



Shilpi Cable Technologies Ltd.

5th Annual Report 2010-2011





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mukesh Kumar Gupta

Managing Director

Ghanshyam Pandey

CEO & Whole Time Director

Manish Goel

CCO & Whole Time Director

Sunil Kala

Anirudh Goel

Sandeep Gupta

Neeta Sood,

Nominee Director

Rajesh Suri

AUDITORS

M/s RMA & Associates
Chartered Accountants
1479, Lawyers Chambers
Kashmere Gate
Delhi 110 006

REGISTERED OFFICE

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

SHARE TRANSFER AGENT

BEETAL Financial & Computer Services (P) Limited
Beetal House, 3rd Floor, 99 Madangir,
Behind Local Shopping Centre
Near Dada Harsukhdas Mandir, New Delhi – 110062
Tel: 011 29961281; **Fax:** 011 29961284

PLANT

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Sunita Gaur

BANKERS

IDBI Bank
Punjab National Bank
State Bank of India

Shilpi Cable Technologies Ltd.

Notice

Notice is hereby given that the fifth Annual General Meeting of the Members of the Company will be held on Thursday, 29th September, 2011 at 11.30 AM at 11, Hindi Bhawan, ITO, Delhi 110 002, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr Sandeep Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Ghanshyam Pandey who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorize the Board to fix their remuneration.

The present Statutory Auditors M/s RMA & Associates Chartered Accountants, New Delhi, are holding the office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolution:

“Resolved That pursuant to the provisions of sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956, the Articles of the Association of the Company, and other applicable provisions, if any, and other Competent Authorities, if any, Mr Mukesh Kumar Gupta be and is hereby re-appointed as a Managing Director of the Company for a further period of three years with effect from 1st October, 2011 on the remuneration not exceeding Rs 3,00,000 (Rupees three lac) per month, whether paid as salary, allowance(s), perquisites or a combination thereof.

Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution.”

6. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolution:

“Resolved That pursuant to the provisions of sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956, the Articles of the Association of the Company, and other applicable provisions, if any, consent of the members of the Company be and is hereby given for the re-appointment of Mr Ghanshyam Pandey as the Whole-time Director

designated as Director- Production & Chief Executive Officer of the Company or such other designation as may be decided by the Board, for a period of three years with effect from 1st October, 2011 on the remuneration not exceeding Rs. 3,50,000 (Rupees three lac fifty thousand) per month whether paid as salary, allowance(s), perquisites or a combination thereof.

Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Whole Time Director as it may deem fit and proper.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution."

7. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolution:

"Resolved That pursuant to the provisions of sections 198, 269 and 309 read with Schedule XIII of the Companies Act, 1956, the Articles of the Association of the Company, and other applicable provisions, if any, consent of the members of the Company be and is hereby given for the re-appointment of Mr Manish Goel as the Whole Time Director designated as Director- Marketing & Chief Commercial Officer of the Company or such other designation as may be decided by the Board, for a period of three years with effect from 1st October, 2011 on the remuneration not exceeding Rs. 3,00,000 (Rupees three lacs) per month, whether paid as salary, allowance(s), perquisites or a combination thereof.

Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration:

- a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c. Encashment of leave at the end of tenure.

Resolved further that in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Whole Time Director as it may deem fit and proper.

Shilpi Cable Technologies Ltd.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to take all necessary steps to give effect to the aforesaid resolution.”

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

“Resolved that pursuant to the provisions of section 61 of the Companies Act 1956, the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 and other applicable provisions, if any, consent of the Members of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as “the Board” which expression shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this Resolution) to amend, vary or alter the Objects of the Issue and/or deployment of funds as mentioned in the Offer Document dated March 28, 2011, issued by the Company at the time of its Initial Public Offer (IPO) by, inter alia, altering the utilization of the issue proceeds, as the Board may consider necessary or expedient in the best interest of the Company, as described in the Explanatory Statement annexed to this Notice.

Resolved further that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the shareholders.”

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

Date : 29th July, 2011

Place : New Delhi

Sunita Gaur
Company Secretary

Notes:

- A. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of Special Business as set out in the notice is annexed hereto.**
- B. Appointment of Proxy: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.**
- C. Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
- D.** Members/Proxies attending the meeting are requested to bring their copy of Annual Report to the Meeting.
- E. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.
- F. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 28th September 2011 to Thursday, 29th September 2011 (both days inclusive) for the purpose of the AGM.

- G.** All the documents, transfers, dematerialization requests and other communications in relation thereto should be addressed direct to the Company's Registrar and Transfer Agent, M/s Beetal Financial & Computer Services Pvt Ltd at the address mentioned below:

M/s Beetal Financial & Computer Services Pvt Ltd
Beetal House, 3rd Floor, 99 Madangir
Behind Local Shopping centre Near Harsukhdas Mandir,
New Delhi-110062; Phone No.011-29961284.
e-mail:shilpi_ipo@beetalfinancial.com

- H.** Pursuant to Clause 47(f) of the Listing Agreement entered into with the Stock Exchanges, the company has created an exclusive email id for quick redressal of shareholders/investors grievances. The said email ID is investors@shilpicabletech.com
- I. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- J.** The information required to be provided under the Listing Agreement regarding the Directors proposed to be appointed/reappointed is given in the Corporate Governance Report.

Shilpi Cable Technologies Ltd.

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

As required by Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice dated 29th July 2011:

Item No 5.

Mr Mukesh Kumar Gupta is promoter director of the company and had been associated with the Company since its incorporation and has made significant contribution in the growth of the company. Your Board have proposed to re-appointed him as Managing Director with effect from 1st October, 2011 for a further period of three years. Approval of members of the company is required for the re-appointment of and payment of remuneration to Mr Mukesh Kumar Gupta as Managing Director.

As per the provisions of clause B, Part II of Schedule XIII of the Companies Act, 1956, a statement containing the information required under the said clause is as follows:

I. GENERAL INFORMATION

(1)	Nature of Industry	Shilpi Cable Technologies Limited is engaged in the business of manufacturing of cables and wires and other related activities.
(2)	Date or expected date of commencement of commercial production	The Company obtained Certificate of Commencement on 13 th July, 2006 and started the commercial production from January 2008.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4)	Financial Performance of the Company is given below	
	Particulars	Financial Year ended (Amount in Lacs)
		31st March, 2011
		31st March 2010
	Net Sales less Excise Duty	23039.77
	Other Income	161.18
	Increase/ (Decrease) in Stocks	172.33
	Total Income	23373.28
	Total Expenditure	21376.25
	Profit before tax	1997.03
	Provision for tax	665.21
	Profit after tax	1331.82
	Transfer to Reserve	2127.70
	Paid-up Share Capital	2420.00
	Reserves and Surplus (excluding revaluation reserve)	3067.69
(5)	Export performance and net foreign exchange collaborations	At present there are no exports in the Company. Further there is no Export foreign collaboration.
(6)	Foreign investments or collaborators, if any	There are no foreign investments or collaborations in the company.

II. INFORMATION ABOUT THE APPOINTEE

(1)	Background details	Mr Mukesh Kumar Gupta is the Managing Director of the company. He is one of the founders of the company and instrumental in the growth of our Company since incorporation.
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(2)	Past remuneration	Rupees 2,00,000 per month
(3)	Recognition or awards	NA
(4)	Job profile and his suitability	Mr Mukesh Kumar Gupta, aged 56 years has 32 years of experience in cable manufacturing. He is a 1974 batch science graduate from Desh Bandhu Gupta College, Delhi University. He was one of the founder Promoter of the Company. He is in charge of overall supervision of the operations of the Company.
(5)	Remuneration proposed	Rs. 3,00,000 (Rupees three lac) per month with effect from 1 st October, 2011, whether paid as salary, allowance(s), perquisites or a combination thereof, as approved by the Remuneration Committee. Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration: <ul style="list-style-type: none"> a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961; b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service or part thereof exceeding six months; and c. Encashment of leave at the end of tenure.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Save as the remuneration the appointee does not have any other material pecuniary relationship with the Company.

III. OTHER INFORMATION

(1)	Reasons for loss or inadequate profits	The Company is in expansion stage and it will take due time to achieve desired production capacity. Further due to stiff competition from India as well as foreign Players. There is pressure on turnover as well as the profitability of the company.
(2)	Steps taken or proposed to be taken for improvement	Your Directors are hopeful that the steps taken by the management including the proposed expansion plans in the company would be increase the turnover and the profitability of the company.
(3)	Expected increase in productivity and profits in measurable terms	The company is expected to have improved sales and profitability figures in the next financial years.

IV. DISCLOSURES

The shareholders of the Company shall be informed of the remuneration package of the Managing Director.

The aforesaid explanatory statement for item no.5 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Mukesh Kumar Gupta as Managing Director under section 302 of the Companies Act 1956.

The members' approval is required by way of a Special resolution for re-appointment of and payment of remuneration to Mr Mukesh Kumar Gupta as the Managing Director.

Your directors recommend the adoption of resolution in the larger interest of the Company.

None of the Directors of the Company except Mr Mukesh Kumar Gupta and Mr Manish Goel are interested and concerned in the proposed resolution.

Shilpi Cable Technologies Ltd.

Item No 6

Mr Ghanshyam Pandey, an executive director of the company and had been associated with the Company since its incorporation and has made significant contribution in the growth of the company. The term of Mr Ghanshyam Pandey as Whole time Director of the company is due to expire on 30th September 2011. Your Board proposed for re-appointed of Mr Ghanshyam Pandey as whole time Director for a further period of three years w. e. f. 1st October 2011. Approval of members of the company is required for the re-appointment of Mr Ghanshyam Pandey as the Whole- Time Director designated as Director- Production & Chief Executive Officer.

As per the provisions of clause B, Part II of Schedule XIII of the Companies Act, 1956, a statement containing the information required under the said clause is as follows:

I. GENERAL INFORMATION

(1)	Nature of Industry	Shilpi Cable Technologies Limited is engaged in the business of manufacturing of cables and wires and other related activities.	
(2)	Date or expected date of commencement of commercial production	The Company obtained Certificate of Commencement on 13 th July, 2006 and started the commercial production from January 2008.	
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
(4)	Financial Performance of the Company is given below		
	Particulars	Financial Year ended (Amount in Lacs)	
		31st March, 2011	31st March 2010
	Net Sales less Excise Duty	23039.77	16990.90
	Other Income	161.18	201.81
	Increase/ (Decrease) in Stocks	172.33	287.94
	Total Income	23373.28	17480.65
	Total Expenditure	21376.25	16007.89
	Profit before tax	1997.03	1472.76
	Provision for tax	665.21	502.42
	Profit after tax	1331.82	970.34
	Transfer to Reserve	2127.70	792.12
	Paid-up Share Capital	2420.00	2420.00
	Reserves and Surplus (excluding revaluation reserve)	3067.69	1732.12
(5)	Export performance and net foreign exchange collaborations	At present there are no exports in the Company. Further there is no Export foreign collaboration.	
(6)	Foreign investments or collaborators, if any	There are no foreign investments or collaborations in the company.	

II. INFORMATION ABOUT THE APPOINTEE

(1)	Background details	Mr Ghanshyam Pandey is an experienced professional from the Cable manufacturing industry with more than 27 years of varied experience both in marketing and overall management. Mr Pandey holds a Diploma in Management from the School of Management, University of Delhi
(2)	Past remuneration	Rupees 1,75,000 per month plus rent free accommodation provided by the Company.

(3)	Recognition or awards	NA
(4)	Job profile and his suitability	Mr Ghanshyam Pandey being the Whole- Time Director designated as Director- Production & Chief Executive Officer of the Company. He has overall responsibility to take care of production activities of the Company.
(5)	Remuneration proposed	Rs. 3,50,000 (Rupees three lac fifty thousand) per month with effect from 1 st October, 2011, whether paid as salary, allowance(s), perquisites or a combination thereof, as approved by the Remuneration Committee. Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration: <ul style="list-style-type: none"> a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961; b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service or part thereof exceeding six months; and c. Encashment of leave at the end of tenure.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Save as the remuneration the appointee does not have any other material pecuniary relationship with the Company.

III. OTHER INFORMATION

(1)	Reasons for loss or inadequate profits	The Company is in expansion stage and it will take due time to achieve desired production capacity. Further due to stiff competition from India as well as foreign Players. There is pressure on turnover as well as the profitability of the company.
(2)	Steps taken or proposed to be taken for improvement	Your Directors are hopeful that the steps taken by the management including the proposed expansion plans in the company would be increase the turnover and the profitability of the company.
(3)	Expected increase in productivity and profits in measurable terms	The company is expected to have improved sales and profitability figures in the next financial years.

IV. DISCLOSURES

The shareholders of the Company shall be informed of the remuneration package of the Whole-time Director.

The aforesaid explanatory statement for item no.6 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Ghanshyam Pandey as Whole Time Director under section 302 of the Companies Act 1956.

The members' approval is required by way of a Special resolution for re-appointment of and payment of remuneration to Mr Manish Goel as Whole Time Director.

Your directors recommend the adoption of resolution in the larger interest of the Company.

None of the Directors of the company except Mr Ghanshyam Pandey is deemed to be interested and concerned in the proposed resolution.

Shilpi Cable Technologies Ltd.

Item No 7.

Mr Manish Goel is promoter director of the company and had been associated with the Company since its incorporation and has made significant contribution in the growth of the company. The term of Mr Manish Goel as Whole time Director of the company is due to expire on 30th September 2011. Your Board proposed for re-appointed of Mr Manish Goel as whole time Director for a further period of three years w.e.f. 1st October 2011. Approval of members of the company is required for the re-appointment of Mr Manish Goel as the Whole-Time Director designated as Director- Production & Chief Executive Officer.

As per the provisions of clause B, Part II of Schedule XIII of the Companies Act, 1956, a statement containing the information required under the said clause is as follows:

I. GENERAL INFORMATION

(1)	Nature of Industry	Shilpi Cable Technologies Limited is engaged in the business of manufacturing of cables and wires and other related activities.	
(2)	Date or expected date of commencement of commercial production	The Company obtained Certificate of Commencement on 13 th July, 2006 and started the commercial production from January 2008.	
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
(4)	Financial Performance of the Company is given below		
	Particulars	Financial Year ended (Amount in Lacs)	
		31st March, 2011	31st March 2010
	Net Sales less Excise Duty	23039.77	16990.90
	Other Income	161.18	201.81
	Increase/ (Decrease) in Stocks	172.33	287.94
	Total Income	23373.28	17480.65
	Total Expenditure	21376.25	16007.89
	Profit before tax	1997.03	1472.76
	Provision for tax	665.21	502.42
	Profit after tax	1331.82	970.34
	Transfer to Reserve	2127.70	792.12
	Paid-up Share Capital	2420.00	2420.00
	Reserves and Surplus (excluding revaluation reserve)	3067.69	1732.12
(5)	Export performance and net foreign exchange collaborations	At present there are no exports in the Company. Further there is no Export foreign collaboration.	
(6)	Foreign investments or collaborators, if any	There are no foreign investments or collaborations in the company.	

II. INFORMATION ABOUT THE APPOINTEE

(1)	Background details	Mr Manish Goel, aged 29 years is the son of Mr Mukesh Kumar Gupta. He joined his father's business 6 years ago and during this period has got hands on experience in business management.
(2)	Past remuneration	Rupees 2,00,000/- per month.
(3)	Recognition or awards	NA

(4)	Job profile and his suitability	Mr Manish Goel aged 29 years is the son of Mr. Mukesh Kumar Gupta. He joined his father's business 6 years ago and during this period has got hands on experience in business management. He has overall responsibility for commercial, business development and marketing activities of the Company.
(5)	Remuneration proposed	Rs. 3,00,000 (Rupees Three Lacs) per month with effect from 1 st October, 2011, whether paid as salary, allowance(s), perquisites or a combination thereof, as approved by the Remuneration Committee. Provided further that payment towards the following statutory perquisites will not be included in the aforesaid remuneration: <ul style="list-style-type: none"> a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961; b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service or part thereof exceeding six months; and c. Encashment of leave at the end of tenure.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	The appointee is one of the promoters of the Company. Save as the remuneration hee does not have any other material pecuniary relationship with the Company.

III. OTHER INFORMATION

(1)	Reasons for loss or inadequate profits	The Company is in expansion stage and it will take due time to achieve desired production capacity. Further due to stiff competition from India as well as foreign Players. There is pressure on turnover as well as the profitability of the company.
(2)	Steps taken or proposed to be taken for improvement	Your Directors are hopeful that the steps taken by the management including the proposed expansion plans in the company would be increase the turnover and the profitability of the company.
(3)	Expected increase in productivity and profits in measurable terms	The company is expected to have improved sales and profitability figures in the next financial years.

IV. DISCLOSURES

The shareholders of the Company shall be informed of the remuneration package of the Whole-time Director.

The aforesaid explanatory statement for item no. 7 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Manish Goel as Whole Time Director under section 302 of the Companies Act 1956.

The members' approval is required by way of a Special resolution for re-appointment of and payment of remuneration to Mr Ghanshyam Pandey as Whole Time Director.

Your directors recommend the adoption of resolution in the larger interest of the Company.

None of the Directors of the Company except Mr Manish Goel and Mr Mukesh Kumar Gupta are deemed to be interested and concerned in the proposed resolution.

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Item No.8

The Company has raised money through IPO in terms of the Offer Document dated 28th March, 2011. The Objects of the Issue were as under:

- ✍ To raise funds for capital expenditure on Cable/ wire Assembly shop;
- ✍ To raise funds for capital expenditure on Tools for 3G enabling;
- ✍ To raise funds for capital expenditure on augmenting cable manufacturing capabilities;
- ✍ To raise funds towards margin for working capital for the proposed new businesses;
- ✍ To raise funds for investment in the Subsidiary of the Company, M/s Shilpi Cabletronics Limited;
- ✍ To raise funds for General corporate purposes ;and
- ✍ To meet the expenses of the issue.

Your Board of Directors have assessed that there would be substantial savings out of the funds earmarked for capital expenditure and IPO expenses. In the larger interest of the Company, all these savings coupled with money earmarked for general corporate purposes, are utilised in working capital requirements of the Company. Further, to enhance the business efficiency of the Company, funds earmarked for working capital requirements of the new projects as well as for capex are also utilised in the working capital pending deployment.

In terms of section 61 of the Companies Act, 1956, approval of the Members of the Company is sought for modified utilization of the IPO proceeds as explained above. The Board of Directors recommends the Resolution for approval.

None of the Directors of the Company is, any way, deemed to be concerned or interested in the aforesaid resolution.

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

Date : 29th July, 2011
Place: New Delhi

Sunita Gaur
Company Secretary

Directors' Report

Dear Members

Your Directors have pleasure in presenting the Fifth Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2011.

