confirm to those of the current year grouping and/ or classification.

AS PER OUR REPORT OF EVEN DATE
FOR SHARMA GOEL & CO.

Chartered Accountants
Firm's Registration No.000643N

CA. AMAR MITTAL
(Partner)
Membership No.:17755

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

NAVEEN SAWHNEY
Managing Director

D. K. PRASHAR
Joint Managing Director

JYOTI DIXIT
Company Secretary
M.No.: 6229

Place : New Delhi
Dated: May 28, 2012



NOTES ON THE FINANCIALS STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

SCHEDULES

	(Amount in Rs.)	
	As at 31.03.2012	As at 31.03.2011
1. SHARE CAPITAL		
Authorised Capital		
1,20,00,000 Equity Shares of Rs 10/-each (1,20,00,000)	12,00,00,000	12,00,00,000
2,00,000 Non-Convertible Cumulative preference share of Rs. 100/- each (NIL)	2,00,00,000	—
TOTAL	14,00,00,000	12,00,00,000
Issued, Subscribed & Paid Up :		
1,14,27,780 Equity Shares of Rs.10/- each Fully Paid Up. (1,14,27,780)	11,42,77,800	11,42,77,800
1,60,000 Non-Convertible Cumulative preference share of Rs. 100/- each fully paid (NIL)	1,60,00,000	—
TOTAL	13,02,77,800	11,42,77,800

1.1 The Reconciliation of number of shares outstanding and amount of capital is set out below:

Equity Share	No. of Shares	As at 31.03.2012		As at 31.03.2011	
		Amount	No. of Shares	Amount	No. of Shares
Particulars					
Equity Shares at the beginning of the year	1,14,27,780	11,42,77,800	1,14,27,780	11,42,77,800	
Add : Equity Share Issued During the year	—	—	—	—	
Equity Share at the End of the year	1,14,27,780	11,42,77,800	1,14,27,780	11,42,77,800	

Preference Share	No. of Shares	As at 31.03.2012		As at 31.03.2011	
		Amount	No. of Shares	Amount	No. of Shares
Particulars					
Preference Shares at the beginning of the year	—	—	—	—	
Add : Preference Share Issued during the Year	1,60,000	1,60,00,000	—	—	
Preference Share at the end of the year	1,60,000	1,60,00,000	—	—	

1.2 The company has only one class of Equity shares having a par value of Rs.10/- per share. The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share. In the event of liquidation, Equity shareholders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of shares held to the total equity shares outstanding as on that date.



1.3 During the year, the Company has issued and allotted 1,60,000 Non-Convertible, Cumulative, redeemable Preference Shares of Rs.100/- each fully paid to its Promoters. These shares carry Dividend rate of 10% (Ten Percent) Per Annum and votings rights of these shares are limited to matters which directly affect the rights of Preference Shareholders. The said Preference shares shall have tenure of 5 (five) years, however the company, reserves the right to recall the shares after a period of 2 (two) years or at any suitable tenure giving not less than 6 (six) months previous notice in writing to shareholders to redeem these shares. These shares are not listed on any stock exchange.

1.4 The Details of shareholders holding more than 5% shares :

Name of Shareholder	No. of Shares	As at		
		31.03.2012	31.03.2011	
		% held	No. of Shares	% held
Equity Shares				
Naveen Sawhney	26,22,615	22.95	25,57,438	22.38
Devender Kumar Prashar	26,83,250	23.48	25,62,758	22.43
Preference Shares				
Naveen Sawhney	80,000	50	—	—
Devender Kumar Prashar	80,000	50	—	—

1.5 40,26,980 Equity Shares out of issued, subscribed and Paid up share capital were allotted as Bonus Shares in the last five years by the capitalisation of Securities premium and Reserves & Surplus

2. RESERVES AND SURPLUS		As at		
		31.03.2012	31.03.2011	
		(Amount in Rs.)	(Amount in Rs.)	
Securities Premium Account		45,29,36,003	45,29,36,003	
General Reserve		2,50,87,000	2,50,87,000	
Surplus in the Statement of Profit & Loss				
As per last Balance Sheet	32,71,29,422		27,34,17,517	
Add: Profit for the year	5,36,30,433		5,37,11,905	
	<u>38,07,59,855</u>		<u>32,71,29,422</u>	
Less : Appropriations				
Proposed Dividend on Preference Shares	6,03,200		—	
[Dividend per Shares Rs. 10/- (Previous Year Nil)]				
Dividend Distribution Tax	97,854	38,00,58,801	—	
TOTAL		<u>85,80,81,804</u>	<u>80,51,52,425</u>	
3. LONG TERM BORROWINGS		As at		
		31.03.2012	31.03.2011	
		(Amount in Rs.)	(Amount in Rs.)	
	Non Current	Current	Non Current	Current
Secured				
External Commercial Borrowings	4,09,25,200	4,09,25,200	6,94,66,000	3,76,94,000
In Rupee Term loans				
from Banks	1,62,00,000	1,00,33,059	19,81,08,059	4,09,91,116
from Others	27,30,00,667	6,06,66,000	15,03,33,000	1,36,67,000
	<u>28,92,00,667</u>	<u>7,06,99,059</u>	<u>34,84,41,059</u>	<u>5,46,58,116</u>



	As at 31.03.2012 (Amount in Rs.)		As at 31.03.2011 (Amount in Rs.)	
Vehicle Loans				
from Banks	10,07,886	14,03,135	15,04,794	13,22,131
from others	5,24,154	1,35,212	—	3,48,598
	15,32,040	15,38,347	15,04,794	16,70,729
Unsecured	—	—	—	—
TOTAL	33,16,57,907	11,31,62,606	41,94,11,853	9,40,22,845

3.1 External Commercial Borrowing referred above are secured by way of first charge on the entire Movable fixed assets and equitable mortgage on Factory land and Building and Plant and Machinery situated at Kaharani.

3.2 Term Loans from Banks and others referred above are secured by way of equitable mortgage of Chopanki and Kaharani land and building and hypothecation of Plant & Machinery and other fixed assets.