Financial Highlights

Particulars	(Amount in Rs.Lacs)	
	Financial Year ended	
	31 st March, 2011	31 st March, 2010
Net Sales	23,039.77	16,990.90
Other Income	161.18	201.81
Increase/ (Decrease) in Stocks	172.33	287.94
Total Income	23,373.28	17,480.65
Total Expenditure	21,376.25	16,007.89
Profit before tax	1,997.03	1,472.76
Provision for tax	665.21	502.42
Profit after tax	1,331.82	970.34
Transfer to Reserve	2,127.70	792.12
Paid-up Share Capital	2,420.00	2,420.00
Reserves and Surplus (excluding revaluation reserve)	3,067.69	1,732.12

Year in Retrospect

During the year under review, total income of the Company was Rs. 23,373.28 lacs as against Rs. 17,480.65 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 1,331.82 lacs for the year as against a profit of Rs. 970.34 lacs in previous year. Your Directors are putting in their best efforts to improve the performance of the Company.

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

Material Changes after the Balance sheet as on 31st March 2011

After the date of the Balance Sheet as on March 31, 2011 till the date of this report the following material transaction has taken place that may have material financial implication on the Company:

- ✍ Pursuant to the provisions of the Securities & Exchange Board of India (ICDR) Regulations, 2009 and other applicable provisions and pursuant to the terms and conditions of the Prospectus of the Company dated 28th March, 2011, the Basis of Allotment of 80,98,762 equity shares as approved by the Bombay Stock Exchange Limited (BSE) (being the Designated Stock Exchange) the Board of Directors of the company at its meeting held on 1st April, 2011 had allotted 80,98,762 equity of Rs 10 per share issued at a premium of Rs 59 per share consequently the entire pre and post issued equity shares of the company has been listed on the Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE) on 8th April, 2011.
- ✍ After the Balance sheet as on 31st March 2011, the company has acquired 100% shares of its subsidiary company Shilpi Cabletronics Ltd and thereby it become wholly owned subsidiary w e f 19th April 2011.
- ✍ The Board has also proposed that the Entire business undertaking of Shilpi Cabletronics Ltd be acquired subject to necessary approvals of lenders, other Regulatory Authorities and subsequently merger it into the Company.

Dividend

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

Shilpi Cable Technologies Ltd.

Corporate Governance

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

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

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

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

Subsidiaries

Your Company holds 100% shares of Shilpi Cabletronics Ltd constituting 100% of the total, issued, subscribed and paid up capital of Shilpi Cabletronics Ltd and thereby it become wholly owned subsidiary w.e.f 19th April 2011. Except this there is no subsidiary of the company.

Public Deposits

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

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

- a. **Conservation of Energy & Technology Absorption:** The company endeavor to achieve optimum conservation of energy. The electrical systems on all machines are equipped with latest energy efficient control systems to ensure optimum power utilization. Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Director) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings & outgo, is given in **Annexure – A**, forming part of this report.
- b. **Export Activities:** There was no export activity in the Company during the year under review. Your Company may explore to enter into the international market in future.
- c. **Foreign Exchange Earnings and Outgo:**

(Amount in Rs Lacs)

	2010-11	2009-10
Total Foreign Exchange Inflow	NIL	NIL
Total Foreign Exchange outflow	13,550.70	9,284.44
i. Raw Materials and Spare parts	13,523.30	9,276.54
ii. Others	27.40	7.90

Particulars of Employees

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

Directors

There was no change in the composition of the Board of Directors of the Company subsequent to the last Directors' Report.



In accordance with the provisions of the Act and Articles of Association of the Company, Mr Sandeep Gupta and Mr Ghansyam Pandey, Directors of the Company, are liable to retire by rotation and being eligible, offer themselves for re-appointment.

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

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

Auditors

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

Auditors' Report

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

Directors' Responsibility Statement

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

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

The shares of the Company are listed on the Bombay Stock Exchange Ltd w.e.f. 8th April, 2011 and on National Stock Exchange of India Ltd w.e.f. 8th April, 2011. The listing fee for the financial year 2011-12 has already been paid to both the Stock Exchanges.

Acknowledgement

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

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

Date : 29th July, 2011
Place : New Delhi

Mukesh Kumar Gupta
Chairman & Managing Director

Ghanshyam Pandey
Director & CEO

Shilpi Cable Technologies Ltd.

Annexure – A

Annexure to the Directors' Report

Information as per section 217(1) (e) read with Companies (Disclosure of particulars in the report of Board of Directors) rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011:

PARTICULARS AS PER FORM A:

A. POWER AND FUEL CONSUMPTION

	2010-2011	2009-2010
1. ELECTRICITY		
(a) PURCHASED:		
Units (in lacs)	10.21	10.25
Total amount (in lacs)	50.79	50.65
Rate/Units (in Rs.)	4.97	4.94
(b) OWN GENERATION:		
(i) Through Diesel Generator Ltrs (in lacs)	1.82	1.03
Total amount (in lacs)	23.41	11.28
Rate/Unit (in Rs.)	12.86	10.96
(ii) Through Steam Turbine/ Generator	NIL	NIL
2. LIGHT DIESEL OIL/FURNILCE OIL		
Quantity (Kilo Ltrs.)	NIL	NIL
Total Cost (in lacs)	NIL	NIL
Average/Ltrs (in Rs.)	NIL	NIL
3. GAS		
a. LPG GAS		
Quantity (K.G.)	NIL	NIL
Total Cost (in lacs)	NIL	NIL
Average/ K.G. (in Rs.)	NIL	NIL
b. NATURAL GAS		
Quantity (SCM)	NIL	NIL
Total Cost (in lacs)	NIL	NIL
Average/ SCM (in Rs.)	NIL	NIL

PARTICULARS AS PER FORM-B:

A. RESEARCH AND DEVELOPMENT (R & D)

(a) Specified Areas in which R&D carried out by the Company:	NIL	NIL
(b) Benefits derived as a result of the above R&D:	NIL	NIL
(c) Future plan of action	NIL	NIL
(d) Expenditure on R&D		
(i) Capital	NIL	NIL
(ii) Recurring	NIL	NIL
(iii) Total	NIL	NIL
(iv) Total R&D Expenditure as a percentage of total turnover	NIL	NIL

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

(a) Efforts in brief, made towards Technology Absorption, Adaption and innovation:	NIL	NIL
(b) Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution etc.,:	NIL	NIL
(c) In case of imported technology, (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished:		
i) Technology imported	NIL	NIL
ii) Year of import	NIL	NIL
iii) Has technology been fully absorbed	NIL	NIL
iv) If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action	NIL	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUT GO:

(a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans	NIL	NIL
(b) Total foreign exchange used (Rs lacs)	13550.70	9284.44
(c) Total foreign exchange earned	NIL	NIL

Shilpi Cable Technologies Ltd.

Management Discussion and Analysis Report

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include overall global economic conditions, domestic manufacturing and service sector growth, foreign exchange stability, stable credit environment, Government policies, economic development, political factors and such other factors beyond the control of the Company.

Business Overview

The company is engaged in the business of the manufacturing Cables of various sizes for the Telecom Sector and the company also trades in cable accessories.

Our vision is to become a renowned and major RF cable manufacturer by providing cost-effective and quality products. In line with this vision, our strategy is to capitalize on our core strengths and thus enhance the volume of our business. We intend to focus on our existing range of products with specific emphasis on the following as a part of our growth strategy:

- ✍ To increase our scale of operation by undertaking a modernization cum expansion program
- ✍ To strengthen our relationships with existing clients and to develop relationships with new clients
- ✍ To continue focus on product development through constant research and development
- ✍ To continue focus on product development through constant research and development
- ✍ To strengthen our competitive position
- ✍ To make optimal utilization of resources
- ✍ Maximize backward integration capabilities
- ✍ Explore potential acquisition and partnership opportunities

Industry Structure, Developments & Outlook

In mobile towers, feeders are the cables used as a high-frequency transmission medium to carry high-frequency or broadband signals between antenna and its base station. These feeder cables are vital for site's optimal performance.

- ✍ The key components that will drive the demand of feeder cables in India in the next 3 years are as follows:-
- ✍ Strong subscriber base and healthy growth estimates based on expansion of mobile telephony in rural India
- ✍ Demand for cell sites is expected to increase with each operator vying for geographical expansion of their network.
- ✍ Mobile Number Portability (MNP) expected to be implemented shortly and entry of new players, telecom operators will invest in network upgradation to improve Quality of Service (QoS).
- ✍ Launching of 3G services
- ✍ In-building solutions
- ✍ Replacement of existing cables

Sharing of active infrastructure will allow operators to share key electronic components such as antennae, radio access networks, transmission system and backhaul. Globally, sharing of active infrastructure elements has been in commercial operation by 2G and 3G players. In India, it needs to be seen as to how required trust can be developed between operators sharing their active infrastructure elements in the geographies where they compete as well.

At present growth in subscriber base is coming from rural/semi urban areas, the incremental average revenue per user (ARPU) is relatively lower. Further network planning and design in rural areas is different from that in urban areas, given that population in rural areas is widely dispersed, which increases the tower requirement and hence active infrastructure requirement.

Cable Assemblies used in Mobile Telecom Towers - Connection Technology for Wireless Communication Systems

According to Cellular Operators' Association of India, erecting one cell site costs about Rs 30 lakh. "To set up 2.2 lakh more towers in the next three years, an investment of Rs 66,000 crore will be required". Added to this cost of equipment like BTS, generator set and air conditioner etc., the total cost per BTS works out to Rs. 2 crores which indicates large capital investment required for the sector.

One of the most critical performance parameter for any cell site is the layout of RF cables and power cables to provide for interconnection between the antenna / BTS and BTS / generator set respectively. Coupled with RF cable and power cables, accessories provide well defined interface to the various components. These are collectively referred to as Connection Technology for Wireless Communication Systems based on cable assemblies. Over the years, the telecom industry has constantly been driven to incorporate multi-functionality and miniaturization, while maintaining improved reliability and low cost. Therefore, focus on Connection Technology for Wireless Communication Systems and Cable Assemblies is of paramount importance given today's competitive scenario in the telecom industry. A consistent focus on the market, in-depth sector and product knowledge, decades of manufacturing experience and innovative products is decisive for success in Connection Technology for Wireless Communication Systems and Cable Assemblies. Capability to supply all kinds of cables and cable assemblies for telecommunication applications will result in strategic advantage as telecom players will benefit from outsourcing and procurement from single vendor. The high pace of innovation in mobile communications requires products that meet the highest standards of performance and reliability. Therefore, a comprehensive product range of cables, connectors and accessories for Mobile Network Solutions will enable cable manufacturers to provide perfect cable or cable system solution.

Opportunities & Threats

Opportunities in the Indian market: In India we have been focusing on the increasing distribution network and product basket. With large population, increasing urbanization and disposable income, the industry in which we operate provide sustainable growth on a longer term basis.

Opportunities in the international market: Robust growth of emerging economies provides large opportunities to the company. We are a well established Company in these economies and will continue to focus on the growth, new product launches and increasing distribution strength. In other mature economies, the market trend is changing favorably. The strategy of the company is to get higher profitability and stable cash flow generations in these markets.

Threats

Slow down: A slowdown of the World Economy mainly European economy is quite possible for the short term due to current global developments. Due to the strong linkage of the manufacturing industry to the economy, such an event would adversely impact growth in the short term for the Company.

Competition: Competition whether domestic or international has always been taken as a challenge. Transforming challenges into opportunities has been a practice at our company.

Foreign Exchange: The business includes foreign currency risk due to outsourcing from low cost countries and selling in other geographies. As it has been the market practice followed by other major competitors and all companies working on a global platform, the market absorption of the change is natural.

Risk Management & Internal Control system

The Company is exposed to a variety of risks across its entire range of business operations. To ensure its long-term success, risks are regularly identified, analysed and appropriately mitigated. The company's products are used primarily by the power utilities, infrastructure, real estate and industrial segment. Any slowdown in these sectors can largely impact the demand for the company's products. In India, optimism is growing about the prospect of an economic recovery following a slowdown triggered by the global financial crisis. Sectors such as infrastructure, steel, automobiles and cement - a key gauge of economic health - are already faring better than expected.

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The Company is also exposed to changes in foreign exchange rates and commodity prices across its various business segments. Further, the Company also has exposures to other foreign currency denominated assets and liabilities. In many cases, such exposures are partly off-set by suitable pass-through clauses built into contracts with customers.

The Company's Internal Control Process has been designed to achieve its objectives to permissible limits through the effective function and combination of its basic elements.

The Audit Committee adopted an objective driven process designed to extract

Committee meet quarterly in line with clause 49 of listing agreement of SEBI & in accordance with section 292A of the Companies Act, 1956 to review the Business Performance and to address weakness in the business control infrastructure as reported by internal and statutory auditors or revealed by self-assessment of management, and to take corrective action where necessary.

Human Resource

The company places due importance on its human capital assets and invests in building and nurturing a strong talented pool to gain strategic edge and achieve operational excellence in all its goals. As a part of ongoing HR initiatives, skill mapping and matching is carried out; assessment of training and development is also carried out at the time of performance appraisals. Adequate training, mentoring programmes are designed to bridge gaps, if any. Clear objectives and goals are determined to bring objectivity to performance and overall goal achievement. During the year, industrial relations continued to be cordial, with a strong spirit of bonhomie and camaraderie prevailing among the rank and file of employees.

Product wise Performance

Sl.No.	Item	Turnover
1.	Cables/Wires	
	Qty (in Kms)	11,456.815
	Rs. (in Lacs)	16,985.23
2.	Accessories & Components	
	Qty (in pcs)	1,394,771
	Rs. (in Lacs)	5,945.97
3.	Others	
	Qty (in Kgs'000)	51.775
	Rs. (in Lacs)	108.57



Report on Corporate Governance

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Shilpi is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our Governance practices stems from an inherent desire to improve, innovate and reflects the culture of trusteeship that is deeply ingrained in our value system and forms part of the strategic thought process.

Our Company's philosophy on Corporate Governance envisages attainment of highest levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

2. BOARD OF DIRECTORS

The Company maintains an optimum combination of Executive, Non Executive and Independent Directors. The Board consists of total eight (8) directors on 31st March, 2011, out of which four (4) are independent. Mr Mukesh Kumar Gupta is the Chairman cum Managing Director of the Company and Mr Ghanshyam Pandey and Mr Manish Goel are Whole Time Directors. The Constitution of the Board as on 31st March 2011 is as follows:

Name of the Director & Designation	Category	No. of positions held in other Public Companies*		
		Board	Committee	
			Membership	Chairmanship
Mr Mukesh Kumar Gupta Chairman & Managing Director	Promoter and Executive Director	1	Nil	Nil
Mr Ghanshyam Pandey Whole Time Director	Executive Director	Nil	Nil	Nil
Mr Manish Goel Whole Time Director	Promoter and Executive Director	1	Nil	Nil
Mr Sunil Kala Director	Independent and Non-Executive Director	4	Nil	Nil
Mr Sandeep Gupta Director	Independent and Non-Executive Director	2	Nil	Nil
Ms Neeta Sood Nominee Director	Nominee and Non-Executive Director	Nil	Nil	Nil
Mr Anirudh Goel Director	Independent and Non-Executive Director	Nil	Nil	Nil
Mr Rajesh Suri Director	Non-Independent and Non-Executive	1	Nil	Nil

* Only included Indian Companies

Directors' Attendance Record

During the Financial Year 2010-11, (12) twelve meetings of the Board of Directors were held on 07.05.2010, 18.05.2010, 09.06.2010, 30.06.2010, 18.08.2010, 23.08.2010, 03.09.2010, 28.09.2010, 27.12.2010, 17.02.2011, 15.03.2011 and 28.03.2011. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and

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focused discussions at the meeting. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during the financial year 2010-11 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Mukesh Kumar Gupta	12	11	Yes
Mr Ghanshyam Pandey	12	12	Yes
Mr Manish Goel	12	12	Yes
Mr Sunil Kala	12	5	No
Mr Sandeep Gupta	12	10	No
Ms Neeta Sood	12	7	No
Mr Anirudh Goel	12	12	No
Mr Rajesh Suri*	9	6	No

*Appointed w.e.f 30th June 2010

Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM

Mr Sandeep Gupta and Mr Ghanshyam Pandey, Directors who shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Further it is proposed to re-appointment of Mr Mukesh Kumar Gupta as Managing Director, Mr Ghanshyam Pandey and Mr Manish Goel as Whole Time Directors for a further term. Brief particulars of these gentlemen are as follows:

Particulars	Mr Sandeep Gupta	Mr Ghanshyam Pandey	Mr Mukesh Kumar Gupta	Mr Manish Goel
DIN	00638932	00163072	00163044	00163105
Father's Name	Mr Satish Chand Gupta	Lt. Sh. Shyam Charan Pandey	Lt Sh Hari Shankar	Mr Mukesh Kumar Gupta
Date of Birth	01.03.1976	12.02.1955	24.08.1954	08.03.1982
Address	D-21, East of Kailash, New Delhi-110065	227, Pocket-J Sarita Vihar New Delhi-110076	B-8, Chirag Enclave, New Delhi, 110048, Delhi	B-8, Chirag Enclave, New Delhi, 110048, Delhi
Designation	Director	Whole-Time Director	Managing Director	Whole-Time Director
Education	B.Com	B.Sc (Mathematics) and Diploma in Management	B.Sc. (Zoology)	Bachelor in Business Management
Experience	9 Years	27 Years	32 Years	6 Years
Companies in which holds Directorship	Capital Ispat Ltd Shilpi Cabletronics Ltd	GGP Cabletronics Pvt Ltd Glostors Metals and Alloys Pvt Ltd	Shilpi Cabletronics Ltd Gloster Metals and Alloys Private Limited Shilpi Cables Pvt Ltd MVM Impex Pvt Ltd	Shilpi Communication Private Limited Shilpi Cabletronics Ltd MVM Impex Private Limited Shilpi Cables Private Limited Fasten Cables and Accessories Private Limited
Companies in which holds membership of committees	Nil	Nil	Nil	Nil

Shareholding in the Company (No.&%)	Nil	7000 equity shares 0.02 %	8000 equity shares 0.02%	7000 equity shares 0.02%
Relationship with other Director	Nil	Nil	Mr Mukesh Kumar Gupta is father of Mr Manish Goel	Mr Manish Goel is son of Mr Mukesh Kumar Gupta

3. AUDIT COMMITTEE

(a) Terms of Reference

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the provisions of the Clause 49 of the Listing Agreement. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

The terms of reference of the Audit Committee are

1. Overseeing the company's financial reporting process and the disclosure of its financial information;
2. Recommending to the Board, the appointment, re-appointment and replacement of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by Management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Disclosure of any related party transactions
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8. Discussion with internal auditors any significant findings and follow up there on;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

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11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
12. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
13. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor; and
14. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
15. Review of utilization of proceeds from the Initial Public Offer.

(b) Composition

The Audit Committee of the Company comprises of three non executive independent directors i.e. Mr Sandeep Gupta - as Chairman; Mr Anirudh Goel and Mr Sunil Kala as the Members of the Committee.

(c) Attendance

The Committee met five (5) times during the Financial Year 2010-2011 on the following dates: 18.05.2010, 23.08.2010, 28.09.2010, 01.10.2010 and 16.02.2011. Details of attendance of Directors in the Audit Committee meeting are as under:

Name of the Director	Category	Attendance at the Audit Committee Meeting
Mr Sandeep Gupta Chairman	Non Executive Independent Director	5
Mr Anirudh Goel	Non Executive Independent Director	5
Mr Sunil Kala	Non Executive Independent Director	5

(a) Composition & Terms of Reference

A Remuneration Committee of the Board of Directors was constituted comprising of three non-executive and independent directors namely Mr Sandeep Gupta - as Chairman; Mr Anirudh Goel and Mr Sunil Kala as the Members.

The Remuneration Committee has been constituted to recommend/ review and approve the remuneration payable to Managing Director, Whole Time Director or other directors of the Company based on their performance.

The Committee met two (2) times during the Financial Year 2010-2011 on 18.05.2010 and 28.09.2010. Details of attendance of Directors in the Remuneration Committee meeting are as under:

Name of the Director	Category Committee Meeting	Attendance at the Remuneration
Mr Sandeep Gupta - Chairman	Non Executive Independent Director	2
Mr Anirudh Goel	Non Executive Independent Director	2
Mr Sunil Kala	Non Executive Independent Director	2

(b) Remuneration Policy of the Company

The remuneration policy of the Company is directed towards rewarding performance. The Managing Director and the Whole Time Directors of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. Directors are also entitled for the sitting fee for attending Board/ Committee Meeting except the Managing Director and Whole Time Director. However all the Non executive Directors of the Company have waived the sitting fee payable to them for attending Board/ Committee Meeting of the company.

(c) Details of the Directors' Remuneration for the financial year ended 31st March, 2011

Name of Director	Sitting fees	Salaries & Perquisites and Allowances	Commission, Bonus Exgratia (In Rs.)	Total Amount (In Rs.)	No. of Shares held & %
Mr Mukesh Kumar Gupta	-	12,00,000	-	12,00,000	8000 (0.03%)
Mr Ghanshyam Pandey	-	30,00,000	-	30,00,000	7000 (0.03%)
Mr Manish Goel	-	18,00,000	-	18,00,000	7000 (0.03%)
Mr Sunil Kala	-	-	-	-	-
Mr Sandeep Gupta	-	-	-	-	-
Ms Neeta Sood	-	-	-	-	-
Mr Anirudh Goel	-	-	-	-	-
Mr Rajesh Suri	-	-	-	-	-

5. Share Transfer and Shareholder's Grievance Committee

- (i) The Company has constituted a "Share Transfer and Shareholder's Grievance Committee" to look into redressal of Shareholder's / investors' complaints, to approve share transfer, share transmission etc and to oversee all matters connected with the Shareholders.
- (ii) Composition: Mr. Anirudh Goel, a non-executive independent director is appointed as the Chairman of the Committee.

Name of the Director	Category	Designation
Mr Anirudh Goel	Non-executive Independent	Chairman
Mr Sandeep Gupta	Non-executive Independent	Member
Mr Sunil Kala	Non-executive Independent	Member

- (iii) Ms Sunita Gaur is the Compliance Officer of the Company for the purpose of Clause 47 of the Listing Agreements to look after the compliances under the Listing Agreement and other SEBI Rules & Regulations etc.
- (iv) During the last financial year the Company was an unlisted closely held company, and there was no complaint received from any Investors.

6. GENERAL BODY MEETINGS

A). Annual General Meetings: Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2008	30.09.2008	A-19, B-1 Extension, Mohan Co-operative Ind Est, P.O. Badarpur, Mathura Road, New Delhi-110044	11.00 AM	Nil
2009	30.09.2009	A-19, B-1 Extension, Mohan Co-operative Ind Est, P.O. Badarpur, Mathura Road, New Delhi-110044	12.30 PM	5
2010	25.09.2010	A-19, B-1 Extension, Mohan Co-operative Ind Est, P.O. Badarpur, Mathura Road, New Delhi-110044	11.30 AM	Nil

Shilpi Cable Technologies Ltd.

Special Resolution passed during the last three Annual General Meeting.

Year	Date	Business passed
2009	30.09.2009	To authorise the Board of Directors of the company to make investments(s) U/S-372A To authorise the Board of Directors of the company to give corporate guarantee(s) U/S-372A. To authorise the Board of Directors of the company to give loan(s) U/S-372A. To authorise and empower Board of Directors of the Company to offer, issue and allot, from time to time, Equity Shares, Preference Shares or any other security U/S-81 (1A) Alteration of Article of Association of the company U/S-31

7. DISCLOSURES

(a) Related Party Transactions

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large. The other related party transactions are given in point no. 16 of Notes on Accounts annexed to and forming the part of Balance Sheet and Profit and Loss Account of the Company.

(b) Non compliance by the Company, Penalties, Structures

There were no instances of non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(c) Non mandatory requirements

The Company proposes to adopt the non-mandatory requirements given in Annexure-3 of Clause 49 of the listing agreement in due course of time.

8. CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code.

Declaration on compliance with code of conduct by the Chairman & Managing Director is annexed to this report.

9. MEANS OF COMMUNICATION

(a) At present quarterly/ half-yearly reports are not being sent to each household of shareholders.

(b) Besides communicating to the stock exchanges on which the company's shares are listed, the notices of the board meetings at which quarterly/half yearly results get approved are published in the following news papers:

Particulars	Name of the News paper
English Newspapers in which quarterly/half yearly results were published	Business Standard
Vernacular Newspapers in which quarterly/half yearly results were published	Business Standard

- Any website where displayed Yes - www.shilpicables.com

(c) The Management Discussion and Analysis forms a part of the Annual Report.

10. GENERAL SHAREHOLDERS INFORMATION

- i) 5th Annual General Meeting:
- Day & Date : 29th day of September 2011
 Time : 11:30 A.M.
 Venue : 11, Hindi Bhawan, ITO, Delhi 110002
 Financial year : 1st April to 31st March

- ii) Financial Calendar

Events	Tentative time frame
Financial Reporting for the quarter ending 30th June, 2011	29th July, 2011 (actual)
Financial Reporting for the half year ending 30th September, 2011	Mid of November, 2011
Financial Reporting for the quarter ending 31st December, 2011	Mid of February, 2012
Financial Reporting for the year ending 31st March, 2012	Mid of May, 2012
Annual General Meeting for the year ending 31st March, 2012	End of September, 2012

- iii) **Dates of Book Closure** Wednesday, 28th September 2011 to Thursday, 29th September, 2011 (Both days inclusive)

- iv) **Dividend Payment Date** Not applicable

- v) **Listing on Stock Exchanges:**

At present the equity shares of the Company are listed on the following Stock Exchanges.

Name of Stock Exchanges	Stock Code	ISIN With NSDL & CDSL
The Bombay Stock Exchange Limited	533389	INE510K01019
National Stock Exchange of India Limited	SHILPI	

- vi) Market Price Data : The Company was unlisted company during the last financial year, therefore no market price data was available.

- vii) Registrar and Share Transfer Agent & Share Transfer System

The company has appointed M/s. BEETAL Financial & computer Services Pvt Ltd, as its Registrar and Share Transfer Agent to carry out the process of share transfer in physical form and also demat work of the Company.

The authority relating to share transfer has been delegated to the Share transfer Committee. The Committee deals with various matters relating to share transfer through transfer agent of the Company. As per the arrangement with Transfer Agents, the list of valid transfers prepared by them in respect of share transfer cases and objections, if any, is placed before the share transfer committee of the company.

All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:

Particulars	BEETAL Financial & computer Services Pvt Ltd
Contact Person	Mr Punit Mittal
Address	Beetal House, 3rd floor, 99 Madangir, Behind Local shopping centre near Dada Harsukhdas Mandir, Delhi-110062
Telephone No.	011-29961281
Fax No.	011-29961284
Email	www.beetalfinancial.com

Shilpi Cable Technologies Ltd.

The Company's shares are traded in the Stock Exchange, Mumbai compulsorily in Demat mode. Physical shares which are lodged with the Registrar & Transfer Agent or/ Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Agreement subject to the documents being in order.

ix) Distribution of Shareholding as on 31st March 2011:

Shareholding of Nominal Value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)		(2)	(3)	(4)	(5)
Up to 5,000					
5,001	10,000	Nil	Nil	Nil	Nil
10,001	20,000	Nil	Nil	Nil	Nil
20,001	30,000	Nil	Nil	Nil	Nil
30,001	40,000	Nil	Nil	Nil	Nil
40,001	50,000	Nil	Nil	Nil	Nil
50,001	1,00,000	7	87.5%	500000	0.21%
1,00,001	and Above	1	12.5%	241500000	99.79%
Total		8	100%	242000000	100

x) **Dematerialization of shares and liquidity:** As on 31st March 2011 about 0.06 % of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.

xi) There are no outstanding GDRs/ ADRs/Warrants or any Convertible other Instruments as on the date.

xii) **Plant Locations:** The Company has manufacturing unit located at:

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

xiii) **Address for Correspondence:** The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at:

Investor Relation Centre
Shilpi Cable Technologies Ltd
A-19, B-1 Extension, Mohan Co-operative Ind Est,
P.O. Badarpur, Mathura Road, New Delhi-110044
Phone: 011-43117900
Fax: 011-43117922
e-mail: investors@shilpicabletech.com

CEO/CFO Certification

We, Mukesh Kumar Gupta, Managing Director and Vinay Mittal, CFO, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2011 and that to the best of our knowledge and belief:
 - (i) these statements 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 affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) 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 they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they 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;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they 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.

Date : 29th July, 2011
Place: New Delhi

Vinay Mittal
Chief Financial Officer

Mukesh Kumar Gupta
Managing Director

Declaration on compliance with code of conduct by the Chairman & Managing Director

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the website of the Company - www.shilpicables.com.

It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

Mukesh Kumar Gupta
Chairman & Managing Director

Shilpi Cable Technologies Ltd.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Shilpi Cable Technologies Ltd

We have examined the compliance of conditions of Corporate Governance by SHILPI CABLE TECHNOLOGIES LTD, for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of 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 the above-mentioned Listing Agreement.

We have to state that, no investor grievance is pending for a period exceeding one month against the Company as per the information furnished by the Company's Registrars, other than those which are a subject matter of litigation.

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

Date: 29th July, 2011
Place: Delhi

For **R&D**
Company Secretaries

Debabrata Deb Nath
Partner
ACS: 23935; CP: 8612



AUDITORS' REPORT

TO THE MEMBERS OF

SHILPI CABLE TECHNOLOGIES LIMITED

1. We have audited the attached Balance Sheet of **SHILPI CABLE TECHNOLOGIES LIMITED. (The Company)**, as at 31st March, 2011 and also Profit and Loss account and Cash Flow Statement of the Company 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.
2. 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.
3. As required by the Companies (Auditors' Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 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.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit:
 - ii. In our opinion, proper books of accounts 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 the 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 dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of section 211 of Companies Act, 1956.
 - v. On the basis of the written representations received from the directors of the company as on 31st March 2011 and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the 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, 2011.
 - b. In the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For: **RMA & ASSOCIATES**
Chartered Accountants
FRN: 000978N

Place: New Delhi
Date: 11.06.2011

(PANKAJ CHANDER)
Partner
Membership No.: 089065

Shilpi Cable Technologies Ltd.

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date on the Statements of Account of Shilpi Cable Technologies Limited as at and for the year ended 31st March 2011:

- (i) (a). The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b). The Company has conducted physical verification at a reasonable interval of its fixed assets during the period covered under our audit. We are informed that no material discrepancies were noticed on such verification.
- (c). During the year, the company has not disposed off substantial part of fixed assets.
- (ii) (a). As explained to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable in relation to the size of the company.
- (b). In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate according to the size of the Company and the nature of its business.
- (c). On the basis of our examination of the records of the Company, we are of the opinion that the Company has maintained proper records of inventory. Discrepancies noticed on physical verification between physical stock records were not material and have been adequately dealt within the books of accounts.
- (iii) (a). According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4 (iii) (b) to (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- (b). The company has taken loans from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year. The maximum balance during the year was 1274.50 Lacs (Previous Year Rs. 980.50 Lacs) and balance of such loan at the yearend was Rs. 391.80 Lacs (Previous year Rs. 916.50 Lacs).
- (c). In our opinion, the rate of interest and other terms and conditions on which such loans have been taken are not prima facie prejudicial to the interests of the Company.
- (d). In our opinion the payments of the principals and the interests are regular and there are no overdue.
- (iv). 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 with regard to the purchase of inventory, fixed assets and for sale of goods. We have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) (a). In our opinion and according to the information and explanations given to us, the particulars of transactions made in pursuance of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b). In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts have been made at the prices which are reasonable having regards to the prevalent market prices at the relevant time.
- (vi). According to the information and explanations given to us, the Company has not accepted any deposits from the public covered under the provisions of sections 58A and 58AA of the Companies Act, 1956 and rules framed there under apply.
- (vii). In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii). We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

- (ix) (a). According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues have generally been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were outstanding at 31.3.2011 for a period of more than six months from the date they become payable.
- (b). According to the information and explanations given to us, there are no dues of income tax, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- (x). The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses during the financial year under audit and immediately preceding financial year.
- (xi). Based on the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to their bankers. There were no debenture holders at any time during the year and at the year end.
- (xii). According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii). The company is not a chit fund, nidhi / mutual benefit fund / society.
- (xiv). In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv). As per the information and explanations given to us, the company has given corporate guarantee for loans taken by its subsidiary Company i.e. Shilpi Cabletronics Limited from the banks, which is not prejudice to the interest of the Company.
- (xvi). According to the information and explanations and certificate in this regard given to us, term loans were applied by the Company for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and on the basis of overall examination of the balance sheet of the company as at March 31, 2011, we report that no funds raised on short term basis were utilized for long term investment.
- (xviii) According to the certificate given to us by the company, we report that the company has not made any preferential allotment of shares to parties and companies covered in register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued debentures during the year,
- (xx) According to the information and explanations given to us, during the period covered by our audit report, the company has made an Initial Public Offer (IPO) of Rs.55.88 Cr. for its equity shares of Rs. 10/- each through book building process.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of any fraud on or by the Company, noticed or reported during the year, nor we have been informed of such case by the management.

For: **RMA & ASSOCIATES**
Chartered Accountants
FRN: 000978N

Place: New Delhi
Date: 11.06.2011

(PANKAJ CHANDER)
Partner
Membership No.: 089065

Shilpi Cable Technologies Ltd.

BALANCE SHEET as at 31st March 2011

(Rs. in Lacs)

Particulars	Sch. No.	As on March 31, 2011		As on March 31, 2010	
SOURCES OF FUND					
Shareholder's Fund					
Share Capital	1	2,420.00		2,420.00	
Reserves and Surplus	2	3,067.69	5,487.69	1,732.12	4,152.12
Share Application Money			14,896.00		-
Loan Fund					
Secured Loans	3	6,891.99		6,777.42	
Unsecured Loans		2,394.45	9,286.44	1,404.00	8,181.42
Deferred Tax Liabilities			433.71		167.22
TOTAL			30,103.84		12,500.76
APPLICATION OF FUNDS					
Fixed Assets:					
Gross Block	4	7,338.13		7,342.54	
Less : Accumulated Depreciation		867.49	6,470.64	552.24	6,790.30
Net Block			6,470.64		6,790.30
Investments					
	5		379.20		379.20
Current Assets, Loans and Advances:					
Current Assets:					
Inventories	6	3,271.87		2,694.86	
Sundry Debtors		8,751.28		6,018.82	
Cash and Bank Balances		15,581.61		432.72	
Other Current Assets		1,816.06	29,420.82	740.53	9,886.93
Less: Current Liabilities & Provisions					
Current Liabilities	7	5,844.45		4,312.18	
Provisions		398.72	6,243.17	243.66	4,555.84
Net Current Assets			23,177.65		5,331.09
Miscellaneous Expenditures					
(To the extent not written off or adjusted)	8		76.35		0.17
TOTAL			30,103.84		12,500.76
Significant Accounting Policies and Notes on Accounts					
The annexed schedules 1 to 16 duly authenticated form an integral part of the Accounts	16				

As per our audit report of even date attached

For: **RMA & ASSOCIATES**

Chartered Accountants

FRN : 000978N

For and on behalf of the Board

(PANKAJ CHANDER)

Partner

M. No.: 089065

(Mukesh Kumar Gupta)

Managing Director

(Ghanshyam Pandey)

Director

(Sunita Gaur)

Company Secretary

Place : New Delhi

Date : 11.06.2011



PROFIT & LOSS ACCOUNT for the year ended March 31st, 2011

(Rs. in Lacs)

Particulars	Sch. No.	Year ended March 31, 2011		Year Ended March 31, 2010	
INCOME					
Sales			23,039.77		16,990.90
Other Income	9		161.18		201.81
Increase / (decrease) in Stock	10		172.33		287.94
TOTAL			23,373.28		17,480.65
EXPENDITURES					
Cost of Material & Manufacturing Expenses	11		19,126.46		14,047.47
Employees' Remuneration & Benefits	12		225.94		191.41
Administrative Expenses	13		193.98		194.98
Selling & Distribution Expenses	14		117.79		83.12
Financial Charges	15		1,396.82		1,183.10
Depreciation	4		315.26		307.81
TOTAL			21,376.25		16,007.89
Profit Before Tax			1,997.03		1,472.76
Less : Provision for Taxation					
- Wealth Tax		0.33		-	
- Income Tax		398.39		243.66	
- Deferred Tax		266.49	665.21	258.76	502.42
Profit After Tax			1,331.82		970.34
Add / Less:					
Balance Brought forward from Last Year			792.12		(178.02)
Adjustment of Income tax for previous Years			4.01		0.28
Adjustment of Wealth Tax for previous Years			(0.25)		(0.48)
Balance carried over to Reserves & Surplus			2,127.70		792.12
Basic and Diluted Earning per Share (Rs.)			5.50		4.56
Nominal Value of Share (Rs.)			10.00		10.00
(Refer note no 12 of Schedule 16)					
Significant Accounting Policies and Notes on Accounts	16				
The annexed schedules 1 to 16 duly authenticated form an integral part of the Accounts					

As per our audit report of even date attached

For: **RMA & ASSOCIATES**

Chartered Accountants

FRN : 000978N

For and on behalf of the Board

(PANKAJ CHANDER)

Partner

M. No.: 089065

(Mukesh Kumar Gupta)

Managing Director

(Ghanshyam Pandey)

Director

(Sunita Gaur)

Company Secretary

Place : New Delhi

Date : 11.06.2011

Shilpi Cable Technologies Ltd.