3.3 Vehicle loans are secured by way of hypothecations of vehicles.

3.4 Maturity Profile of long term borrowings are as below :

	1-2 years	2-3 years	3-4 years	Beyond 4 years
External Commercial Borrowings	4,09,25,200	—	—	—
Term loan from Banks	72,00,000	72,00,000	18,00,000	—
Term loan from others	6,06,66,332	6,06,66,332	6,06,66,332	9,10,01,671
TOTAL	10,87,91,532	6,78,66,332	6,24,66,332	9,10,01,671

4. DEFERRED TAX LIABILITY (NET)

	As at 31.03.2012 (Amount in Rs.)	As at 31.03.2011 (Amount in Rs.)
Deferred Tax Liability		
In respect of Depreciation on Fixed Assets	5,82,95,880	5,14,39,389
Deferred Tax Assets		
In respect of Employee Benefits	(32,12,444)	(32,23,105)
TOTAL	5,50,83,436	4,82,16,284

5. OTHER LONG-TERM LIABILITIES

Retention Money	2,63,87,368	1,60,00,000
Security Deposit	4,05,708	2,93,000
TOTAL	2,67,93,076	1,62,93,000

6. LONG TERM PROVISIONS

Provision for Employees Benefits	75,44,748	56,55,603
TOTAL	75,44,748	56,55,603

6.1 Provision for Employees Benefits Include Provision for Gratuity & Provision for Leave Encashment.



	As at 31.03.2012 (Amount in Rs.)	As at 31.03.2011 (Amount in Rs.)
7. SHORT TERM BORROWINGS		
Secured		
Working Capital loans		
From Banks		
In Rupee loans	39,48,64,077	37,18,08,381
Foreign Currency loans	8,41,48,026	3,80,74,818
TOTAL	47,90,12,103	40,98,83,199

7.1 Working Capital loans along with non-fund based facilities from banks are secured by way of hypothecation of present and future stock of raw materials, work-in-process, finished goods, book debts as first charge which ranks Pari-passu amongst Bankers and by way of Second charge on the immovable and movable assets of the company by respective banks and pledge of FDR for Rs. 28,00,000/-)

8. TRADE PAYABLES

Due to Micro, Small and Medium Enterprise	—	—
Due to Others	88,24,65,313	82,23,45,518
TOTAL	88,24,65,313	82,23,45,518

8.1 Amount due to Micro, Small and Medium Enterprise:

In absence of any information submitted by vendors with regards to their registration (filing of Memorandum) under the "The Micro, Small and Medium Enterprises Development Act,2006" Liability cannot be ascertained at the close of the year and hence no disclosure is made in this regard.

9. OTHER CURRENT LIABILITIES

Current maturities of long term debts (Note 3)	11,31,62,606	9,40,22,845
Interest accrued but not due on borrowings	90,05,816	52,68,933
Interest accrued and due on borrowings	—	22,49,942
Advance from customers	82,85,182	48,44,118
Payable for Capital Expenditure	85,61,777	1,52,95,213
Unclaimed Dividends on Equity Shares	1,49,278	1,49,278
Application Money received and due for refund	58,725	58,725
Other Payables*	4,26,78,203	2,96,69,220
TOTAL	18,19,01,587	15,15,58,274

* Includes Statutory dues payables, Salary and wages payable and other expenses payable

10. SHORT-TERM PROVISIONS

Provisions for Employees Benefits	30,23,837	12,03,981
Provision for Taxation (including wealth tax) (net of advance tax)	50,08,754	46,63,918
Proposed Dividend on Preference Shares	6,03,200	—
[Dividend per Share Rs. 10/- (Previous Year Nil)]		
Dividend Distribution Tax	97,854	—
TOTAL	87,33,645	58,67,899

10.1 Provision for Employees Benefits Include Provision for Gratuity & Provision for Leave Encashment.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012
11. FIXED ASSETS

FIXED ASSETS	GROSS BLOCK(AT Cost)					ACCUMULATED DEPRECIATION					(Amount in Rs.)	
	AS AT 01.04.2011	ADDITION DURING THE YEAR	DEDUCTIONS/ ADJUSTMENTS	AS AT 31.03.2012	AS AT 01.04.2011	FOR THE YEAR	DEDUCTIONS/ ADJUSTMENTS	UPTO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011		
DESCRIPTORS												
TANGIBLE ASSETS												
LAND(LEASE HOLD)	24,65,82,516	1,23,84,400	-	25,89,66,916	-	-	-	-	-	25,89,66,916	24,65,82,516	
BUILDING	35,52,70,480	3,28,15,172	-	38,80,85,652	1,61,56,367	1,21,01,215	-	2,82,57,582	35,98,28,070	33,91,14,113		
PLANT & MACHINERY	60,55,70,967	1,58,24,892	13,96,150	61,99,99,709	9,49,38,739	4,99,83,014	4,28,716	14,44,93,037	47,55,06,672	51,06,32,228		
TOOLS & INSTRUMENT	66,50,235	4,02,819	-	70,53,054	19,04,248	3,25,611	-	22,29,859	48,23,195	47,45,987		
GENERATOR	1,74,14,941	-	-	1,74,14,941	20,66,757	8,27,210	-	28,93,967	1,45,20,974	1,53,48,185		
OFFICE EQUIPMENT	47,32,831	9,39,013	-	56,71,844	7,63,781	2,60,349	-	10,24,130	46,47,714	39,69,050		
COMPUTERS	1,23,06,713	10,74,599	-	1,33,81,312	47,46,653	20,57,535	-	68,04,188	65,77,124	75,60,060		
FURNITURE & FIXTURE	83,53,445	11,57,490	-	95,10,935	21,24,688	5,90,623	-	27,15,311	67,95,624	62,28,757		
VEHICLES	1,49,08,587	27,73,486	-	1,76,82,073	48,01,024	16,04,032	-	64,05,056	1,12,77,017	1,01,07,563		
TOTAL(A)	1,27,17,90,715	6,73,71,871	13,96,150	1,33,77,66,436	12,75,02,257	6,77,49,589	4,28,716	19,48,23,130	1,14,29,43,306	1,14,42,88,458		
CAPITAL WORK IN PROGRESS(B)	-	-	-	-	-	-	-	-	64,98,533	64,98,533		
GRAND TOTAL (A+B)	1,27,17,90,715	6,73,71,871	13,96,150	1,33,77,66,436	12,75,02,257	6,77,49,589	4,28,716	19,48,23,130	1,14,94,41,839	1,15,07,86,991		
GRAND TOTAL(Previous Year)	69,93,40,871	60,03,39,957	2,78,90,113	1,27,17,90,715	8,41,69,447	4,34,18,608	85,798	12,75,02,257	1,15,07,86,991	-		



	As at 31.03.2012 (Amount in Rs.)	As at 31.03.2011 (Amount in Rs.)
12. LONG TERM LOANS AND ADVANCES (Unsecured and considered good)		
Security Deposits	75,26,606	66,19,128
Loan to Employees	8,25,930	—
Others loans and advances	96,81,461	1,05,38,618
TOTAL	1,80,33,997	1,71,57,746
13. INVENTORIES (As taken, Valued and Certified by Management)		
Raw Material (including in-Transit)	12,67,32,532	20,27,68,089
Work-in- Progress.	13,80,37,918	17,19,12,742
Finished Goods	20,45,08,764	8,08,62,571
Packing Material & Consumables	43,47,771	59,87,971
TOTAL	47,36,26,985	46,15,31,373
14. TRADE RECEIVABLES (Unsecured and considered good)		
Over Six Months	8,32,14,791	7,01,23,299
Others	81,40,42,202	71,19,41,643
TOTAL	89,72,56,993	78,20,64,942
15. CASH AND BANK BALANCES		
A. Cash & Cash Equivalent		
Balance with Banks*	25,20,519	99,06,146
Cash on Hand	6,69,464	1,78,735
B. Other Bank Balances		
fixed deposit with banks**	11,87,93,546	820,53,110
TOTAL	12,19,83,529	9,21,37,991
* Balance with Banks includes Unclaimed Dividend of Rs.1,49,278/- (P.Y. Rs.1,49,278/-) and Share Application Money due for Refund Rs.58,725/- (P.Y. 58,725/-).		
** Fixed deposits with Bank includes deposits of Rs. 4,25,04,429/- (P.Y. 4,82,05,770/-) with maturity of more than 12 months		
16. SHORT TERM LOANS AND ADVANCES (Unsecured and considered good)		
Advance to Suppliers	3,17,37,379	4,82,53,417
Advance to Employees	16,14,543	6,84,415
Deposits	35,58,722	32,27,300
Balance with Central Excise Authorities	11,15,53,458	10,02,24,472