SCHEDULE OF ACCOUNTS as on 31st March 2011

(Rs. in Lacs)

Particulars	As on March 31, 2011		As on March 31, 2010	
SCHEDULE - 1 - SHARE CAPITAL				
AUTHORISED SHARE CAPITAL {4,00,00,000 Equity Shares (previous year 2,42,00,000 Equity shares) of Rs.10/- each}		4,000.00		2,420.00
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL {2,42,00,000 Equity Shares (previous year 2,42,00,000 Equity shares) of Rs.10/- each}		2,420.00		2,420.00
TOTAL		2,420.00		2,420.00
SCHEDULE - 2 - RESERVES & SURPLUS				
Profit & Loss Account		2,127.69		792.12
Security Premium				
Opening Balance	940.00		940.00	
Addition during the year	-	940.00	-	940.00
TOTAL		3,067.69		1,732.12
SCHEDULE - 3 - LOAN FUND				
SECURED LOANS				
Working Capital Limits				
Cash Credit		3,553.97		2,533.00
(From Bankers under Consortium Arrangement, secured against hypothecation of Company's stocks, book debts and other current assets and second charge over fixed assets of the company)				
Term Loans :				
Project Loan		3,309.62		4,202.02
(From Bankers under Consortium Arrangement, secured against hypothecation / mortgage of plant & machinery, and other fixed assets and second charge over current assets of the company)				
Vehicle Loans		28.40		42.40
(From finance companies/banks, secured against hypothecation of vehicle purchased out of above loan)				
TOTAL		6,891.99		6,777.42
UNSECURED LOANS				
From Corporates		2,015.65		1,025.20
From Directors		378.80		378.80
TOTAL		2,394.45		1,404.00
GRAND TOTAL		9,286.44		8,181.42

SCHEDULE OF ACCOUNTS as on 31st March 2011

DETAIL OF FIXED ASSETS AS ON 31.03.2011 AS PER COMPANIES ACT 1956

SCHEDULE-4

SNo.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 31-Mar-2010	Additions	Sale/ Adjustments	As on 31-Mar-2011	As on 31-Mar-2010	During the Year	Sale/ Adjustments	As on 31-Mar-2011	As on 31-Mar-2011	As on 31-Mar-2010
1	LAND	318.96	-	28.80*	290.16	-	-	-	-	290.16	318.96
2	BUILDINGS	2,066.26	-	-	2,066.26	122.85	69.01	-	191.86	1,874.40	1,943.41
3	PLANT & MACHINERY	4,737.53	15.76	-	4,753.29	405.25	225.35	-	630.60	4,122.69	4,332.28
4	FURNITURE & FIXTURES	61.68	0.60	-	62.28	5.29	3.93	-	9.22	53.06	56.39
5	COMPUTER & SOFTWARE	21.30	4.22	-	25.52	1.95	3.76	-	5.71	19.81	19.34
6	VEHICLES	136.81	3.81	-	140.62	16.89	13.21	-	30.10	110.52	119.92
	TOTAL	7,342.54	24.39	28.80	7,338.13	552.24	315.26	-	867.49	6,470.64	6,790.29
	PREVIOUS YEAR	7,249.76	92.78	-	7,342.54	244.42	307.81	-	552.24	6,790.30	7,005.33

Note: *During the year Company received refund of 10% of development charges as per rule 3(C) of RIICO Disposal of Land Rules 1979.



Shilpi Cable Technologies Ltd.

SCHEDULE OF ACCOUNTS as on 31st March 2011

(Rs. in Lacs)

Particulars	As on		As on	
	March 31, 2011		March 31, 2010	
SCHEDULE - 5 - INVESTMENTS				
Long Term				
Un-Quoted				
Trade				
Shares in Subsidiary Company - fully paid up {7,57,600 Equity Shares (previous year 7,57,600 Equity shares) of Rs.10/- each of Shilpi Cabletronics Limited}		378.80		378.80
Other than Trade				
National Saving Certificates - Un-Quoted		0.40		0.40
Quoted				
		-		-
TOTAL		379.20		379.20
SCHEDULE - 6 - CURRENT ASSETS				
INVENTORIES				
(As valued and certified by the management)				
Raw Materials		1,885.36		1,480.68
Work-in-progress		634.47		534.14
Finished Goods		752.04		680.04
TOTAL		3,271.87		2,694.86
SUNDRY DEBTORS				
(Unsecured considered good)				
Debts outstanding for a period exceeding 6 months	46.83		44.45	
Other Debts	8,704.45	8,751.28	5,974.37	6,018.82
TOTAL		8,751.28		6,018.82
CASH AND BANK BALANCES				
Cash in hand		10.81		9.40
Balances with scheduled banks:				
In Current Accounts		104.95		5.72
In Escrow accounts for IPO		14,896.00		-
In Fixed deposit including interest accrued (Under lien for Non Fund Based Working Capital Limits)		569.85		417.60
TOTAL		15,581.61		432.72
OTHER CURRENT ASSETS				
Prepaid Expenses		5.56		4.00
Other Advances recoverable in cash or in kind or for the value to be received or pending adjustments		1,810.50		736.53
TOTAL		1,816.06		740.53
GRAND TOTAL		29,420.82		9,886.93

SCHEDULE OF ACCOUNTS as on 31st March 2011

(Rs. in Lacs)

Particulars	As on		As on	
	March 31, 2011		March 31, 2010	
SCHEDULE - 7 - CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors :				
Due to Micro, Small and Medium Enterprises	-	-	-	4,162.41
Others	5,707.21	5,707.21	4,162.41	4,162.41
Expenses Payable		46.25		33.20
Gratuity / Leave Encashment Payable		16.24		11.56
Duty & Taxes		26.82		40.96
Creditors for Expenses & Services				
Due to Micro, Small and Medium Enterprises	-	-	-	56.20
Others	44.75	44.75	56.20	56.20
Creditors for Capital Goods		3.18		7.85
TOTAL		5,844.45		4,312.18
PROVISIONS				
Provision for Income Tax		398.39		243.66
Provision for Wealth Tax		0.33		-
TOTAL		398.72		243.66
GRAND TOTAL		6,243.17		4,555.84
SCHEDULE - 8 - MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Preliminary Expenses				
Opening Balance		0.17		0.26
Add : Addition during the year		-		-
		0.17		0.26
Less : Amount Written Off during the year		0.09		0.09
Closing Balance		0.08		0.17
I P O Expenses				
Opening Balance		-		-
Add : Addition during the year		76.27		-
		76.27		-
Less : Amount Written Off during the year		-		-
Closing Balance		76.27		-
GRAND TOTAL		76.35		0.17
SCHEDULE - 9 - OTHER INCOME				
Interest income (Tax deducted at source Rs. 4.79 Lacs (Previous year Rs. 2.17 Lacs)		50.13		15.15
Rental Income (Tax deducted at source Nil (Previous year Rs. 0.15 Lacs)		-		0.68
Job work Charges (Tax deducted at source Rs. 0.32 Lacs (Previous year Rs. 0.91 Lacs)		14.08		7.43
Sundry balances written back		0.54		0.05
Miscellaneous Income		0.01		0.16
Exchange Rate Fluctuation Gain		96.42		178.34
TOTAL		161.18		201.81

Shilpi Cable Technologies Ltd.

SCHEDULE OF ACCOUNTS as on 31st March 2011

(Rs. in Lacs)

Particulars	As on		As on	
	March 31, 2011		March 31, 2010	
SCHEDULE - 10 - INCREASE / (DECREASE) IN STOCK				
Closing Stock				
Finished Goods	752.04		680.04	
Work-in-Progress	634.47	1,386.51	534.14	1,214.18
Less : Opening Stock				
Finished Goods	680.04		365.30	
Work-in-Progress	534.14	1,214.18	560.94	926.24
TOTAL		172.33		287.94
SCHEDULE - 11 - COST OF MATERIAL & MANUFACTURING EXPENSES				
Cost of Material Consumed				
Opening Stock	1,480.68		1,365.14	
Add : Purchases	18,952.38		13,467.59	
	20,433.06		14,832.73	
Less : Closing Stock	1,885.36	18,547.70	1,480.68	13,352.05
Manufacturing Expenses				
Wages (Net of Subsidy of Rs. 8.49 Lacs)	140.64		126.97	
Power & Fuel	74.20		61.78	
Stores, Consumables and Packaging	128.32		136.12	
Freight, Cartage & Custom Clearance	214.93		322.91	
Factory Exp	2.04		0.83	
Job Work Charges	0.05		23.79	
Machine Repair & Maintenance	18.01		22.19	
Testing Charges	0.57	578.76	0.83	695.42
TOTAL		19,126.46		14,047.47
SCHEDULE - 12 - EMPLOYEES' REMUNERATION & BENEFITS				
Salary		156.57		138.05
Contribution to Provident Fund		3.26		4.32
Contribution to ESI		2.01		1.71
Gratuity / Leave Encashment		6.81		4.56
Bonus & Incentive (Ex-Gratia)		0.06		0.08
Staff Welfare		6.42		13.69
Directors' Remuneration		50.81		29.00
TOTAL		225.94		191.41

SCHEDULE OF ACCOUNTS as on 31st March 2011

(Rs. in Lacs)

Particulars	As on March 31, 2011	As on March 31, 2010
SCHEDULE - 13 - ADMINISTRATIVE EXPENSES		
Audit Fee	2.76	2.76
Books & Periodicals	0.44	0.23
Communication Expenses	12.60	9.30
Conveyance Expenses	12.75	15.24
Fees & Subscription	2.40	2.31
Insurance Charges	4.78	10.74
Legal & Professional Charges	30.00	42.31
Miscellaneous Expenses	5.88	6.86
Office Expenses	2.23	2.39
Penalty & Interest	3.76	2.17
Postage, Telegram & Courier	0.65	0.52
Pre-Operative Expenses Written off	0.09	0.09
Printing & Stationery	5.12	5.63
Rent, Rates and Taxes	22.49	27.72
Repair & Maintenance	9.41	7.08
Security Expenses	20.88	15.87
Traveling Expenses	47.40	36.86
Vehicle Running & Maintenance	10.34	6.90
TOTAL	193.98	194.98
SCHEDULE - 14 - SELLING & DISTRIBUTION EXPENSES		
Advertising & Publicity Expenses	22.21	20.91
Business Promotion	6.18	2.40
Commission Expenses	1.20	-
Discount	2.76	0.23
Samples	16.96	1.35
Freight & Forwarding Expenses	68.48	58.23
TOTAL	117.79	83.12
SCHEDULE - 15 - FINANCIAL CHARGES		
Interest on Working Capital limits	458.32	331.46
Interest on Term Loans (Net of subsidy of Rs. 249.70 Lacs)	394.83	650.94
Other Financial Charges	543.67	200.70
TOTAL	1,396.82	1,183.10

Shilpi Cable Technologies Ltd.

SCHEDULE-16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2011

A) SIGNIFICANT ACCOUNTING POLICIES

1 General:

The financial statements have been prepared as of a going concern on historical cost convention, in accordance with Generally Accepted Accounting Principles ('GAAP') comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 on the accrual basis, as adopted consistently by the company.

2 Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies and any direct cost of bringing the assets to their working for intended use.

3 Depreciation:

Depreciation is provided as per Straight Line Method at rates provided by schedule XIV of the Companies Act 1956. In case of purchase / sale of assets during the year, depreciation has been charged on pro rata basis from / up to date of commercial production / sale

4 Inventories;

Inventories are valued at cost or net realisable value whichever is less using the weighted average cost method. The cost of work in progress & finished goods include overheads on estimate basis.

5 Foreign Currency Transaction :

Sales made to clients outside India and realisations deposited into Bank account are accounted for on the basis of exchange rate as on the date of the transaction. Adjustments are made for any variations in the sales proceeds on conversion into Indian currency up to actual receipts. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. Current assets and current liabilities denominated in foreign currency are translate at the exchange rate prevalent at the date of the balance sheet. The exchange differences arising out of foreign currency transactions are recognised as Income or expenses in the year. The exchange differences arising out of foreign currency transactions pertaining to fixed assets are adjusted to carrying amount of related fixed assets.

6 Taxation:

Current Tax calculations are based upon the assessable profits of the company computed in accordance with the Income Tax Act, 1961. The deferred tax charged or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/Liabilities are reviewed as at each balance sheet date based on developments during the year and available case laws to reassess realisation /liabilities.

7 Revenue Recognition:

- (a) Sales of goods Indigenous and exports both are recognised at the time of dispatch / Constructive delivery. Sales is exclusive of Excise Duty, Sales Tax and Trade Discount.
- (b) Interest Income is recognised on time proportion basis.
- (c) Dividend Income is recognised when the right to receive the dividend is established.
- (d) Other Income is recognised on the basis of Accounting Standard – 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules, 2006.

8 **Borrowing Cost:**

Borrowing cost that are attributable to the acquisition / construction of qualifying assets are capitalized as part of the cost of the respective assets. Other borrowing costs are recognized as expenses in the year in which they are incurred.

9 **Lease:**

a) Finance Lease: Assets taken on lease are capitalised at fair value/contracted price. Depreciation on the same is charged at the rate applicable to similar type of fixed assets as per accounting policy on 'Depreciation'. If the leased assets are returnable to the lessor on expiry of lease period, the same is depreciated over its' useful life or lease period, whichever is shorter. Lease payments made are apportioned between finance charges and reduction of outstanding liability in relation to assets taken on lease.

b) Operating Lease: Lease payments made for assets taken on operating lease are recognised as expense over the lease period.

10 (a) Investments are either classified as current investments or long- term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost and fair value

(b) Long- term investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.

11 **(A) Short Term Employee Benefits:**

Short term Employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account for the year in which related services are rendered.

(B) Defined Contribution Plans:

Company's contributions and other amount, if any, payable during the year towards Provident Fund, Pension Fund and Employee State Insurance are recognized in the profit and loss account of the year

(C) Defined Benefit Plans:

Company's liability towards gratuity in accordance with Payment of Gratuity Act, 1972 and other long term benefits are determined and accounted in accordance with AS-15 (Revised) based on the Actuarial Valuation as on the balance sheet date.

12 Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

13 **Deferred Revenue Expenditure**

Revenue expenditure which is expected to result in economic benefits over a period of time is treated as deferred revenue expenditures and is amortised over such periods as determined by management from time to time.

14 **Research & Development Expenditure**

Research & Development expenditure is accounted for in accordance with Accounting Standard-26 issued by ICAI.

15 **PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

Shilpi Cable Technologies Ltd.

16 IMPAIRMENT OF ASSETS:

An asset is treated as impaired when the amount of an asset exceeds its recoverable value. An impairing loss is charged to Profit & Loss A/c in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists.

17 Government Grants

Government grants are accounted for on receipt basis. Grants related to specific fixed assets are deducted from the gross value of the assets and grants related to revenue are deducted in reporting the related expenses.

B) NOTES TO THE ACCOUNTS

1 Contingent Liabilities Amount (Rs. In Lacs.)

Particulars	2010-11	2009-10
Bank Guarantees (For EPCG and Performance)	131.77	118.33
Corporate Guarantee (For WC Loans to Subsidiary i.e. Shilpi Cabletronics Ltd from banks)	5,000.00	2,500.00

2 The detail of the Subsidiary Shilpi Cabletronics Limited is as follows:

Country of Incorporation	India
% Ownership Interest as at 31.03.2009	NIL
% Ownership Interest as at 31.03.2010	50.99
% Ownership Interest as at 31.03.2011	50.99
Date of becoming subsidiary	01.05.2009
Period of consolidation	from 01.04.2009 & 01.04.2010
Business carried on by the subsidiary	Manufacturing and trading of cables & accessories

3 In the opinion of the Board of Directors the Current Assets, Loans and Advances have a value on realisation in ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.

4 In the opinion of the Board of Directors, provisions made for Income tax and other statutory dues are sufficient to meet liabilities under respective heads. However, any shortage or excess shall be dealt in the year of final disposal by the concerned authorities.

5 During the year the company has increased its authorized capital from Rs. 2420.00 Lacs to Rs. 4000.00 Lacs.

6 During the year the Company has made Initial Public offer of Rs. 55.88 Crs for equity shares of Rs. 10/- each through Book Building Process. Which was subscribed by 3.45 times. Total Share application Money received amounting to Rs. 148.96 Cr (excluding the applications received under ASBA) has been refuted as Share Application Money, as the allotments have been made on 1st April 2011. During the year Company has incurred expenses of Rs. 76.27 Lacs for the purpose of IPO that will be written off as per the policy of the Company.

7 Disclosure in accordance with Revised AS-15 on "Employee Benefits"

The Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by the Institute of Chartered Accountants of India has been adopted by the Company. In accordance with the above Standard, the additional obligations of the Company, on account of employee benefits, based on independent actuarial valuation as per the transitional provisions of AS - 15 (Revised 2005)

Defined Benefit Plans

Leave Encashment & Gratuity

Valuations in respect of Leave Encashments and Gratuity have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Principal actuarial assumptions	2010-11	2009-10	2008-09	2007-08
Discount Rate (Per annum)	8.00%	7.50%	7.00%	8.00%
Rate of increase in Compensation levels	5.50%	5.00%	4.50%	5.50%
Rate of Return on Plan Assets	0.00%	0.00%	0.00%	0.00%
Expected Retirement Age of employees in no.of Years	60 Years	60 Years	60 Years	60 Years

A. EARN LEAVE ENCASHMENT

i) Changes in present Value of Obligation

Present value of Obligation as at beginning of the period	3.85	2.36	2.41	0.72
Interest Cost	0.31	0.18	0.17	0.01
Current Service Cost	2.02	1.90	1.58	2.00
Past Service Cost	-	-	-	-
Benefit Paid	(2.12)	(2.17)	(0.55)	-
Actuarial (Gains)/Loss on Obligation	0.58	1.59	(1.25)	0.37
Present value of Obligation as at the end of period	4.64	3.85	2.36	2.41

ii) Changes in Fair value of Plan Assets

Present value of Plan assets as at the beginning of the period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actuarial (Gain)/Loss	-	-	-	-
Employees' Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Fair Value of Assets as at the end of period	-	-	-	-
Total Actuarial gain to be recognised	4.65	3.85	2.36	2.41

iii) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets

Present value of Obligation as at the end of period	4.65	3.85	2.36	2.41
Fair value of Plan Assets as at the end of period	-	-	-	-
Funded (Asset)/Liability recognized in the Balance Sheet	4.65	3.85	2.36	2.41
Unrecognized Past Service Cost	-	-	-	-
Net Liability recognized in the Balance Sheet	4.65	3.85	2.36	2.41

iv) Expenses recognized in the Profit and Loss Account

Current Service Cost	2.02	1.90	1.58	2.00
Past Service Cost	-	-	-	-
Interest Cost	0.31	0.18	0.17	0.06
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss	0.58	1.59	(1.25)	0.37
Total Expenses recognized in the Profit and Loss Account	2.91	3.66	0.05	1.68

Shilpi Cable Technologies Ltd.

B. SICK LEAVE

i) Changes in present Value of Obligation

Present value of Obligation as at beginning of the period	1.15	1.53	1.16	0.26
Interest Cost	0.09	0.11	0.08	0.02
Current Service Cost	0.60	0.61	1.01	1.00
Past Service Cost	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial (Gains)/Loss on Obligation	(0.55)	(1.10)	(0.73)	0.11
Present value of Obligation as at the end of period	1.29	1.15	1.53	1.16

ii) Changes in Fair value of Plan Assets

Present value of Plan assets as at the beginning of period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actuarial (Gain)/Loss	-	-	-	-
Employees' Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Fair Value of Assets as at the end of period	-	-	-	-
Total Actuarial gain to be recognised	0.55	1.15	1.53	1.16

iii) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets

Present value of Obligation as at the end of period	1.29	1.15	-	-
Fair value of Plan Assets as at the end of period	-	-	-	-
Funded (Asset)/Liability recognized in the Balance Sheet	1.29	1.15	1.53	1.16
Unrecognized Past Service Cost	-	-	-	-
Net Liability recognized in the Balance Sheet	1.29	1.15	1.53	1.16

iv) Expenses recognized in the Profit and Loss Account

Current Service Cost	0.60	0.61	1.01	1.00
Past Service Cost	-	-	-	-
Interest Cost	0.09	0.11	0.08	0.02
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss	(0.55)	(1.10)	(0.73)	(0.12)
Total Expenses recognized in the Profit and Loss Account	0.14	0.38	0.37	0.90

C. GRATUITY

I) Changes in present Value of Obligation

Present value of Obligation as at the beginning of period	6.56	5.28	2.52	0.54
Interest Cost	0.52	0.40	0.18	0.04
Current Service Cost	3.88	3.20	2.80	2.15
Past Service Cost	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial (Gains)/Loss on Obligation	(0.65)	(2.31)	(0.23)	0.21
Present value of Obligation as at the end of period	10.31	6.56	0.53	2.52

ii) Changes in Fair value of Plan Assets				
Present value of Plan assets as at the beginning of period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actuarial (Gain)/Loss	-	-	-	-
Employees' Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Fair Value of Assets as at the end of period	-	-	-	-
Total Actuarial gain to be recognised	0.65	2.31	0.53	2.52
iii) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets				
Present value of Obligation as at the end of period	10.31	6.56	0.53	2.52
Fair value of Plan Assets as at the end of period	-	-	-	-
Funded (Asset)/Liability recognized in the Balance Sheet	10.31	6.56	0.53	2.52
Unrecognized Past Service Cost	-	-	-	-
Net Liability recognized in the Balance Sheet	10.31	6.56	0.53	2.52
iv) Expenses recognized in the Profit and Loss Account				
Current Service Cost	3.88	3.20	2.80	2.15
Past Service Cost	-	-	-	-
Interest Cost	0.52	0.40	0.18	0.04
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss	(0.65)	(2.31)	(0.23)	0.21
Total Expenses recognized in the Profit and Loss Account	3.76	1.28	2.75	1.98

- 8 Debit / Credit balances of the parties are subject to confirmation / reconciliation.
- 9 (A) Based on the information available with the company in respect of MSME (as defined in the Micro Small & Medium Enterprises Development Act, 2006) there are no delays in payment of dues to such enterprises during the year.
- (B) The above information regarding MSME has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
- 10 The company has provided excise duty on finished goods amounting Rs. 12.91 Lacs (Previous year Rs. 1.55 Lacs) at the end of year, there is no resultant impact on the profit for the year.

11 ADDITIONAL INFORMATION REQUIRED UNDER PART-II OF SCHEDULE 'VI' OF THE COMPANIES ACT, 1956

a) Installed Capacity

(As certified by the management and on the basis of TEV Report)		2010-11	2009-10
Cables (on a presumed product mix)	Kms	18245	18245

Shilpi Cable Technologies Ltd.

b) Quantitative statement of Finished Goods

Sl.	ITEM	Stock As on 31.3.2010	Purchase / production	Sales	Stock As on 31.3.2011
1.	Cables/Wires				
	Qty.(In Kms)	422.170	11,407.523	11,456.815	372.878
	Rs (In lacs)	573.43		16,985.23	457.66
2.	Accessories & Components				
	Qty.(In pcs.)	51,815	1,430,938	1,394,771	87,982
	Rs (In lacs)	106.61		5,945.97	203.32
3.	Others				
	Qty.(In Kgs'000)	-		51.775	30.275
	Rs (In lacs)	-		108.57	91.06

c) Consumption of Raw Materials

Sl.	ITEM	Year ended 31.03.2011	Year ended 31.03.2010
1.	Copper (Tape / Tube / Rod / CCA)		
	Qty.(In Kgs'000)	1667.037	1300.586
	Rs (In lacs)	5342.97	4238.58
2.	Polyethylene / Adhesive / etc.		
	Qty.(In Kgs'000)	334.853	345.403
	Rs (In lacs)	257.29	239.36
3.	S/F Cable		
	Qty.(In Kms)	4820.467	5889.451
	Rs (In lacs)	6947.39	5192.01
4.	Accessories & Component		
	Qty.(In Nos.)	1413235	1220210
	Rs (In lacs)	6000.05	3682.16

Amount (Rs.In Lacs.)

Particulars	2010-11	2009-10
d) Value of imports on CIF Basis :		
i) Capital Goods	-	-
ii) Raw Materials and Spare Parts	14970.46	9,827.46
e) Expenditure in Foreign Currency :		
i) On Capital Goods	-	-
ii) Raw Materials and Spare Parts	13523.30	9,276.54
iii) Others	27.40	7.90
f) Earning in Foreign Currency :		
i) Sales (Export	-	-
ii) Others	-	-
g) Auditors' Remuneration :		
i) Statutory Audit Fee	2.00	2.00
ii) Tax Audit Fee	0.50	0.50
iii) Service Tax	0.26	0.26
h) Directors' Remuneration	50.81	29.00

12 Earning Per Share

Particulars		2010-11	2009-10
Weighted average number of shares outstanding during the year	Nos.	24,200,000	21,293,150
Net profit for the year attributable to Shareholders	Rs.	133,180,502	97,033,936
Earning per Share of Rs. 10/- each	Rs.	5.50	4.56
Diluted Earning per Share of Rs. 10/- each	Rs.	5.50	4.56

13 Disclosure regarding AS-29 (Provisions)

Amount (Rs.In Lacs.)

Particulars		2010-11	2009-10
OPENING BALANCE		44.75	68.33
UTILISED		34.88	60.23
REVERSED		0.44	0.38
PROVIDED DURING THE YEAR		53.06	37.03
CLOSING BALANCE		62.49	44.75

14 Leases :

Accounting for leases has been done in accordance with Accounting Standard-19 issued by ICAI. Following are the details of lease transactions for the year:

(A) Finance Lease

The Company does not have any finance lease agreement.

(B) Operating Lease

The Company does not have any operating lease agreement.

15 Segment wise Revenue, results and Capital employed are as follows :

Based on the guidelines of Accounting Standards on segment reporting (AS-17) issued by The Institute of Chartered Accountants of India, the Company is exclusively engaged in dealing in only one segment i.e manufacturing of cable and accessories, hence there is only one primary segment in context of accounting standards 17 on Segment Reporting issued by ICAI. The company is not operating in any of the geographical segment.

16 In Conformity with the Accounting Standard AS 22 issued by the ICAI, the break up of Net Deferred Tax Liability/Assets on account of timing differences are as under:

	2010-11	2009-10
Deferred Tax Liability		
Depreciation on Fixed Assets	716.53	613.03
	716.53	613.03
Deferred Tax Assets		
Provision for Gratuity	5.49	3.93
Carried forward unabsorbed dep.& business losses	277.33	441.89
	282.82	445.82
Net Deferred Liabilities / (Assets)	433.71	167.21

17 Details of transactions entered into with related parties during the year is as follows:

a) List of Related Party

- i) Holding Company : M/s Shilpi Communication Pvt.Limited
- ii) Subsidiary Company : M/s Shilpi Cabletronics Limited
- iii) Associates Companies : M/s MVM Impex Pvt.Limited
- : M/s Shilpi Cables Pvt.Limited
- : M/s GGP Cabletronics Pvt.Limited

Shilpi Cable Technologies Ltd.

- (iv) Key Management Personnel : 1. Mr.Mukesh Kumar Gupta
: 2. Mr.Manish Goel
: 3. Mr.Ghanshyam Pandey
- v) Directors'Relative : 1. Mrs.Laxmi Pandey Wife of Mr.Ghanshyam Pandey
: 2. Mrs.Anukriti Goel Daughter in Law of Mr.Mukesh Kr.Gupta
: 3. Ms.Shilpi Goel Daughter of Mr.Mukesh Kr.Gupta
: 4. Mr.Vishal Goel Son of Mr.Mukesh Kr.Gupta
: 5. Mrs.Sharda Rani Wife of Mr.Mukesh Kr.Gupta

b) In Conformity with Accounting Standard 18 issued by ICAI, the transactions with related parties during the financial year and outstanding Balances as on 31.03.2011 are given under:

(Rs. In Lacs)

Particulars	Holding Company	Subsidiary Company	Associates Companies in which Directors are interested	Key Management Personnel	Relative of Directors
Purchases	-	-	-	-	-
Expenses					
Salaries	-	-	-	50.81	-
Others	-	-	-	11.35	14.40
Sales	-	1,083.49	-	-	-
Job Works Charges	-	14.08	-	-	-
Receipts					
Share Application Money	-	-	-	-	-
Unsecured Loan	1,020.10	-	592.00	-	-
Loans & Advances	-	-	-	-	-
Payments					
Unsecured Loan (Repayment)	1,425.80	-	715.00	-	-
Loans & Advances	-	-	-	-	-
Outstanding as on 31st March 2011					
Payable					
Unsecured Loan	2.30	-	10.70	378.80	-
Loans & Advances	-	-	-	-	-
Receivable	-	80.91	-	-	-
Corporate Guarantees	-	5,000.00	-	-	-

- 17** Prior years Figures have been regrouped, rearranged & recast where considered necessary to conform to the current period's classification
- 18** All the figures have been rounded off to the nearest lakh Rupees.
- 19** The accompanying schedule (1-16) duly authenticated form an integral part of this financial statement.

As per our audit report of even date attached

For: **RMA & ASSOCIATES**

Chartered Accountants

FRN : 000978N

For and on behalf of the Board

(PANKAJ CHANDER)

Partner

M. No.: 089065

(Mukesh Kumar Gupta)

Managing Director

(Ghanshyam Pandey)

Director

(Sunita Gaur)

Company Secretary

Place : New Delhi

Date : 11.06.2011



CASH FLOW STATEMENT for the year ended March 31, 2011

(Rs. in Lacs)

Sl. No	Particulars	As on March 31, 2011	As on March 31, 2010
A.	CASH FLOW FROM OPERATIONS		
	Profit before Taxation	1,997.03	1,472.76
	Add:-Adjustment		
	Deprecation	315.26	307.81
	Miscellaneous expenses written off	(76.18)	0.08
	Financial Charges	1,396.82	1,183.10
	Provision for Gratuity/ Leave Encashment	4.69	2.39
	Less :Interest income	(50.13)	(15.15)
	Less :Profit on sale of assets	0.00	0.00
	Operating Profit before Working Capital Change	3,587.49	2,950.99
	Adjusted For—		
	(Increase)/ Decrease in Current Assets		
	(Increase) / Decrease in Inventories	(577.01)	(403.48)
	(Increase) / Decrease in Sundry Debtors	(2,732.46)	(3,858.68)
	(Increase)/ Decrease in Other current Assets	(1,075.53)	(203.85)
	Increase / (Decrease) in Current Liabilities		
	Increase/ (Decrease) in Sundry Creditors	1,544.79	2,672.84
	Increase/ (Decrease) in Expenses Payable	13.05	(25.97)
	Increase/ (Decrease) in Other Liabilities	(30.26)	(106.07)
	Cash Generated from Operations	730.07	1,025.78
	Wealth Tax Paid	(0.25)	(0.20)
	Income Tax paid	(239.65)	(4.36)
	NET CASH FROM OPERATIONS (A)	490.17	1,021.22
B.	INVESTING ACTIVITIES		
	Additions to Fixed Assets	(24.39)	(92.78)
	Pre-operative and Preliminary Exp.		
	Investment in subsidiary. Company	0.00	(378.80)
	Other Investments		
	Sale of Fixed Assets	28.80	0.00
	Income from Intt. & Dividend	50.13	15.15
	NET CASH FROM INVESTING ACTIVITIES (B)	54.54	(456.44)
C.	FINANCING ACTIVITIES		
	Increase in Share Capital	0.00	420.00
	Increase in Share Application Money	14,896.00	(700.00)
	Increase in Security Premium	0.00	840.00
	Increase in Secured Loans	114.55	(441.36)
	Increase in Unsecured Loans	990.45	929.00
	Financial Charges Paid	(1,396.82)	(1,183.10)
	NET CASH FROM FINANCING ACTIVITIES (C)	14,604.18	(135.46)
	Net Change in cash and cash equivalents (A+ B + C)	15,148.89	429.32
	Cash and cash equivalents at the beginning of the period	432.72	3.40
	Cash and cash equivalents at the end of the period	15,581.61	432.72

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'
- Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.

As per our audit report of even date attached

For: **RMA & ASSOCIATES**

Chartered Accountants

FRN : 000978N

For and on behalf of the Board

(PANKAJ CHANDER)

Partner

M. No.: 089065

(Mukesh Kumar Gupta)

Managing Director

(Ghanshyam Pandey)

Director

(Sunita Gaur)

Company Secretary

Place : New Delhi

Date : 11.06.2011

Shilpi Cable Technologies Ltd.

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

(As per Schedule VI, part IV of the Companies Act, 1956)

I. REGISTRATION DETAILS			
Registration No.	150753	State Code	055
Balance Sheet Date	31 st March, 2011		
II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Lacs)			
Public Issue			NIL
Rights Issue			NIL
Bonus Issue			NIL
Private Placement			NIL
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Lacs)			
Total Liabilities	30,103.84	Total Assets	30,103.84
Sources of Funds			
a) Paid up Capital			2,420.00
b) Share Application Money			14,896.00
c) Reserves & Surplus			3,067.69
d) Secured Loans			6,891.99
e) Unsecured Loans			2,394.45
f) Deferred Tax Liability (Net)			433.71
TOTAL			30,103.84
Application of Funds			
a) Net Fixed Assets			6,470.64
b) Investments			379.20
c) Net Current Assets			23,177.65
d) Misc. Expenditure			76.35
e) Accumulated Losses			-
f) Deferred Tax Liability (Net)			-
TOTAL			30,103.84
IV. PERFORMANCE OF COMPANY (Amount in Rs. Lacs)			
a) Turnover			23,039.77
b) Total Expenditure			21,376.25
c) Profit before Tax			1,997.03
d) Profit after Tax			1,331.82
e) Earning per share in Rs.			5.50
f) Dividend (Paid up Capital) (%)			NIL
V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/ SERVICES OF COMPANY			
a) Item Code (ITC Code)			85444299
b) Product Description			RF FEEDER CABLE

As per our audit report of even date attached

For: **RMA & ASSOCIATES**

Chartered Accountants

FRN : 000978N

For and on behalf of the Board

(PANKAJ CHANDER)

Partner

M.No.: 089065

(Mukesh Kumar Gupta)

Managing Director

(Ghanshyam Pandey)

Director

(Sunita Gaur)

Company Secretary

Place : New Delhi

Date : 11.06.2011



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

1. Name of the Subsidiary	Shilpi Cabletronics Ltd.
2. Financial Year of the company	31.03.2011
3. Shares held in the Subsidiary Company at the end of the financial year of the subsidiary Company	7,57,600 Equity Shares of Rs.10/- each fully paid up
4. Extent of holding	50.99%
5. The net aggregate of Profits/ Loss of the Subsidiary Company so far as they concern the members of the company	
a) Dealt with in the Accounts of the company for the year ended 31 March 2011	Nil
b) Not dealt with in the Accounts of the Company for the year ended 31 March 2011	Rs. 99.82 Lacs
6. The net aggregate of Profits/Loss of the Subsidiary Company for the previous financial year so far as they concern the members of the company	
a) Dealt with in the Accounts of the company for the year ended 31 March 2010	Nil
b) Not dealt with in the Accounts of the Company for the year ended 31 March 2010	Rs. 52.29 Lacs
7. Change in the Company's interest in the Subsidiary between the end of the Financial Year of the Subsidiary and the end of the Company's Financial Year	Nil
8. Material Changes which have occurred between the end of the Financial year of the Subsidiary and the end of the Company's Financial year in respect of	
a) Fixed Assets	Nil
b) Investments	Nil
c) Money lent by the Subsidiary Company	Nil
d) Money borrowed by the Subsidiary Company other than for meeting the Current Liabilities	Nil

Note: The Balance sheet for the period ended 31st March,2011 along with Director's Reports and Auditor's Reports of the Subsidiary Companies are attached herewith.

For and on behalf of the Board

Place : New Delhi
Date : 11.06.2011

(Mukesh Kumar Gupta)
Managing Director

(Ghanshyam Pandey)
Director

(Sunita Gaur)
Company Secretary

Shilpi Cable Technologies Ltd.