	As at 31.03.2012 (Amount in Rs.)	As at 31.03.2011 (Amount in Rs.)
Input Sales Tax Credit Receivable	3,39,12,062	2,24,34,568
Advance to Contractors	78,89,474	1,61,14,776
Other loans and advances	7,24,57,633	6,52,49,884
TOTAL	26,27,23,271	25,61,88,832

17. OTHER CURRENT ASSETS
(Unsecured and considered good)

Interest receivable	1,22,82,580	80,13,702
Prepaid Expenses	1,72,26,375	31,62,278
Subsidy Receivable	89,75,850	2,76,18,000
TOTAL	3,84,84,805	3,87,93,980

18. REVENUE FROM OPERATIONS

	Year Ended 31st March 2012 (Amount in Rs.)	Year Ended 31st March 2011 (Amount in Rs.)
Sale of Products (Gross)	4,00,53,37,701	3,07,13,58,480
Other Operating revenues	2,57,68,057	4,03,91,657
Less: Excise duty, EC and SHEC	26,30,31,631	21,56,43,354
TOTAL	3,76,80,74,127	2,89,61,06,783

19. OTHER INCOME

Interest Income	1,29,52,541	93,84,598
Other Non-Operating Income	21,42,240	33,81,025
TOTAL	1,50,94,781	1,27,65,623

20. COST OF MATERIAL CONSUMED

Raw Material (Opening)	20,27,68,089	16,60,73,722
Add: Purchases	3,01,23,52,836	2,35,98,08,521
Add/ (Less) : Hedging Cost/ (Gain)	(38,07,545)	(2,16,772)
Less: Raw Material (Closing)	12,67,32,532	20,27,68,089
TOTAL	3,08,45,80,848	2,32,28,97,382

21. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN PROCESS AND STOCK-IN-TRADE

	Year Ended 31st March 2012 (Amount in Rs.)	Year Ended 31st March 2011 (Amount in Rs.)
Finished Goods (Opening)	8,08,62,571	6,40,96,161
Work In Process (Opening)	17,19,12,742	25,27,75,313
Less:		
Finished Goods (Closing)	20,45,08,764	8,08,62,571
Work In Process (Closing)	13,80,37,918	17,19,12,742
(Increase)\Decrease In Stock	34,25,46,682	25,27,75,313
	(8,97,71,369)	(2,85,04,969)



	Year Ended 31st March 2012 (Amount in Rs.)	Year Ended 31st March 2011 (Amount in Rs.)
Increase/(Decrease) in excise duty on finished goods	1,49,45,609	15,65,675
TOTAL	(7,48,25,760)	(2,69,39,294)

22. EMPLOYEE BENEFITS

Salaries, Wages & Allowances	14,93,03,461	11,15,89,893
Contribution to ESI & PF	46,62,841	34,68,700
Leave Encashment	50,90,635	6,19,852
Gratuity	13,80,912	8,39,529
Staff Welfare	71,36,621	52,05,241
TOTAL	16,75,74,470	12,17,23,215

22.1 In accordance with Accounting Standard 15 "Employees Benefits", the Company has classified various Benefits provided to employees as under:

I. Defined Contribution Plans

- a. Provident Fund
- b. Employers' contribution to Employees' State Insurance

During the year, the Company has recognised the following amounts in the Profit and Loss Account:

	2011-12	2010-11
- Employers' Contribution to Provident Fund and Pension Scheme	28,19,201/-	22,09,156/-
- Employers' Contribution to Employees' State Insurance	18,43,640/-	12,59,544/-

II. Defined Benefits Plans

Contribution to Gratuity Fund and Leave Encashment (Unfunded Scheme) in accordance with Accounting Standard 15, actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Discount Rate (per annum)	8.50%	8.00%	8.50%	8.00%
Rate of increase in compensation levels	6.00%	5.50%	6.00%	5.50%
Rate of Return on Plan Assets (for Unfunded Scheme)	0.00%	0.00%	0.00%	0.00%
Expected Average remaining working lives of employees (years)	23.69	23.77	23.56	23.77
A. Changes in the present value of obligation (Unfunded Scheme)				
Opening Present Value of Obligation	44,48,752	36,51,163	24,10,832	19,24,808

	Gratuity		Leave Encashment	
	2011-12	2010-11	2011-12	2010-11
Interest cost	3,78,144	2,92,093	2,04,921	1,53,985
Current Service Cost	12,68,561	9,96,019	11,03,508	6,71,932
Past Service Cost	—	—	—	—
Settlement Cost/(Credit)	—	—	—	—
Benefits Paid	(3,99,882)	(41,940)	(23,62,664)	(1,33,828)
Actuarial (gain)/loss on obligations	(2,65,793)	(4,48,583)	37,82,206	(2,06,065)
Closing Present value of obligation	54,29,782	44,48,752	51,38,803	24,10,832
B. Changes in the Fair Value of Plan Assets (Unfunded Scheme)				
Opening Present value of Plan Assets	—	—	—	—
Expected Return of Plan Assets	—	—	—	—
Actuarial Gains and (Losses)	—	—	—	—
Contributions	—	—	—	—
Benefit Paid	—	—	—	—
Assets Distributed on Settlement	—	—	—	—
Closing Fair Value of Plan Assets	—	—	—	—
C. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets				
Present Value of funded Obligation as at the end of the year	—	—	—	—
Fair Value of Plan Assets as at the end of the year	—	—	—	—
Funded Status	—	—	—	—
Present value of unfunded obligation as at the end of the year	54,29,782	44,48,752	51,38,803	24,10,832
Unrecognised Actuarial (gains/losses)	—	—	—	—
Unfunded Liability/(Net Asset) recognised in Balance Sheet	54,29,782	44,48,752	51,38,803	24,10,832
D. Amount recognised in the Balance Sheet (Unfunded Scheme)				
Present Value of Obligations as at the end of the year	54,29,782	44,48,752	51,38,803	24,10,832
Liability/(Asset) recognised in the Balance Sheet	54,29,782	44,48,752	51,38,803	24,10,832
E. Expenses recognised in the Profit and Loss Account				
Current Service cost	12,68,561	9,96,019	11,03,508	6,71,932
Past Service Cost	—	—	—	—
Interest Cost	3,78,144	2,92,093	2,04,921	1,53,985
Expected Return on Plan Assets	—	—	—	—
Curtailment Cost/(Credit)	—	—	—	—
Settlement Cost/(Credit)	—	—	—	—
Net actuarial (gain)/loss recognised in the period	(2,65,793)	(4,48,583)	37,82,206	(2,06,065)
Total Expenses recognised in the Profit and Loss	13,80,912	8,39,529	50,90,635	6,19,852