Details pertaining to subsidiary companies as per the requirement of para (IV) of the Direction under section 212(8) of the Companies Act 1956, issued by the Ministry of Corporate Affairs vide General Circular No 2/2011 dated 08/02/2011 are as follows

(Rs in Lacs)

Particulars	Shilpi Cabletronics Ltd
Summary Balance Sheet	
Share Capital	148.55
Reserve and Surplus	1020.74
Total Liabilities	6420.99
Total Assets	7590.28
Investment (excluding subsidiary)	NIL
Summary Profit & Loss Account	
Turnover	12974.62
Profit/(loss) before Tax	295.84
Provision for Tax	100.12
Profit/(loss) after Tax	195.72
Proposed Dividend	NIL

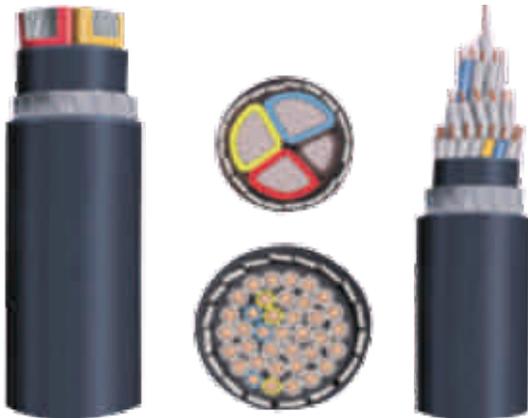
For Shilpi Cable Technologies Ltd

Place : New Delhi
Date : 11/06/2011

Mukesh Kumar Gupta
(Managing Director)

Ghanshyam Pandey
(Whole Time Director)

Sunita Gaur
(Company Secretary)





Auditors' Report on the Consolidated Financial Statements

To

The Board of Directors of

SHILPI CABLE TECHNOLOGIES LIMITED

1. We have audited the attached Consolidated Balance Sheet of SHILPI CABLE TECHNOLOGIES LIMITED (the Company) and its subsidiary namely SHILPI CABLETRONICS LIMITED at 31st March 2011, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. Financial statement of subsidiary company, audited by us, has been prepared for the purpose of compliance with the provisions of Section 211 and 212 of the Companies Act 1956. These Consolidated Financial Statements are the responsibilities of the Company's management and have been prepared by the management on the basis of separate financial statement and other financial information regarding subsidiary. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. A) In our opinion the Consolidated Financial Statement, read with Note No. A(ii) of schedule 16 have been prepared by the company management in accordance with the requirements of Accounting Standard (AS)-21, "Consolidated Financial Statements", Accounting Standard (AS)-23, Accounting of Investment in Associates and Financial Statements notified by the Companies (Accounting Standard) Rules, 2006,
B) Based on our audit as foreshaid, and on consideration of Audit reports of separate Financial Statements and to the best of our information and according to the explanations given to us, we are of the opinion that the said Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - I. In the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2011,
 - II. In the case of Consolidated Profit & Loss Account, of the consolidated results of the operations of the Group for the year ended on that date ;and
 - III. In the case of Consolidated Cash Flow Statement, of the consolidated cash flow of the group for the year ended on that date.

For: **RMA & ASSOCIATES**
Chartered Accountants
FRN:000978N

(PANKAJ CHANDER)
Partner

Membership No.:089065

Place : New Delhi
Date : 11/06/2011

Shilpi Cable Technologies Ltd.

CONSOLIDATED BALANCE SHEET as at 31st March 2011

(Rs. in Lacs)

Particulars	Sch. No.	As on March 31, 2011		As on March 31, 2010	
SOURCES OF FUND					
Shareholder's Fund					
Share Capital	1	2,420.00		2,420.00	
Reserves and Surplus	2	3,285.23	5,705.23	1,854.36	4,274.36
Share Application Money			14,896.00		-
Loan Fund					
Secured Loans	3	7,790.18		7,373.77	
Unsecured Loans		3,666.53	11,456.71	2,318.14	9,691.91
Minority Interest			572.95		481.39
Deferred Tax Liabilities			444.83		173.87
TOTAL			33,075.72		14,621.53
APPLICATION OF FUNDS					
Fixed Assets:					
Gross Block	4	7,542.71		7,540.50	
Less : Accumulated Depreciation		902.32		576.18	
Net Block			6,640.39		6,964.32
Investments	5		0.40		0.40
Current Assets, Loans and Advances:					
Current Assets:					
Inventories	6	5,201.41		4,225.32	
Sundry Debtors		13,153.04		8,799.41	
Cash and Bank Balances		16,253.01		766.74	
Other Current Assets		2,152.82	36,760.28	939.60	14,731.07
Less: Current Liabilities & Provisions	7				
Current Liabilities		9,907.50		6,779.71	
Provisions		494.37	10,401.87	294.97	7,074.68
Net Current Assets			26,358.41		7,656.39
Miscellaneous Expenditures (To the extent not written off or adjusted)	8		76.52		0.42
TOTAL			33,075.72		14,621.53
Significant Accounting Policies and Notes on Accounts					
The annexed schedules 1 to 16 duly authenticated form an integral part of the Accounts					

As per our audit report of even date attached

For: **RMA & ASSOCIATES**

Chartered Accountants

FRN : 000978N

For and on behalf of the Board

(**PANKAJ CHANDER**)

Partner

M. No.: 089065

(**Mukesh Kumar Gupta**)

Managing Director

(**Ghanshyam Pandey**)

Director

(**Sunita Gaur**)

Company Secretary

Place : New Delhi

Date : 11.06.2011



CONSOLIDATED PROFIT & LOSS ACCOUNT for the year ended March 31, 2011

(Rs. in Lacs)

Particulars	Sch. No.	Year ended March 31, 2011		Year Ended March 31, 2010	
INCOME					
Sales			34,930.90		24,855.76
Other Income	9		222.21		234.22
Increase / (decrease) in Stock	10		302.05		639.44
Total			35,455.16		25,729.42
EXPENDITURES					
Cost of Material & Manufacturing Expenses	11		30,275.47		21,765.99
Employees' Remuneration & Benefits	12		372.02		260.31
Administrative Expenses	13		291.03		266.31
Selling & Distribution Expenses	14		194.47		108.54
Financial Charges	15		1,700.87		1,377.74
Depreciation	4		328.43		322.45
Total			33,162.29		24,101.34
Profit Before Tax			2,292.87		1,628.08
Less : Provision for Taxation					
- Wealth Tax		0.33		-	
- Current Tax		494.04		294.97	
- Deferred Tax		270.96	765.33	260.24	555.21
Profit After Tax			1,527.54		1,072.87
Add / Less:					
Balance Brought forward from Last Year			942.95		(130.95)
Adjustment of Income tax for previous Years			(4.69)		1.51
Adjustment of Wealth Tax for previous Years			(0.41)		(0.48)
Profit before Minority Interest			2,465.39		942.95
Minority Interest			(165.47)		(13.65)
Balance carried over to Reserves & Surplus			2,299.92		929.30
Basic and Diluted Earning per Share (Rs.)			6.31		5.04
Nominal Value of Share (Rs.) (Refer note no 12 of Schedule 16)			10.00		10.00
Significant Accounting Policies and Notes on Accounts	16				
The annexed schedules 1 to 16 duly authenticated form an integral part of the Accounts					

As per our audit report of even date attached

For: **RMA & ASSOCIATES**

Chartered Accountants

FRN : 000978N

For and on behalf of the Board

(PANKAJ CHANDER)

Partner

M. No.: 089065

(Mukesh Kumar Gupta)

Managing Director

(Ghanshyam Pandey)

Director

(Sunita Gaur)

Company Secretary

Place : New Delhi

Date : 11.06.2011

Shilpi Cable Technologies Ltd.

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2011

(Rs. in Lacs)

Particulars	As on March 31, 2011	As on March 31, 2010
SCHEDULE - 1 - SHARE CAPITAL		
AUTHORISED SHARE CAPITAL {4,00,00,000 Equity Shares (previous year 2,42,00,000 Equity shares) of Rs.10/- each}	4,000.00	2,420.00
ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL {2,42,00,000 Equity Shares (previous year 2,42,00,000 Equity shares) of Rs.10/- each}	2,420.00	2,420.00
TOTAL	2,420.00	2,420.00
SCHEDULE - 2 - RESERVES & SURPLUS		
Capital Reserve	74.31	74.31
Profit & Loss Account	2,270.92	840.05
Share Premium	940.00	940.00
TOTAL	3,285.23	1,854.36
SCHEDULE - 3 - LOAN FUND		
SECURED LOANS		
Working Capital Limits		
Cash Credit (From Bankers under Consortium Arrangement, secured against hypothecation of Company's stocks, book debts and other current assets and second charge over fixed assets of the company)	4,448.42	3,118.61
Term Loans :		
Project Loan (From Bankers under Consortium Arrangement, secured against hypothecation / mortgage of plant & machinery, and other fixed assets and second charge over current assets of the company)	3,309.62	4,202.02
Vehicle Loans (From finance companies/banks, secured against hypothecation of vehicle purchased out of above loan)	32.14	53.14
TOTAL	7,790.18	7,373.77
UNSECURED LOANS		
From Corporates	3,124.51	1,803.86
From Directors	378.80	378.80
From Banks / FIs	163.22	135.48
TOTAL	3,666.53	2,318.14
GRAND TOTAL	11,456.71	9,691.91

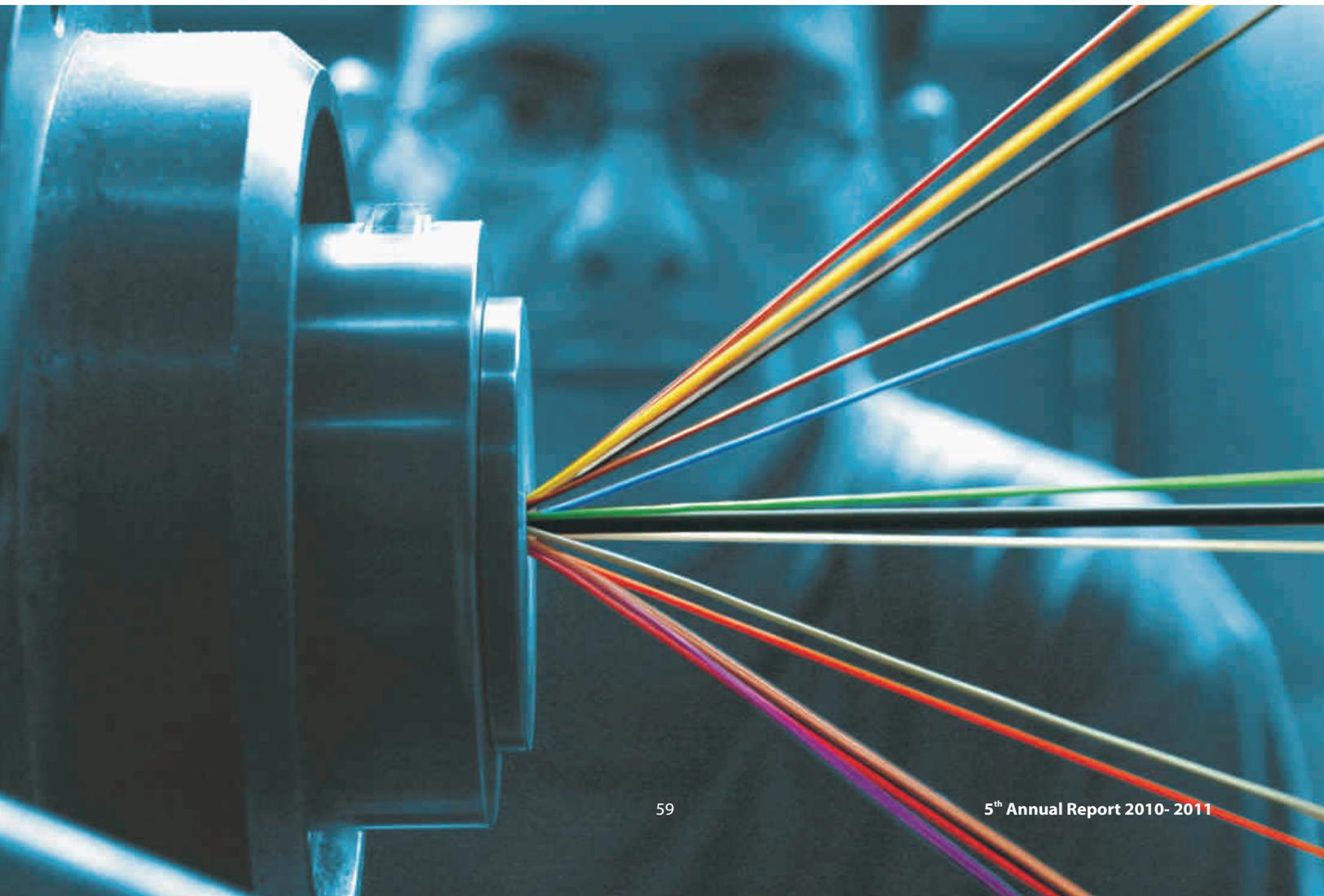
SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2011

DETAIL OF FIXED ASSETS AS ON 31.03.2011 AS PER COMPANIES ACT 1956

SCHEDULE-4

SNo.	Particulars	%	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			As on 31-Mar-2010	Additions	Sale/ Adjustments	As on 31-Mar-2011	As on 31-Mar-2010	During the Year	Sale/ Adjustments	As on 31-Mar-2011	As on 31-Mar-2011	As on 31-Mar-2010
1	LAND		318.96	-	28.80	290.16	-	-	-	-	290.16	318.96
2	BUILDINGS	3.34%	2,066.26	-	-	2,066.26	122.85	69.01	-	191.86	1,874.40	1,943.41
3	PLANT & MACHINERY	4.75%	4,852.12	25.55	-	4,877.67	414.20	230.95	-	645.15	4,232.52	4,437.92
4	FURNITURE & FIXTURES	6.33%	81.83	2.66	-	84.49	8.92	5.30	-	14.22	70.27	72.91
5	COMPUTER & SOFTWARE	16.21%	27.64	5.21	-	32.85	3.57	4.81	-	8.37	24.48	24.07
6	VEHICLES	9.50%	193.69	7.17	9.58	191.28	26.64	18.36	2.27	42.72	148.56	167.05
	TOTAL		7,540.50	40.59	38.38	7,542.71	576.18	328.43	2.27	902.32	6,640.39	6,964.32
	PREVIOUS YEAR		7,409.08	140.31	8.89	7,540.50	254.61	322.45	0.89	576.18	6,964.32	7,154.46

Note: *During the year Company received refund of 10% of development charges as per rule 3(C) of RIIICO Disposal of Land Rules 1979.



Shilpi Cable Technologies Ltd.

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2011

(Rs. in Lacs)

Particulars	As on March 31, 2011		As on March 31, 2010	
SCHEDULE - 5 - INVESTMENTS				
Share - Quoted		-		-
Share - Un-Quoted		-		-
National Saving Certificates - Un-Quoted		0.40		0.40
TOTAL		0.40		0.40
SCHEDULE - 6 - CURRENT ASSETS				
INVENTORIES				
(As valued and certified by the management)				
Raw Materials		2,566.98		1,892.95
Work-in-progress		1,459.93		1,263.38
Finished Goods		1,174.50		1,068.99
TOTAL		5,201.41		04,225.32
SUNDRY DEBTORS				
(Unsecured considered good)				
Debts outstanding for a period exceeding 6 months	132.71		259.31	
Other Debts	13,020.33	13,153.04	8,540.10	8,799.41
TOTAL		13,153.04		8,799.41
CASH AND BANK BALANCES				
Cash in hand		22.14		11.40
Balances with scheduled banks:				
In Current Accounts		110.44		19.44
In Escrow accounts for IPO		14,896.00		-
In Fixed deposit including interest accrued (Under lien for Non Fund Based Working Capital Limits)		1,224.43		735.90
TOTAL		16,253.01		766.74
OTHER CURRENT ASSETS				
Prepaid Expenses		6.70		4.00
Other Advances recoverable in cash or in kind or for the value to be received or pending adjustments		2,146.12		935.60
TOTAL		2,152.82		939.60
GRAND TOTAL		36,760.28		14,731.07

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2011

(Rs. in Lacs)

Particulars	As on March 31, 2011		As on March 31, 2010	
SCHEDULE - 7 - CURRENT LIABILITIES & PROVISIONS				
CURRENT LIABILITIES				
Sundry Creditors :				
Due to Micro, Small and Medium Enterprises	-		-	
Others	9,688.89	9,688.89	6,463.42	6,463.42
Advance from Customers				100.00
Expenses Payable		70.14		49.63
Gratuity / Leave Encashment Payable		24.89		18.17
Duty & Taxes		56.35		43.50
Creditors for Expenses & Services				
Due to Micro, Small and Medium Enterprises	-		-	
Others	58.88	58.88	91.85	91.85
Creditors for Capital Goods		3.18		7.85
Other Liabilities		5.17		5.29
Total		9,907.50		6,779.71
PROVISIONS				
Provision for Income Tax		494.04		294.97
Provision for Wealth Tax		0.33		-
Total		494.37		294.97
GRAND TOTAL		10,401.87		7,074.68
SCHEDULE - 8 - MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Preliminary Expenses				
Opening Balance		0.42		0.59
Add : Addition during the year		-		-
		0.42		0.59
Less : Amount Written Off during the year		0.17		0.17
Closing Balance		0.25		0.42
I P O Expenses				
Opening Balance		-		-
Add : Addition during the year		76.27		-
		76.27		-
Less : Amount Written Off during the year		-		-
Closing Balance		76.27		-
GRAND TOTAL		76.52		0.42
SCHEDULE - 9 - OTHER INCOME				
Interest Income (Tax deducted at source Rs.4.79 Lacs (Previous year Rs. 2.17 Lacs)		84.47		40.07
Rental Income (Tax deducted at source Nil (Previous year Rs.0.15 Lacs)		-		0.68
Job work Charges (Tax deducted at source Rs.0.32 Lacs (Previous year Rs.0.91 Lacs)		-		2.83
Sundry balances written back		0.54		0.05
Miscellaneous Income		0.01		0.16
Exchange Rate Fluctuation Gain		137.19		190.43
TOTAL		222.21		234.22

Shilpi Cable Technologies Ltd.