	Year Ended 31st March 2012 (Amount in Rs.)	Year Ended 31st March 2011 (Amount in Rs.)
23. FINANCE COSTS		
Interest To Bank		
On Term Loan	1,51,78,182	1,44,97,276
On Other Borrowings	12,27,79,487	8,51,87,050
Interest to Others	6,84,45,049	1,14,31,457
Bank Charges	2,28,56,425	2,98,55,097
TOTAL	22,92,59,143	14,09,70,880
24. OTHER EXPENSES		
Manufacturing Expenses		
Consumable Expenses	94,58,445	99,88,542
Electricity Expenses	3,49,26,809	2,68,01,829
Power & Fuel	69,06,503	65,67,400
Job Work	40,80,854	55,22,382
Excise Duty	–	4,64,242
Packing Material Consumed	9,39,57,161	6,70,82,980
Freight & Cartage Inward	62,13,510	99,93,732
Repair & Maintenance(Machine)	1,06,11,348	1,26,88,992
Testing , Inspection & Calibration Expenses	15,10,562	27,08,236
	16,76,65,192	14,18,18,335
Administrative & Other Expenses		
Auditor's Remuneration	7,00,000	7,00,000
Legal & Professional charges	67,09,878	31,58,278
Printing & Stationery	21,04,222	19,10,602
Rent	1,19,73,130	1,14,24,662
Electricity / Fuel Expenses	10,06,841	12,69,087
Advertisement, Publicity & Exhibition Expenses	15,41,292	24,90,262
Freight & Cartage Outward	85,55,596	2,40,60,434
Commission	33,08,322	1,48,53,864
Traveling & Conveyance	52,74,920	50,56,107
Repair & Maintenance		
- Building	92,427	35,321
- Others	72,78,659	55,56,968
Communication Expenses	32,50,455	28,87,258
Insurance	35,63,118	9,56,157
Vehicle Running & Maintenance	29,96,369	26,26,852
Loss on Sale of Fixed Assets	8,14,474	1,26,314
Loss on Foreign Exchange fluctuation(Net)	–	53,59,072
Sitting Fees	90,000	1,00,000
Other Expenses	76,05,302	35,43,703
	6,68,65,005	8,61,14,941
TOTAL	23,45,30,197	22,79,33,276

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2012**25. SIGNIFICANT ACCOUNTING POLICIES****I. Basis of preparation**

The accounts are prepared under the historical cost convention and are in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.

II. Use of Estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period.

a) Fixed Assets

- i) Fixed Assets are stated at their original cost. Cost includes acquisition price, attributable expenses and pre-operational expenses including finance charges, wherever applicable.
- ii) Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on project till date of commencement of commercial production are capitalized.
- iii) Pre-Operative Expenses and Allocation thereon
All pre-operative expenditure & trial run expenditure are accumulated as Capital Work-in-Progress and is allocated to the relevant fixed assets on a pro-rata / reasonable basis depending on the prime cost of assets.

b) Depreciation

- i) Depreciation on Fixed Assets is provided on Straight Line method in accordance with the rates as specified in Schedule XIV to the Companies Act, 1956.
- ii) Depreciation is not recorded on capital work-in-progress until that asset is ready for its intended use.
- iii) Lease hold lands are not depreciated.
- iv) Individual assets costing upto Rs.5000/- per item are fully write off in the year of purchase.

c) Inventories

- i) Inventories (other than scrap) are valued at lower of cost or net realisable value. The cost of

inventories is computed on a FIFO basis. The cost of Finished Goods and work-in-progress include cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Excise duty & Cess is included in finished goods valuation.

- ii) Scrap is valued at net realisable value.

d) Revenue Recognition

- i) Sale of goods is recognized at the point of dispatch of finished goods to customers.
- ii) Gross turnover is net of sales tax and inclusive of excise duty & Cess.
- iii) All other income are accounted for on accrual basis.

e) Expenses

All expenses are accounted for on accrual basis.

f) Employee Benefits

The Company's contribution to Provident Fund and Employee State Insurance Schemes is charged to the Profit and Loss account. The Company has unfunded defined benefit plans namely leave encashment and gratuity for its employees, the liability for which is determined on the basis of actuarial valuation, conducted annually, by an independent actuary, in accordance with Accounting Standard 15 (Revised 2005) – “Employee Benefits”, notified under the Companies (Accounting Standards) Rules, 2006, as amended. Actuarial gains and losses are recognized in Profit and Loss account as income or expenses. Employee benefits of short term nature are recognized as expenses as and when it accrues.

g) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

h) Foreign Currency Transactions

- i) Transactions in Foreign Currency are initially recorded at the exchange rate at which the transaction is carried out.
- ii) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end and translated at the year end rate. The effect of Exchange Rate

fluctuations in respect of Monetary Assets is taken to Profit & Loss Account.

- iii) Exchange differences on conversion of year-end foreign currency balances pertaining to long term loans (ECB) for acquiring fixed assets including capital work in progress are adjusted in the carrying cost of these assets.
- iv) Non monetary foreign currency items are carried at cost.

i) Government Grants

An appropriate amount in respect of subsidy benefits earned estimated on prudent basis is credited to income for the period even though the actual amount of such benefits finally settled and received after the end of relevant accounting period. Government grant relating to fixed assets is adjusted with related asset.

j) Taxes on Income

- i) Tax expense comprises of current tax, deferred tax and wealth tax.
- ii) The Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of the Income Tax Act 1961. Deferred tax is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- iii) Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the profit and loss account and shown as MAT credit entitlement.

26. CONTINGENT LIABILITIES

a) CLAIMS AGAINST COMPANY NOT ACKNOWLEDGED AS DEBTS:

Details of various show cause notices & cases against which the Company / Department is in appeal and against which no demand is deposited are given below :

Name of the Statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duties Penalty	359716/- 75000/-	2005-06	Commissioner (Appeals), Central Excise & Custom, Jaipur
	Excise Duties	330225/-	2004-05	CESTAT, New Delhi
	Excise Duties Penalty	162054/- 162054/-	2005-06	CESTAT, New Delhi
	Excise Duties Penalty	176867/- 50000/-	2005-06	Commissioner of Central Excise & Custom, Jaipur
	Excise Duties Penalty	161169/- 161169/-	2006-07	Commissioner (Appeals), Central Excise & Custom, Jaipur
	Excise Duties	3159709/-	2006-07	Commissioner (Appeals), Central Excise & Custom, Jaipur
	Excise Duties	5783018/-	2006-07	CESTAT, New Delhi
	Excise Duties Penalty	260222/- 50000/-	2006-07	Commissioner (Appeals), Central Excise & Custom, Jaipur
	Excise Duties	81681/-	2006-07	Asst. Commissioner Central Excise, Bhiwadi
	Excise Duties	746412/-	2004-05	CESTAT, New Delhi
	Excise Duties	6024771/-	2007-08	CESTAT, New Delhi
	Excise Duties	67441/-	2007-08	CESTAT, New Delhi
	Excise Duties	612151/-	2007-08	Commissioner Central Excise & Custom, Jaipur
	Excise Duties	2281042/-	2007-08	Commissioner (Appeals), Central Excise & Custom, Jaipur
	Excise Duties	5437100/-	2008-09	CESTAT, New Delhi
	Excise Duties	1309877/-	2008-09	Joint Commissioner, Central Excise, jaipur
	Excise Duties	15271114/-	2009-10	CESTAT, New Delhi
	Excise Duties	15337611/-	2009-10	CESTAT, New Delhi

	Excise Duties	1105939/-	2009-10	Joint Commissioner, Central Excise, Jaipur
	Excise Duties	337944/-	2010-11	Asst Commissioner, Central Excise, Bhiwadi
	Excise Duties	406601/-	2010-11	Asst Commissioner, Central Excise, Bhiwadi
	Excise Duties	18237626/-	2010-11	Commissioner of Central Excise, Jaipur-I
	Interest on Service Tax	1003041/-	2009-10	Commissioner of Central Excise, Jaipur-I
	Excise Duties	276589/-	2011-12	Asst Commissioner, Central Excise, Bhiwadi
	Excise Duties	236874/-	2008-09 to 2011-2012	Asst Commissioner, Central Excise, Bhiwadi
	Excise Duties	15568226/-	2011-12	Commissioner of Central Excise, Jaipur-I
Sales Tax Act	Sales Tax	7232954/-	2008-09	Addl. Commissioner & Special Joint Commissioner
	Penalty	1954386/-	2008-09	
	Interest	565697/-	2008-09	

b) Other Contingent Liabilities

Amount (Rs. in Lacs)

Particulars	(2011-12)	(2010-11)
Guarantees issued by Bankers*	8687.17	7524.95
L/C's negotiated by bank	1023.15	16.68
In respect of Bill factored from banks/Factoring agency	2509.46	2496.09

*Bank Guaranties includes BG's amounting to **Rs 3375.60 Lacs** (PY 3240.60 Lacs) extended to Raw Materials suppliers for credit period extended to company and the same is accounted for in sundry creditors.

c) Capital & Other Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for (Net of Advances) Nil (P.Y. Rs.243.28 Lacs).

27. Auditors Remuneration*
Amount (Rs.)

Particulars	2011-12	2010-11
Statutory Audit Fees	5,00,000	5,00,000
Tax Audit Fees	1,00,000	1,00,000
Taxation Matters	1,00,000	1,00,000
Total	7,00,000	7,00,000

* Excluding Service Tax

28. Foreign Exchange Earning & Outgo :
Amount (Rs.)

Particulars	2011-12	2010-11
a) Earning in Foreign Currency	15,42,43,345	29,38,15,622
b) Expenditure in foreign Currency		
- ECB Loan Repayment (Including Interest)	4,16,42,469	4,12,55,006
-Travel Expenses	2,29,435	3,72,463
-Professional Fees	–	2,31,740
-Machine and equipments	14,93,723	3,00,97,318
-Others	17,93,226	1,47,07,626
c) Value of Imports calculated on C.I.F. basis		
- Raw Material	12,65,93,605	8,10,53,758

29. Value of Imported and Indigenous Material Consumed :

Particulars	2011-12		2010-11	
	Amount (Rs.)	%	Amount (Rs.)	%
Imported	11,79,69,309	3.82	8,23,09,892	3.54
Indigenous	2,96,66,11,539	96.18	2,24,05,87,490	96.46
Total	3,08,45,80,848	100.00	2,32,28,97,382	100.00

30. Quantitative details of stocks

Sl.No	Raw Material	Opening Stock as on 01.04.11		Closing Stock as on 31.03.12			
		QTY (KG)	Amount (RS)	QTY (KG)	Amount (RS)		
A	Copper	1,83,941.110	8,88,93,710	63,503,960	2,99,25,569		
B	Pvc Compound	4,42,011,.600	2,56,44,446	4,74,046,.100	2,25,84,918		
C	G.I.Wire	5,00,595.150	2,61,47,105	6,07,655.500	3,55,30,503		
D	Alu./poly/cu/other Tapes	79,038.545	2,00,52,340	1,21,417.364	2,14,83,304		
E	Aluminum Wire	1,55,532.900	2,06,24,388	9,015.850	13,57,330		
F	Wires of Nickle Alloys	9,683.275	1,47,55,434	6,505.095	1,06,03,290		
G	Master Batch/ LDME /HDPE/XLPE/ Resin/ Chemicals/Others	99,104.700	66,50,666	90,844.150	52,47,618		
	TOTAL	14,69,907.280	20,27,68,089	13,72,988.019	12,67,32,532		
	Finished Goods	Opening Stock as on 01.04.11		Manufacturing	Sales	Closing Stock as on 31.03.12	
	Description	(Qty) Km	Value(Rs)	(Qty) km	(Qty) km	(Qty) km	Value(Rs)
	Electric Wire & Cables	938.795	8,08,62,571	28966.358	28254.530	1650.623	20,45,08,764

31. SEGMENT REPORTING:

As the Company's business activities fall within a single primary business segment, viz., "Electric Wire & Cable", the disclosure requirement of Accounting Standard (AS) – 17 "Segment Reporting" are not applicable.

32. RELATED PARTY DISCLOSURE:

As per Accounting Standard 18, "Related Party Disclosure" issued by The Institute of Chartered Accountants on India, the disclosures of transactions with the Related Parties as defined in the Accounting Standard are given below-

Key Management Personnel

 Naveen Sawhney
 D.K. Prashar

Nature of Relationship

 Managing Director
 Joint Managing Director

RELATIVES of Key Management Personnel

 Varun Sawhney
 Rahul Prashar
 Gaurav Sawhney
 Adarsh Sawhney
 Adesh Prashar
 Amit Prashar

Nature of Relationship

 Son of Mr. Naveen Sawhney
 Son of Mr. D.K. Prashar
 Son of Mr. Naveen Sawhney
 Wife of Mr. Naveen Sawhney
 Wife of Mr. D.K. Prashar
 Son of Mr. D.K. Prashar

Transactions with related parties during the year

Amount (Rs.)

Transactions	Key Management Personnel		Relatives of Key Management Personnel		Total	
	(2011-12)	(2010-11)	(2011-12)	(2010-11)	(2011-12)	(2010-11)
Remuneration	90,00,000	1,10,85,000	32,79,972	31,71,528	1,22,79,972	1,42,56,528
-Commission	4,86,000	-	-	-	4,86,000	-
-Other Benefits	21,62,076	1,14,000	2,47,806	2,43,828	24,09,822	3,57,828
-Rent	1,14,69,130	1,09,14,912	-	-	1,14,69,130	1,09,14,912
-Dividend paid	-	50,55,947	-	11,19,995	-	61,75,942
-Issue of Preference Shares	1,60,00,000	-	-	-	1,60,00,000	-

33. BASIC AND DILUTED EARNINGS PER SHARE (AS-20):

Basic & Diluted Earnings per share of the company is as under :

Amount (Rs.)