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2011

(Rs. in Lacs)

Particulars	As on March 31, 2011		As on March 31, 2010	
SCHEDULE - 10 - INCREASE / (DECREASE) IN STOCK				
Closing Stock				
Finished Goods	1,174.50		1,068.99	
Work-in-Progress	1,459.93	2,634.43	1,263.38	2,332.37
Less : Opening Stock				
Finished Goods	1,068.99		674.13	
Work-in-Progress	1,263.38	2,332.37	1,018.80	1,692.93
TOTAL		302.05		639.44
SCHEDULE - 11 - COST OF MATERIAL & MANUFACTURING EXPENSES				
Cost of Material Consumed				
Opening Stock	1,892.95		1,652.93	
Add : Purchases	30,140.62		21,142.21	
	32,033.57		22,795.14	
Less : Closing Stock	2,566.98	29,466.59	1,892.95	20,902.19
Manufacturing Expenses				
Wages	199.16		182.10	
Excise and Custom Duty	91.61		29.34	
Power & Fuel	109.25		99.50	
Stores, Consumables and Packaging	128.32		136.12	
Freight, Cartage & Custom Clearance	234.81		335.37	
Factory Exp	13.34		13.86	
Job Work Charges	8.61		37.87	
Machine Repair & Maintenance	23.21		28.81	
Testing Charges	0.57	808.88	0.83	863.80
TOTAL		30,275.47		21,765.99
SCHEDULE - 12 - EMPLOYEES' REMUNERATION & BENEFITS				
Salary		266.84		184.85
Contribution to Provident Fund		10.02		9.58
Contribution to ESI		3.40		3.04
Gratuity / Leave Encashments		21.73		11.17
Bonus & Incentive (Ex-Gratia)		8.12		3.51
Staff Welfare		8.70		16.76
Directors' Remuneration		53.21		31.40
TOTAL		372.02		260.31

SCHEDULES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2011

(Rs. in Lacs)

Particulars	As on March 31, 2011	As on March 31, 2010
SCHEDULE - 13 - ADMINISTRATIVE EXPENSES		
Audit Fee	3.31	3.31
Books & Periodicals	0.44	0.23
Communication Expenses	24.33	21.42
Conveyance Expenses	15.91	16.00
Fees & Subscription	9.10	8.07
Insurance Charges	7.96	13.65
Legal & Professional Charges	38.88	44.75
Loss on Sale of Assets	0.80	1.58
Miscellaneous Expenses	5.88	6.86
Office Expenses	4.75	4.17
Penalty & Interest	3.76	2.17
Postage, Telegram & Courier	1.13	0.83
Pre-Operative Expenses Written off	0.17	0.17
Printing & Stationery	6.91	7.17
Rent, Rates and Taxes	29.69	34.92
Repair & Maintenance	11.39	7.40
Security Expenses	31.56	24.72
Traveling Expenses	79.84	57.51
Vehicle Running & Maintenance	15.22	11.38
TOTAL	291.03	266.31
SCHEDULE - 14- SELLING & DISTRIBUTION EXPENSES		
Advertising & Publicity Expenses	22.21	20.91
Business Promotion	8.45	2.97
Commission Expenses	3.94	3.90
Discount	56.66	10.55
Samples	16.96	1.35
Freight & Forwarding Expenses	86.25	68.86
TOTAL	194.47	108.54
SCHEDULE - 15 - FINANCIAL CHARGES		
Interest on Working Capital limits	458.32	331.46
Interest on Term Loans	394.83	650.94
Other Financial Charges	646.73	273.87
Interest Others	200.99	121.47
TOTAL	1,700.87	1,377.74

Shilpi Cable Technologies Ltd.

SCHEDULE-16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2011

A) PRINCIPLES OF CONSOLIDATION:

The consolidated financial statement has been prepared on following basis:

- i). The Consolidated Financial Statement has been prepared in accordance with the Accounting Standard 21 (AS-21) "Consolidated Financial Statement" issued by the Institute of Chartered Accountants Of India.
- ii) The financial statements of the parent company and its subsidiary company have been combined on a line by line basis by adding together like items of assets, liabilities, income & expenses. The intra-group balances and intra-group transactions and unrealized profits or losses are fully eliminated.
- iii). The consolidated financial statement has been prepared using uniform accounting policies for similar material transactions and other events in similar circumstances.
- iv). The excess of cost of the company of its investments in the subsidiary company over its share of the equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made, is recognized as "goodwill" being an asset in the consolidated financial statements. Alternatively, where the Share of equity in the subsidiary company as on the date of investments, is in the excess of cost of the company, it is recognized as 'capital reserves' and shown under the head 'Reserves and surplus', in the consolidated financial statements.
- v). Minority Interest's share of net profit of the subsidiary for the year is identified and adjusted against the consolidated profit & loss in order to arrive at the net income attributable to the shareholders of the Company.
- vi). Minority Interest's share of net assets of the subsidiary is identified and presented in the consolidated Balance Sheet separated from liabilities and the equity of the Company's shareholders.
- vii). As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and presented in the same manner as the company's separate financial statements
- viii). The following subsidiary company is considered in the preparation of consolidated financial statements:-

Name of Company	Country of Incorporation	% age of Voting Power Held as at 31st march 2011
Shilpi Cabletronics Ltd.	INDIA	51%

- ix). The company does not have significant influence in any other company, hence, Accounting Standard 23 is not applicable.
- x). The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the company i.e. year ended 31st March, 2011

B) Investments other than in subsidiary has been accounted as per Accounting Standard (AS)-13, on "Accounting for Investments".

C) OTHER SIGNIFICANT ACCOUNTING POLICIES

1 General:

The financial statements have been prepared as of a going concern on historical cost convention, in accordance with Generally Accepted Accounting Principles ('GAAP') comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 on the accrual basis, as adopted consistently by the company.

2 Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation. Cost is inclusive of freight, duties, levies and any direct cost of bringing the assets to their working for intended use.

3 Depreciation:

Depreciation is provided as per Straight Line Method at rates provided by schedule XIV of the Companies Act 1956. In case of purchase / sale of assets during the year, depreciation has been charged on pro rata basis from / up to date of commercial production / sale

4 Inventories;

Inventories are valued at cost or net realisable value whichever is less using the weighted average cost method. The cost of work in progress & finished goods include overheads on estimate basis.

5 Foreign Currency Transaction :

Sales made to clients outside India and realisations deposited into Bank account are accounted for on the basis of exchange rate as on the date of the transaction. Adjustments are made for any variations in the sales proceeds on conversion into Indian currency up to actual receipts. Expenditure in foreign currency is accounted at the exchange rate prevalent when such expenditure is incurred. Current assets and current liabilities denominated in foreign currency are translate at the exchange rate prevalent at the date of the balance sheet. The exchange differences arising out of foreign currency transactions are recognised as Income or expenses in the year. The exchange differences arising out of foreign currency transactions pertaining to fixed assets are adjusted to carrying amount of related fixed assets.

6 Taxation:

Current Tax calculations are based upon the assessable profits of the company computed in accordance with the Income Tax Act, 1961. The deferred tax charged or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/Liabilities are reviewed as at each balance sheet date based on developments during the year and available case laws to reassess realisation /liabilities.

7 Revenue Recognition:

- (a) Sales of goods Indigenous and exports both are recognised at the time of dispatch / Constructive delivery. Sales is exclusive of Excise Duty, Sales Tax and Trade Discount.
- (b) Interest Income is recognised on time proportion basis.
- (c) Dividend Income is recognised when the right to receive the dividend is established.
- (d) Other Income is recognised on the basis of Accounting Standard – 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules, 2006.

8 Borrowing Cost:

Borrowing cost that are attributable to the acquisition / construction of qualifying assets are capitalized as part of the cost of the respective assets. Other borrowing costs are recognized as expenses in the year in which they are incurred.

9 Lease:

- a) **Finance Lease:** Assets taken on lease are capitalised at fair value/contracted price. Depreciation on the same is charged at the rate applicable to similar type of fixed assets as per accounting policy on 'Depreciation'. If the leased assets are returnable to the lessor on expiry of lease period, the same is depreciated over its' useful life or lease period, whichever is shorter. Lease payments made are apportioned between finance charges and reduction of outstanding liability in relation to assets taken on lease.

Shilpi Cable Technologies Ltd.

b) Operating Lease: Lease payments made for assets taken on operating lease are recognised as expense over the lease period.

10 (a) Investments are either classified as current investments or long- term investments. The cost of investments includes acquisition charges such as brokerage, fees and duties. Current investments are carried at lower of cost and fair value

(b) Long- term investments are carried at cost and provisions are recorded to recognize any decline, other than temporary, in the carrying value of each investment.

11 (A) Short Term Employee Benefits:

Short term Employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account for the year in which related services are rendered.

(B) Defined Contribution Plans:

Company's contributions and other amount, if any, payable during the year towards Provident Fund, Pension Fund and Employee State Insurance are recognized in the profit and loss account of the year

(C) Defined Benefit Plans:

Company's liability towards gratuity in accordance with Payment of Gratuity Act, 1972 and other long term benefits are determined and accounted in accordance with AS-15 (Revised) based on the Actuarial Valuation as on the balance sheet date.

12 Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

13 Deferred Revenue Expenditure

Revenue expenditure which is expected to result in economic benefits over a period of time is treated as deferred revenue expenditures and is amortised over such periods as determined by management from time to time.

14 Research & Development Expenditure

Research & Development expenditure is accounted for in accordance with Accounting Standard-26 issued by ICAI.

15 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes.

16 Impairment of Assets:

An asset is treated as impaired when the amount of an asset exceeds its recoverable value. An impairing loss is charged to Profit & Loss A/c in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists.

17 Government Grants

Government grants are accounted for on receipt basis. Grants related to specific fixed assets are deducted from the gross value of the assets and grants related to revenue are deducted in reporting the related expenses.

B) NOTES TO THE ACCOUNTS

- 1 Contingent Liabilities:** The company has following Contingent liabilities which are not recognized in the financial statement

For Shilpi Cable Technologies Ltd. (Holding Company) Amount (Rs. In Lacs.)

Particulars	2010-11	2009-10
Bank Guarantees (For EPCG and Performance)	131.77	118.33
Corporate Guarantee (For WC Loans to Subsidiary i.e. Shilpi Cabletronics Ltd from banks)	5,000.00	2,500.00

For Shilpi Cabletronics Ltd. (Subsidiary Company) Amount (Rs. In Lacs.)

Particulars	2010-11	2009-10
Bank Guarantees (For Performance)	24.81	48.97
Corporate Guarantee (For Loans to Holding Company i.e. Shilpi Cable Technologies Ltd from banks)	16482.82	9,857.50

- 2** The detail of the Subsidiary Shilpi Cabletronics Limited is as follows:

Country of Incorporation	India
% Ownership Interest as at 31.03.2009	NIL
% Ownership Interest as at 31.03.2010	50.99
% Ownership Interest as at 31.03.2011	50.99
Date of becoming subsidiary	01.05.2009
Period of consolidation	from 01.04.2009 & 01.04.2010
Business carried on by the subsidiary	Manufacturing and trading of cables & accessories

- 3** In the opinion of the Board of Directors the Current Assets, Loans and Advances have a value on realisation in ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- 4** In the opinion of the Board of Directors, provisions made for Income tax and other statutory dues are sufficient to meet liabilities under respective heads. However, any shortage or excess shall be dealt in the year of final disposal by the concerned authorities.
- 5** During the year the company has increased its authorized capital from Rs.2420.00 Lacs to Rs.4000.00 Lacs.
- 6** During the year the Company has made Initial Public offer of Rs.55.88 Crs for equity shares of Rs. 10/- each through Book Building Process. Which was subscribed by 3.45 time. Total Share application Money received amounting to Rs. 148.96 Cr (excluding the applications received under ASBA) has been refuted as Share Application Money, as the allotments have been made on 1st April'2011. During the year Company has incurred expenses of Rs.76.27 Lacs for the purpose of IPO that will be written off as per the policy of the Company.
- 7 Disclosure in accordance with Revised AS-15 on "Employee Benefits"**

The Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by the Institute of Chartered Accountants of India has been adopted by the Company. In accordance with the above Standard, the additional obligations of in accordance with the above Standard, the additional obligations of the Company, on account of employee benefits, based on independent actuarial valuation as per the transitional provisions of As – 15 (Revised 2005)

Shilpi Cable Technologies Ltd.

Defined Benefit Plans

Leave Encashment & Gratuity

Valuations in respect of Leave Encashments and Gratuity have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Principal actuarial assumptions	2010-11	2009-10
Discount Rate (Per annum)	8.00%	7.50%
Rate of increase in Compensation levels	5.50%	5.00%
Rate of Return on Plan Assets	0.00%	0.00%
Expected Retirement Age of employees in no. of Years	60 Years	60 Years

A. EARN LEAVE ENCASHMENT

i) Changes in present Value of Obligation

Present value of Obligation as at beginning of the period	4.20	2.36
Interest Cost	0.34	0.18
Current Service Cost	2.64	2.25
Past Service Cost	-	-
Benefit Paid	(6.97)	(2.17)
Actuarial (Gains)/Loss on Obligation	5.54	1.59
Present value of Obligation as at the end of period	5.75	4.20

ii) Changes in Fair value of Plan Assets

Present value of Plan assets as at the beginning of the period	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Employees' Contributions	-	-
Benefits Paid	-	-
Fair Value of Assets as at the end of period	-	-
Total Actuarial gain to be recognised	(0.31)	4.20

iii) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets

Present value of Obligation as at the end of period	5.76	4.20
Fair value of Plan Assets as at the end of period	-	-
Funded (Asset)/Liability recognized in the Balance Sheet	5.76	4.20
Unrecognized Past Service Cost	-	-
Net Liability recognized in the Balance Sheet	5.76	4.20

iv) Expenses recognized in the Profit and Loss Account

Current Service Cost	2.64	2.25
Past Service Cost	-	-
Interest Cost	0.34	0.18
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss	5.54	1.59
Total Expenses recognized in the Profit and Loss Account	8.52	4.01

B. SICK LEAVE
i) Changes in present Value of Obligation

Present value of Obligation as at beginning of the period	1.26	1.53
Interest Cost	0.10	0.11
Current Service Cost	0.70	0.72
Past Service Cost	-	-
Benefit Paid	-	-
Actuarial (Gains)/Loss on Obligation	(0.57)	(1.10)
Present value of Obligation as at the end of period	1.49	1.26

ii) Changes in Fair value of Plan Assets

Present value of Plan assets as at the beginning of period	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Employees' Contributions	-	-
Benefits Paid	-	-
Fair Value of Assets as at the end of period	-	-
Total Actuarial gain to be recognised	0.57	1.26

iii) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets

Present value of Obligation as at the end of period	1.49	1.15
Fair value of Plan Assets as at the end of period	-	-
Funded (Asset)/Liability recognized in the Balance Sheet	1.49	1.26
Unrecognized Past Service Cost	-	-
Net Liability recognized in the Balance Sheet	1.49	1.26

iv) Expenses recognized in the Profit and Loss Account

Current Service Cost	0.70	0.72
Past Service Cost	-	-
Interest Cost	0.10	0.11
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss	(0.57)	(1.10)
Total Expenses recognized in the Profit and Loss Account	0.23	0.49

C. GRATUITY
i) Changes in present Value of Obligation

Present value of Obligation as at the beginning of period	12.71	10.34
Interest Cost	1.01	0.78
Current Service Cost	5.72	4.13
Past Service Cost	-	-
Benefit Paid	-	-
Actuarial (Gains)/Loss on Obligation	5.50	(2.52)
Present value of Obligation as at the end of period	17.65	12.71

Shilpi Cable Technologies Ltd.

ii) Changes in Fair value of Plan Assets		
Present value of Plan assets as at the beginning of period	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Employees' Contributions	-	-
Benefits Paid	-	-
Fair Value of Assets as at the end of period	-	-
Total Actuarial gain to be recognised	(5.50)	8.46
iii) Reconciliation of the Present Value of Defined Present Obligations and the Fair value of Assets		
Present value of Obligation as at the end of period	17.65	6.56
Fair value of Plan Assets as at the end of period	-	-
Funded (Asset)/Liability recognized in the Balance Sheet	17.65	12.71
Unrecognized Past Service Cost	-	-
Net Liability recognized in the Balance Sheet	17.65	12.71
iv) Expenses recognized in the Profit and Loss Account		
Current Service Cost	5.72	4.13
Past Service Cost	-	-
Interest Cost	1.01	0.78
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss	5.50	(2.52)
Total Expenses recognized in the Profit and Loss Account	12.24	2.38

- 8 Debit / Credit balances of the parties are subject to confirmation / reconciliation.
- 9 (A) Based on the information available with the company in respect of MSME (as defined in the Micro Small & Medium Enterprises Development Act, 2006) there are no delays in payment of dues to such enterprises during the year.
- (B) The above information regarding MSME has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
- 10 The company has provided excise duty on finished goods amounting Rs. 39.80 Lacs (Previous year Rs. 24.93 Lacs) at the end of year, there is no resultant impact on the profit for the year.

11 ADDITIONAL INFORMATION REQUIRED UNDER PART-II OF SCHEDULE 'VI' OF THE COMPANIES ACT, 1956

a) Installed Capacity:

Shilpi cable Technologies Limited

(As certified by the management and on the basis of TEV Report)		2010-11	2009-10
Cables (on a presumed product mix)	Kms	18245	18245

Shilpi cabletronics Limited

The Installed capacity of the Company is variable and not ascertainable in view of the fact that the Capacities depend on the type of the cable or cable assembly produced. As per rough estimates of the Management, presently the Operations of the Company use about 65% of its Machinery infrastructure and about 60% of its Space Infrastructure.

b) Quantitative statement of finished goods
Shilpi Cable Technologies Limited

Sl. ITEM	Stock As on 31.3.2010	Purchase /production	Sales	Stock As on 31.3.2011
1. Cables /Wires Qty.(In Kms) Rs (In lacs)	422.170 573.43	10,167.265	10,215.216 16,985.23	374.219 377.64
2. Accessories & Components Qty.(In pcs.) Rs (In lacs)	1.36 51,815 106.61	1,389,083	1.66 1,394,771 5,945.97	1.01 46127 192.28
3. Others Qty.(In Kgs'000) Rs (In lacs)	- -		51.775 108.57	30.275 91.06

Shilpi Cabletronics Limited

Sl. ITEM	Stock As on 31.3.2010	Purchase /production	Sales	Stock As on 31.3.2011
1. Cables /Wires Qty.(In KMtrs) Rs (In Lacs)	7,541.00 380.78	375,388.43	371,291.26 8,872.31	11,638.17 404.19
2. Accessories / Assemblies Qty.(In pcs.) Rs (In Lacs)	2,374 8.17	1,112,509	1,109,229 4,087.02	5,654 18.27
3. Others Rs (In Lacs)	-	-	15.29	-

c) Consumption of Raw Materials
Shilpi Cable Technologies Limited

Sl. ITEM	Year ended 31.03.2011	Year ended 31.03.2010
1. Copper (Tape /Tube /Rod /CCA) Qty.(In Kgs'000) Rs (In lacs)	1667.037 5253.31	1300.586 4238.58
2. Polyethylene / Adhesive / etc. Qty.(In Kgs'000) Rs (In lacs)	334.853 255.89	345.403 239.36
3. S/F Cable Qty.(In Kms) Rs (In lacs)	3365.223 6894.59	5889.451 5192.01
4. Accessories & Component Qty.(In Nos.) Rs (In lacs)	1413235 6052.86	1220210 3682.16

Shilpi Cable Technologies Ltd.

Shilpi Cabletronics Limited

Quantitative detail of raw material consumption could not be ascertained.