Particulars	2011-12	2010-11
Profit for the year	5,36,30,433	5,37,11,905
Less : Preference Dividend (Including Dividend Tax)	(7,01,054)	–
Profit after Tax attributable to equity shareholders (A) Rs.	5,29,29,379	5,37,11,905
Weighted Average No. of Share-Basic (B)	1,14,27,780	1,14,27,780
Add: Diluted Potential Equity Shares	–	–
Weighted Avg. No. of Equity Shares -Diluted (C)	1,14,27,780	1,14,27,780
Nominal Value per Share (Rs.)	10	10
Earnings per Share-Basic(Rs) (A / B)	4.63	4.70
Earnings per Share-Diluted(Rs) (A / C)	4.63	4.70

34. DEFERRED TAX (AS-22):

The deferred tax liability (Net) as at 31st March 2012 comprises of the following:

Amount (Rs.)

Particulars	Deferred Tax Asset/(Liability) as at 01-04-2011	Credit / (Charge) during 2011-12	Deferred Tax asset / (Liability) as at 31-03-2012
Depreciation	(5,14,39,389)	(68,56,491)	(5,82,95,880)
Employee Benefits	32,23,105	(10,661)	32,12,444
Total	(4,82,16,284)	(68,67,152)	(5,50,83,436)

35. During the year, Company has made provision for Minimum Alternate Tax (MAT) of Rs.1,48,74,246/- Considering the future expected benefits, the company has recognize Rs. 10,71,410/- as MAT entitlement credit representing excess of MAT provision over current tax.
36. As at March 31, 2012, the company had Rs. 58,725/- as outstanding in the refund account with ICICI bank towards unpaid application money received by the company for allotment of shares and is due for refund. This amount is not available for use by the company and will be credited to Investor Education & Protection Fund as and when due unless claimed by share holders earlier to the specified date.
37. In respect of amounts as mentioned under 205C of the Companies Act, 1956 there were no dues required to be credited to the Investor Education and Protection Fund as at March 31, 2012.

- 38 In the opinion of the Board of Directors, all current assets, loans and advances appearing in the balance sheet as at 31st March, 2012 have a value on realization in the ordinary course of the Company's business at least equal to the amount at which they are stated in the balance sheet. In the opinion of the Board of Directors, no provision is required to be made against the recoverability of these balances.
39. Previous year figures have been regrouped and/or reclassified wherever necessary to conform to those of the Current year grouping and/or classification.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF CORDS CABLE INDUSTRIES LIMITEDFOR SHARMA GOEL & CO.
Chartered Accountants
Firm's Registration No.000643NNAVEEN SAWHNEY
Managing DirectorD. K. PRASHAR
Joint Managing DirectorCA. AMAR MITTAL
(Partner)
Membership No.:17755JYOTI DIXIT
Company Secretary
M.No.: 6229Place : New Delhi
Dated: May 28, 2012

E-service of Documents through Email

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" (Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011) allowing paperless compliances by companies through electronic mode. Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered e-mail address of the shareholders.

The move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribute towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit and thus serve the shareholders better.

Keeping in view the underlying theme and the circular issued by MCA, we propose to send documents like the notice calling the general meeting, audited financial statements, director's report, auditor's report etc. henceforth to the shareholders in electronic form.

To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail address, in respect of electronic holding with the Depository through their concerned Depository Participants. **Members who hold shares in physical form are requested to inform the same to the Company.**

Please note that you will be entitled to be furnished, free of cost, with a copy of the balance sheet of the company and all other documents required by law to be attached thereto including the profit and loss account and auditor's report, upon receipt of a requisition from you, any time, as a member of the company.

We hope that as a responsible citizen, you will whole-heartedly support this initiative and will cooperate with the Company in implementing the same.

NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Cords Cable Industries Limited will be held on Wednesday, 26th September, 2012 at 3.00 p.m at The Little Theatre Group, Copernicus Marg, New Delhi – 110001 to transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, 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. Ajit Kumar Sahay, who retires by rotation and being eligible offers himself for re-appointment.
- 3 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 pursuant 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:

- 4 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, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII and subject to approval of Central Government, and such other approvals as may be required, that consent of the Company be and is hereby accorded for revision of remuneration of Mr. Naveen Sawhney, Managing Director of the Company for a period of three years w.e.f. 01.04.2012 as under:

Consolidated Monthly Salary : Rs.6,00,000/- (Rupees Six Lacs only) per month.

Commission : Managing Director shall be entitled to receive commission not Exceeding 4% (four percent) of the net profits calculated as per the provisions of Section 198 of the Companies Act, 1956

Perquisites : Medical Reimbursement-Medical Expenses incurred for himself and his family subject to ceiling of half month's salary in a year.

Provident Fund, Gratuity & Leave Encashment
—As per Rules & Regulations of the Company.

Car & Telephone—Car with a driver for company's business, telephone at residence and Mobile Phone used for official purpose.

RESOLVED FURTHER that the terms and conditions set out for 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 total remuneration as approved by the Central Government.

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

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, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII and subject to approval of Central Government, and such other approvals as may be required, that consent of the Company be and is hereby accorded for revision of remuneration of Mr. D.K. Prashar, Joint Managing Director of the Company for a period of three years w.e.f. 01.04.2012 as under:

Consolidated Monthly Salary :

Rs.6,00,000/- (Rupees Six Lacs only) per month.

Commission :

Managing Director shall be entitled to receive commission not Exceeding 4% (four percent) of the net profits calculated as per the provisions of Section 198 of the Companies Act, 1956

Perquisites :

Medical Reimbursement-Medical Expenses incurred for himself and his family subject to ceiling of half month's salary in a year.

Provident Fund, Gratuity & Leave Encashment
—As per Rules & Regulations of the Company.

Car & Telephone—Car with a driver for company's business, telephone at residence and Mobile Phone used for official purpose.



RESOLVED FURTHER that the terms and conditions set out for 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 total remuneration as approved by the Central Government.

RESOLVED FURTHER that the Board be and is hereby authorized 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 an **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.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 Cumulative Redeemable Non-Convertible Preference Shares of Rs.100/- each to Rs.15,60,00,000/- (Rupees Fifteen Crores Sixty Lacs only) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 3,60,000 (Three Lacs Sixty Thousand) Preference Shares of Rs. 100/- (Rupees Hundred) each by the creation of 1,60,000 (One Lac Sixty Thousand) 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.15,60,00,000/-(Rupees Fifteen Crores Sixty Lacs only) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs.10/-(Rupees Ten) each and 3,60,000 (Three Lacs Sixty Thousand) 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.”

7. 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 shares 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 08, 2012

Registered Office
B-1/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. Ajit Kumar Sahay, Director 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 Friday, September 21, 2012 to Wednesday, September 26, 2012, 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. 4**

Mr. Naveen Sawhney was re-appointed as Managing Director of the Company for a period of 5 years effective from July 01, 2011 by the Board of Directors at their meeting held on May 28, 2011 and the matter was approved by the shareholders in the AGM dated September 26, 2011.

Mr. Naveen Sawhney possesses vast, varied & rich experience in the Cable Industry for over 40 years. Under his able guidance, the Company has crossed many milestones while looking forward to be a major global player in the cable industry.

Mr. Naveen Sawhney is a Mechanical Engineer (AMIME) and holds a Post Graduate Diploma in Marketing Management. Presently he is heading the Marketing, Strategic Planning and Sourcing Division. As MD of the Company he is also responsible for taking policy decisions and motivating the team of professionals to implement management policies.

Considering the expertise, knowledge of industry & business and contribution of Mr. Naveen Sawhney in the growth of business operations of the Company proposal for upward revision of remuneration of Mr. Naveen Sawhney was considered by the management of the Company and is recommended by the Remuneration Committee consisting of all Independent Directors and is duly approved by the Board of Directors of the Company.



Accordingly it is proposed to revise the remuneration payable to Mr. Naveen Sawhney, Managing Director of the Company so that remuneration commensurate with the duties and responsibilities.

Once approval of shareholders by way of special resolution is obtained, your company will file necessary application with Central Government for seeking approval for payment of revised remuneration.

Statement pursuant to Section II (C) 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 since 1991.		
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	2011-12	2010-11
		Total Income	37831.69	29088.73
		Profit Before Tax and Depreciation	1420.51	1223.18
		Depreciation	677.50	434.19
		Profit Before Tax	743.01	788.99
		Tax	206.70	251.87
		Profit After Tax	536.31	537.12
		Equity Capital (face value Rs. 10/-)	1142.78	1142.78
		Preference Share Capital(face value Rs. 100/-)	160.00	–
		Earning per Share (Rs.)	4.63	4.70
5.	Export performance (Rs. In Lacs)and Net Foreign Exchange Collaborations (Rs. In Lacs)	Particulars	2011-12	2010-11
		Foreign Exchange Earning	1542.43	2938.16
		Foreign Exchange Outgo	1717.52	1677.18
		Foreign Exchange Collaborations	–	–
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, 60 Years, is a Mechanical Engineer (AMIME) and holds a Post Graduate Diploma in Marketing Management. He has vast experience of more than 40 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 for about 10 years. In 1985 he left the organization and joined Cords India which was formed for marketing of 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

Before proposed revision Mr. Naveen Sawhney was entitled to consolidated monthly salary of Rs. 3,75,000/- and Commission not exceeding 1% of the net profits of the Company in addition to perquisites as proposed. Remuneration of Mr. Naveen Sawhney is not revised since 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

The proposed remuneration of Mr. Naveen Sawhney includes consolidated monthly salary of Rs. 6,00,000/- and commission not exceeding 4% of Net Profits calculated as per the provisions of Section 198 of the Companies Act, 1956. Mr. Naveen Sawhney is also entitled to perquisites and Statutory benefits as per company policy which includes Medical, PF, Gratuity, Leave Encashment, Car & Telephone as proposed in the accompanying resolution.

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 past 17 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 at 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.

Moreover remuneration of Mr. Naveen Sawhney is not revised since last three years as it was last revised in October 2009. Turnover of the Company for the financial year 2008 – 2009 was Rs. 241 Crore whereas it has achieved turnover of Rs. 311 Crore during last financial year 2010 – 2011 and this year Company registered the turnover of Rs.403 Crore.

Company registered growth of more than 40% within time span of three years despite adverse economic scenario whereby manufacturing sector was registering negative growth. Mr. Naveen Sawhney has significantly contributed in the growth of the Company.

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

Mr. Naveen Sawhney is holding 23.50% Equity Shares of the Company and 50% of Preference 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.

III OTHER INFORMATION:

1. Reasons of Loss or Inadequate Profits

As stated earlier turnover of the Company for the financial year 2008 – 2009 was Rs. 241 Crore whereas it has achieved turnover of Rs. 311 Crore during last financial year 2010 – 2011 and during financial year 2011-2012 the turnover of the Company is Rs.403 Crore registering a growth of more than 40% within a time span of three years despite adverse economic scenario whereby manufacturing sector was registering negative growth. Mr. Naveen Sawhney has significantly contributed in the growth of the Company.

The Company has been earning profits since inception. However, during the last couple of years profitability of the Company is adversely impacted primarily due to following reasons:

- During the past couple of years, your Company has incurred significant capital expenditures for expansion of manufacturing facilities which were inter-alia funded by way of term loans from Banks and Financial Institutions which resulted in significant increase in the turnover of the Company and interest outgoes of the Company also increased significantly. Higher interest costs are impacting profitability of the Company adversely.
- Your Company is mainly engaged in the business of manufacturing cable to be used in industries. During past couple of years due to overall adverse economic environment around the globe, the investment in new projects were put on hold by most of the companies. The increase in the net sales was not at par with the expectations marginally due to lower realizations, and the profit were further impacted on account of start-up expenses of new project.
- Our pattern of sales is cost plus margin. Due to sharp fluctuations in commodity prices, our margin sometimes goes down.

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. The Company is now working with two units so additional revenues shall be generated in the coming years.

Interest rates are likely to soften in near future and company is expected to save significantly on interest outgoes. Further, after payment of term loans availed for project financing, company will save on financial expenses.

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. Profitability of the Company is expected to increase in near future once interest rates are cooled down and overall economic scenario is changed suitably whereby realizations will increase which will result in higher profitability.

As your Company is engaged in cable manufacturing products used in projects hence demand is likely to be increased significantly as Government has focused again on infra projects approvals and investment in new projects will entail higher turnover of the Company which will ultimately increase the profitability of the Company.

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. 5

Mr. D.K. Prashar was re-appointed as Joint Managing Director of the Company for a period of 5 years effective from July 01, 2011 by the Board of Directors at their meeting held on May 28, 2011 and the matter was approved by the shareholders in the AGM dated September 26, 2011.

Mr. D.K. Prashar holds a Diploma in Mechanical Engineer and possesses vast experience, exceptional managerial skills and significant contribution in the growth of the Company. He has an experience of over 38 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.

Considering the expertise, knowledge of industry & business and contribution of Mr. D.K. Prashar in the growth of business operations of the Company proposal for upward revision of remuneration of Mr. D.K. Prashar was considered by the management of the Company and is recommended by the Remuneration Committee consisting of all Independent Directors and is duly approved by the Board of Directors of the Company.

Accordingly it is proposed to revise the remuneration payable to Mr. D.K. Prashar, Joint Managing



Director of the Company so that remuneration commensurate with the duties and responsibilities.

Once approval of shareholders by way of special resolution is obtained your company will file necessary application with Central Government for seeking approval for payment of revised remuneration.