Particulars	Amount (Rs. In Lacs.)			
	Shilpi Cable Technologies Limited		Shilpi Cabletronics Limited	
	2010-11	2009-10	2010-11	2009-10
d) Value of imports on CIF Basis :				
i) Capital Goods	-	-	-	-
ii) Raw Materials and Spare Parts	14970.46	9,827.46	1,603.28	181.24
e) Expenditure in Foreign Currency :				
i) On Capital Goods	-	-	-	-
ii) Raw Materials and Spare Parts	13523.30	9,276.54	761.36	127.21
iii) Others	27.40	7.90	12.00	-
f) Earning in Foreign Currency :				
i) Sales (Export)	-	-	-	-
ii) Others	-	-	-	-
g) Auditors' Remuneration :				
i) Statutory Audit Fee	2.00	2.00	0.40	0.40
ii) Tax Audit Fee	0.50	0.50	0.10	0.10
iii) Service Tax	0.26	0.26	0.05	0.05
h) Directors' Remuneration	50.81	29.00	2.40	2.40

12 Earning Per Share of Consolidated Financial Statements

Particulars		2010-11	2009-10
Weighted average number of shares outstanding during the year	Nos.	24,200,000	21,293,150
Net profit for the year attributable to Shareholders	Rs.	152,753,447	107,286,840
Earning per Share of Rs. 10/- each	Rs.	6.31	5.04
Diluted Earning per Share of Rs. 10/- each	Rs.	6.31	5.04

13 Disclosure regarding AS-29 (Provisions)

Shilpi Cable Technologies Limited		Amount (Rs. In Lacs.)	
Particulars		2010-11	2009-10
OPENING BALANCE		44.75	68.33
UTILISED		34.88	60.23
REVERSED		0.44	0.38
PROVIDED DURING THE YEAR		53.06	37.03
CLOSING BALANCE		62.49	44.75
Shilpi Cabletronics Limited		Amount (Rs. In Lacs.)	
Particulars		2010-11	2009-10
OPENING BALANCE		23.04	20.69
UTILISED		16.91	20.32
REVERSED		0	0
PROVIDED DURING THE YEAR		26.41	22.67
CLOSING BALANCE		32.54	23.04

14 Leases:

Accounting for leases has been done in accordance with Accounting Standard-19 issued by ICAI. Following are the details of lease transactions for the year:

(A) Finance Lease

The Company does not have any finance lease agreement.

(B) Operating Lease

The Company does not have any operating lease agreement.

15 Segment wise Revenue, results and Capital employed are as follows :

Based on the guidelines of Accounting Standards on segment reporting (AS-17) issued by The Institute of Chartered Accountants of India, the both Holding and Subsidiary Companies are exclusively engaged in dealing in only one segment i.e manufacturing of cable and accessories, hence there is only one primary segment in context of accounting standards 17 on Segment Reporting issued by ICAI. The company is not operating in any of the geographical segment.

16 In Conformity with the Accounting Standard AS 22 issued by the ICAI, the break up of Net Deferred Tax Liability/Assets on account of timing differences are as under:

	Amount (Rs. In Lacs.)	
	2010-11	2009-10
Shilpi Cable Technologies Limited		
Deferred Tax Liability		
Depreciation on Fixed Assets	716.53	613.03
	716.53	613.03
Deferred Tax Assets		
Provision for Gratuity	5.49	3.93
Carried forward unabsorbed dep.& business losses	277.33	441.89
	282.82	445.82
Net Deferred Liabilities / (Assets)	433.71	167.21
Shilpi Cabletronics Limited		
Deferred Tax Liability		
Fixed Assets Depreciation	13.99	8.90
	13.99	8.90
Deferred Tax Assets		
Provision for Gratuity	2.87	2.25
	2.87	2.25
Net Deferred Liabilities / (Assets)	11.12	6.65

16 Details of transactions entered into with related parties during the year is as follows:

a) List of Related Party

- i) Holding Company : M/s Shilpi Communication Pvt. Limited
- ii) Subsidiary Company : M/s Shilpi Cabletronics Limited
- iii) Associates Companies : M/s MVM Impex Pvt. Limited
- : M/s Shilpi Cables Pvt. Limited
- : M/s GGP Cabletronics Pvt. Limited

Shilpi Cable Technologies Ltd.

- (iv) Key Management Personne : 1. Mr.Mukesh Kumar Gupta
 : 2. Mr.Manish Goel
 : 3. Mr.Ghanshyam Pandey
- v) Directors' Relative : 1. Mrs.Laxmi Pandey
 Wife of Mr.Ghanshyam Pandey
 : 2. Mrs.Anukriti Goel Daughter in Law of Mr.Mukesh Kr.Gupta
 : 3. Ms.Shilpi Goel Daughter of Mr.Mukesh Kr.Gupta
 : 3. Mr.Vishal Goel Son of Mr.Mukesh Kr.Gupta
 : 3. Mrs.Sharda Rani Wife of Mr.Mukesh Kr.Gupta

b) In Conformity with Accounting Standard 18 issued by ICAI, the transactions with related parties during the financial year and outstanding Balances as on 31.03.2011 are given under:

(Rs.In Lacs)

Particulars	Holding Company	Subsidiary Company	Associates Companies in which Directors are interested	Key Management Personnel	Relative of Directors
Purchases	-	-	-	-	-
Expenses					
Salaries	-	-	-	53.21	8.40
Others	-	-	6.00	11.35	15.60
Sales	-	1,083.49	-	-	-
Job Works Charges	-	14.08	-	-	-
Receipts					
Share Application Money	-	-	-	-	-
Unsecured Loan	1,020.10	-	1,310.00	-	-
Loans & Advances	-	-	3.25	-	-
Payments					
Unsecured Loan (Repayment)	1,425.80	-	1,173.80	-	-
Loans & Advances	-	-	-	-	-
Outstanding as on 31st March 2011					
Payable					
Unsecured Loan	2.30	-	1,029.06	378.80	-
Loans & Advances	-	-	-	-	-
Receivable	-	80.91	-	-	-
Corporate Guarantees	-	5,000.00	-	-	-
		16482.82*			

*From subsidiary to holding company

- 17** Prior years Figures have been regrouped, rearranged & recast where considered necessary to conform to the current period's classification
- 18** All the figures have been rounded off to the nearest lakh Rupees.
- 19** The accompanying schedule (1-16) duly authenticated form an integral part of this financial statement.

As per our audit report of even date attached

For: **RMA & ASSOCIATES**

Chartered Accountants

FRN : 000978N

For and on behalf of the Board

(PANKAJ CHANDER)

Partner

M. No.: 089065

(Mukesh Kumar Gupta)

Managing Director

(Ghanshyam Pandey)

Director

(Sunita Gaur)

Company Secretary

Place : New Delhi

Date : 11.06.2011



CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2011

(Rs. in Lacs)

Sl. No	Particulars	As on March 31, 2011	As on March 31, 2010
A.	CASH FLOW FROM OPERATIONS		
	Profit before Taxation	2,292.87	1,628.08
	Add:-Adjustment		
	Deprecation	328.43	322.45
	Miscellaneous expenses written off	(76.10)	0.16
	Financial Charges	1,700.87	1,377.74
	Provision for Gratuity/ Leave Encashment	6.73	2.39
	Less : Interest income	(84.47)	(40.07)
	Less :(Profit) /Loss on sale of assets	0.80	1.58
	Operating Profit before Working Capital Change	4,169.13	3,292.33
	Adjusted For—		
	(Increase)/ Decrease in Current Assets		
	(Increase) / Decrease in Inventories	(976.09)	(879.46)
	(Increase) / Decrease in Sundry Debtors	(4,024.35)	(4,634.12)
	(Increase)/ Decrease in Other current Assets	(1,213.21)	(233.08)
	Increase / (Decrease) in Current Liabilities		
	Increase/ (Decrease) in Sundry Creditors	2,896.17	2,974.39
	Increase/ (Decrease) in Expenses Payable	20.50	(23.61)
	Increase/ (Decrease) in Other Liabilities	(124.90)	12.43
	Cash Generated from Operations	747.25	508.88
	Wealth Tax Paid	(0.41)	(0.20)
	Income Tax paid	(299.66)	(24.22)
	Fringe Benefit Tax Paid	0.00	(3.35)
	NET CASH FROM OPERATIONS	447.18	481.11
B.	INVESTING ACTIVITIES		
	Additions to Fixed Assets	(40.59)	(140.32)
	Pre-operative and Preliminary Exp.		0.00
	Investment in subsidiary. Company	0.00	(378.80)
	Other Investments		0.00
	Sale of Fixed Assets	35.30	6.43
	Income from Intt.& Dividend	84.47	40.07
	NET CASH FROM INVESTING ACTIVITIES	79.18	(472.62)
C.	FINANCING ACTIVITIES		
	Increase in Share Capital	0.00	420.00
	Increase in Share Application Money	14,896.00	(700.00)
	Increase in Security Premium	0.00	840.00
	Increase in Secured Loans	416.39	(355.52)
	Increase in Unsecured Loans	1,348.39	1,611.61
	Financial Charges Paid	(1,700.87)	(1,377.74)
	NET CASH FROM FINANCING ACTIVITIES	14,959.91	438.35
	Net Change in cash and cash equivalents	15,486.27	446.84
	Cash and cash equivalents at the beginning of the period	766.74	319.90
	Cash and cash equivalents at the end of the period	16,253.01	766.74

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'
- Previous year's figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.

As per our audit report of even date attached

For: **RMA & ASSOCIATES**

Chartered Accountants

FRN : 000978N

For and on behalf of the Board

(PANKAJ CHANDER)

Partner

M. No.: 089065

(Mukesh Kumar Gupta)

Managing Director

(Ghanshyam Pandey)

Director

(Sunita Gaur)

Company Secretary

Place : New Delhi

Date : 11.06.2011



IMPORTANT MESSAGE FROM THE COMPANY SECRETARY

Dear shareholder

Sub:Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular no 17/2011 dated 21.04.2011 and circular no 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents, including annual report, to its shareholders through electronic mode to the registered e-mail addresses of shareholders

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute to the corporate Social Responsibility initiative of the Company.

We therefore invite all our shareholders to contribute to the cause by filling up the form given below and send it back in the attached postage prepaid envelope at below stated address:

BEETAL Financial & Computer Services (P) Limited

Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre

Near Dada Harsukhdas Mandir, New Delhi - 110062

Tel:011 29961281; **Fax:**011 29961284

You can also download the attached registration form from Company's website www.shilpicables.com

Lets be part of this "Green Initiative".

Please note that as a member of the Company you will be entitled to receive all such communication in physical form, upon request.

Thanking you

Yours Truly

For Shilpi Cable Technologies Ltd

Sunita Gaur

Company Secretary

Shilpi Cable Technologies Ltd.

E-Communication Registration Form

Folio No./ DP ID & Client ID :

Name of 1st Registered Holder :

Name of the Joint Holder(s) :

Registered Address :

E-mail ID (to be registered) :

I/We Shareholder(s) of Shilpi Cable Technologies Limited agree to receive Communication from the Company in electronic mode.

Please register my above e-mail id in your record for sending all future communication through e-mail.

Dated :

.....

Signature of Shareholder

Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.



Shilpi Cable Technologies Ltd.

Regd.Office: A-19/B-1 Extension Mohan Co-op. Industrial Estate, Mathura Road, P.O. Badarpur



ATTENDANCE SLIP

(To be completed and Handed Over the Entrance of the Meeting Hall)

DP.Id.

Folio No.

Client Id.

No of Shares held.....

All particulars should tally with the Company's records

I hereby record my presence at the 5th Annual General Meeting of the Company held at 11.30 a.m. on Thursday the 29 September 2011 at 11, Hindi Bhawan ITO Delhi – 2.

Members Name(Sole Applicant).....

(1st Joint holder).....

(2nd Joint holder).....

Father's Name.....

Complete Address.....

Proxy's Name

I certify that I am registered share holder / proxy for the registered share holder of the company.

.....
(Member's/Proxy's Signature)

- NOTES:**
1. Attendance slip which is not complete in all respects shall not be accepted.
 2. This attendance slip is valid only in case shares are held on the date of the meeting



Shilpi Cable Technologies Ltd.

Regd.Office: A-19/B-1 Extension Mohan Co-op. Industrial Estate, Mathura Road, P.O. Badarpur



PROXY FORM

(To be filled by the Share Holder)

DP.Id.

Folio No.

Client Id.

No of Shares held.....

I/We.....of.....(Address) being

The member/Members of Shilpi Cable Technologies Ltd hereby appoint Mr./Mrs.....of

.....falling him/her, Mr./ Ms.....

Of.....as my/our proxy to vote for me/us, on

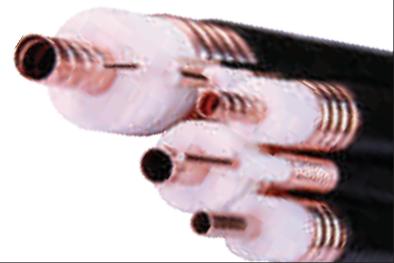
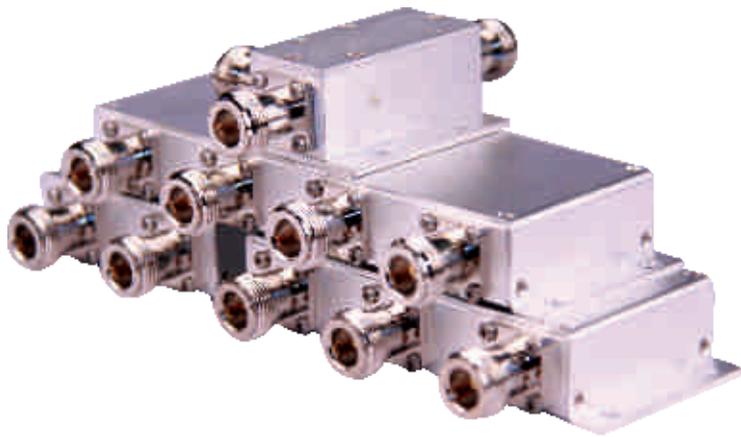
my/our behalf at the 5th Annual General Meeting of the Company to be held on Thursday 29th September 2011 at 11 Hindi Bhawan ITO at 11.30am. and at any adjournment thereof.

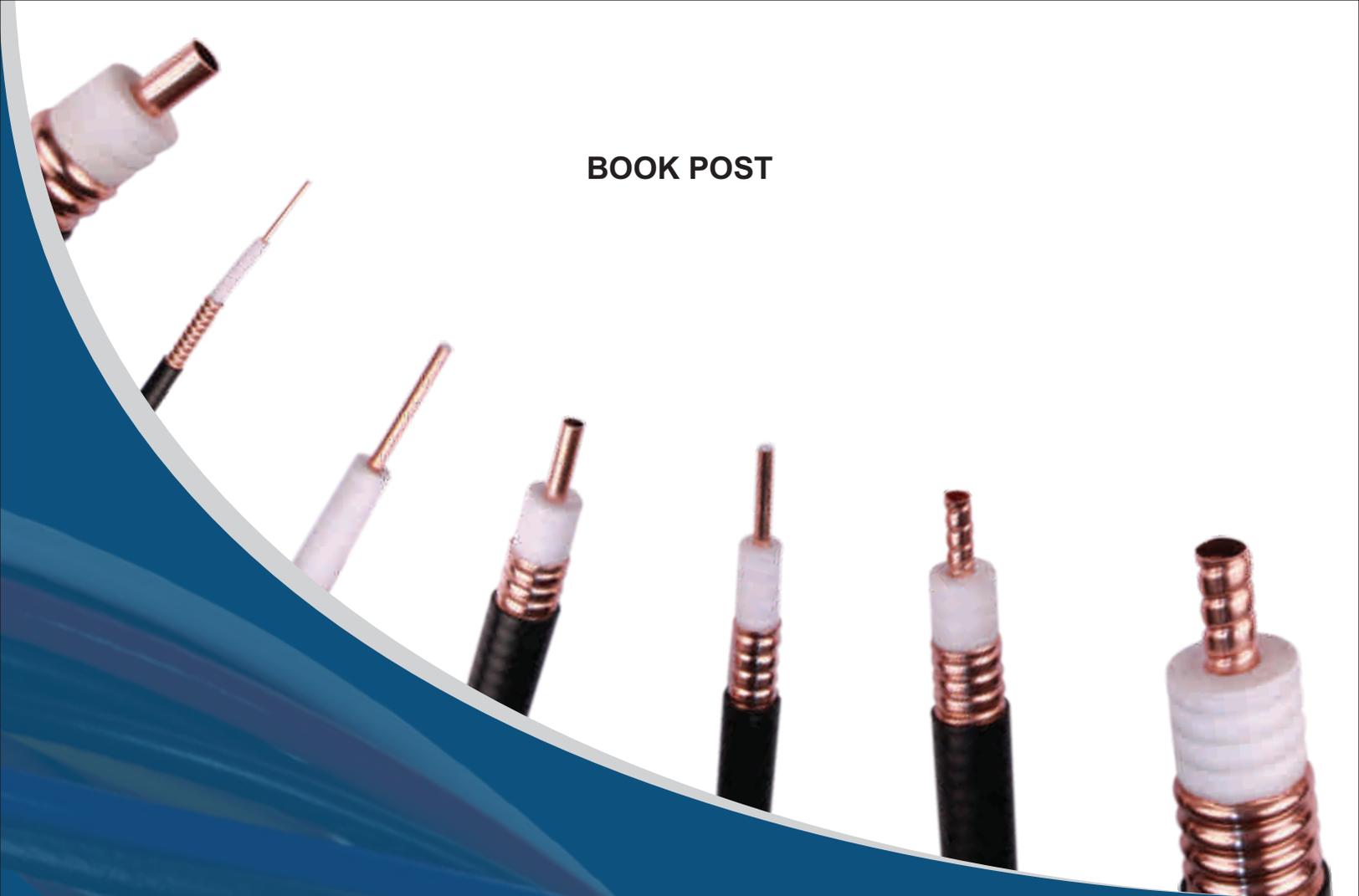
As witness my/our hand thisday of2011

.....
Signature

- Note:**
1. The proxy form duly executed and properly stamped should reach the Company's Registered office at least 48 hours before the time of the meeting.
 2. The proxy need not be a member.
 3. Proxy cannot speak at the meeting or vote on a show of hands.

Product Range of Shilpi Cable Technologies





BOOK POST

If undelivered, please return to:

Shilpi Cable Technologies Ltd.

A-19/B-1 Extension,
Mohan Co-op. Industrial Estate,
Mathura Road, P.O. Badarpur,
New Delhi - 110044, India
Tel. : +91 11 43117900
Fax : +91 11 43117902