Statement pursuant to Section II (C) 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 since 1991.		
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	2011-12	2010-11
		Total Income	37831.69	29088.73
		Profit Before Tax and Depreciation	1420.51	1223.18
		Depreciation	677.50	434.19
		Profit Before Tax	743.01	788.99
		Tax	206.70	251.87
		Profit After Tax	536.31	537.12
		Equity Capital (face value Rs. 10/-)	1142.78	1142.78
		Preference Share Capital(face value Rs. 100/-)	160.00	-
		Earning per Share (Rs.)	4.63	4.70
5.	Export performance (Rs. In Lacs) and Net Foreign Exchange Collaborations (Rs. In Lacs)	Particulars	2011-12	2010-11
		Foreign Exchange Earning	1542.43	2938.16
		Foreign Exchange Outgo	1717.52	1677.18
		Foreign Exchange Collaborations	-	-
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, 62 Years, has a Diploma in Mechanical Engineering. He has over 38 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 cables. Presently he is working as a Joint Managing Director of our Company. He heads the manufacturing operations at Bhiwadi.

2. Past Remuneration

Before proposed revision Mr. D.K. Prashar was entitled to consolidated monthly salary of Rs. 3,75,000/- and Commission not exceeding 1% of the net profits of the Company in addition to perquisites as proposed. Remuneration of Mr. D.K. Prashar is not revised since October 01, 2009.

3. Recognition or awards

Mr. D.K. 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's management capabilities will enable the Company to progress further and he is fully suitable for this position.

5. Remuneration proposed

The proposed remuneration of Mr. D.K. Prashar includes consolidated monthly salary of Rs. 6,00,000/- and commission not exceeding 4% of Net Profits calculated as per the provisions of Section 198 of the Companies Act, 1956. Mr. D.K. Prashar is also entitled to perquisites and Statutory benefits as per company policy which includes Medical, PF, Gratuity, Leave Encashment, Car & Telephone as proposed in the accompanying resolution.

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 past 17 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 at 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.

Moreover remuneration of Mr. D. K. Prashar is not revised since last three years as it was last revised in October 2009. Turnover of the Company for the financial year 2008 – 2009 was Rs. 241 Crore whereas it has achieved turnover of Rs. 311 Crore during last financial year 2010 – 2011 and this year Company registered the turnover of Rs.403 Crore.

Company registered growth of more than 40% within time span of three years despite adverse economic scenario whereby manufacturing sector was registering negative growth. Mr. D. K. Prashar has significantly contributed in the growth of the Company.

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

Mr. D. K. Prashar is holding 23.99% Equity Shares of the Company and 50% of Preference 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.

III OTHER INFORMATION:

1. Reasons of Loss or Inadequate Profits

As stated earlier turnover of the Company for the financial year 2008 – 2009 was Rs. 241 Crore whereas it has achieved turnover of Rs. 311 Crore during last financial year 2010 – 2011 and during financial year 2011-2012 the turnover of the Company is Rs.403 Crore registering a growth of more than 40% within time span of three years despite adverse economic scenario whereby manufacturing sector was registering negative growth. Mr. D. K. Prashar has significantly contributed in the growth of the Company.

The Company has been earning profits since inception. However, during the past couple of years profitability of the Company is adversely impacted primarily due to following reasons:

- During the past couple of years, your Company has incurred significant capital expenditures for expansion of manufacturing facilities which were inter-alia funded by way of term loans from Banks and Financial Institutions which resulted in significant increase in the turnover of the Company and interest outgoes of the Company also increased significantly. Higher interest costs are impacting profitability of the Company adversely.
- Your Company is mainly engaged in the business of manufacturing cable to be used in industries. During the past couple of years due to overall adverse economic environment around the globe the investment in new projects were put on hold by most of the companies. The increase in the net sales was not at par with the expectations marginally due to lower realizations, and the profit were further impacted on account of start-up expenses of new project.
- Our pattern of sales is cost plus margin. Due to sharp fluctuations in commodity prices, our margin sometimes goes down.

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. The Company is now working with two units so additional revenues shall be generated in the coming years.

Interest rates are likely to soften in near future and company is expected to save significantly on interest outgoes. Further, after payment of term loans availed for project financing, company will save on financial expenses.

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. Profitability of the Company is expected to increase in near future once interest rates are cooled down and overall economic scenario is changed suitably whereby demand will increase which will result in higher profitability.

As your Company is engaged in cable manufacturing products used in projects hence demand is likely to increase significantly as Government has focused again on infra projects approvals and investment in new projects will entail higher turnover of the Company which will ultimately increase the profitability of the Company.

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. 6 & 7

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. 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 Cumulative Redeemable Non-Convertible Preference Shares of Rs.100/- 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. 14,00,00,000/- (Rupees Fourteen Crores only) to Rs.15,60,00,000/- (Rupees Fifteen Crores Sixty Lacs only) divided into 1,20,00,000 (One Crore Twenty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 3,60,000 (Three Lacs Sixty Thousand) 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



Cords Cable Industries Ltd.

Annual Report 2011-12

Members by way of Special Resolution is sought to be obtained for the proposed issue of preference shares.

Accordingly, the member's 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 08, 2012

Registered Office
B-1/A-26,
Mohan Cooperative Industrial Estate
Mathura Road,
New Delhi-110044





Cords Cable Industries Limited

Regd. Office : B-1/A-26, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044

ATTENDANCE SLIP

(To be surrendered at the time of entry to the Venue)

Date : September 26, 2012

Time : 3:00 p.m.

Venue : The Little Theatre Group, Copernicus Marg, New Delhi – 110001

Regd. Folio No
(If shares are not dematerialized)

Dp ID
Client ID
(If shares are dematerialized)

Name of the Shareholder

Name of the Proxy

Number of shares

I hereby record my presence at the 21st Annual General Meeting of the Company to be held on September 26, 2012 at 3:00 p.m at The Little Theatre Group, Copernicus Marg, New Delhi-110001

Member's/Proxy Signature

.....



Cords Cable Industries Limited

Regd. Office : B-1/A-26, Mohan Cooperative Industrial Estate, Mathura Road, New Delhi-110044

PROXY FORM

Regd. Folio No
(If shares are not dematerialized)

Dp ID
Client ID
(If shares are dematerialized)

I/We.....R/o.....

.....being member/s of the Company, do hereby appoint

Shri/Smt.....R/o.....

.....or failing him/ her, Shri/ Smt.....

R/o.....as my /our proxy to vote for me /us on my/our

behalf at the 21st Annual General Meeting of Cords Cable Industries Limited, to be held on

September 26, 2012 at 3:00 p.m. at The Little Theatre Group, Copernicus Marg, New Delhi – 110001

and at any adjournment thereof.

Note : The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time of the aforesaid meeting.

Signature

Please affix
Rs 1/-
Revenue
Stamp

Blank

BOOK POST

If undelivered please return to :

Cords Cable Industries Limited

B-1/A-26, Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi-110 044