



6th Annual Report 2011-2012

**Shilpi Cable Technologies Ltd.**

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

- Mukesh Kumar Gupta, Managing Director
- Manish Goel, CCO & Whole Time Director
  - Ghanshyam Pandey
    - Sunil Kala
    - Sandeep Gupta
- Neeta Sood, Nominee Director

### **CHIEF EXECUTIVE OFFICER**

- Manish Bhatt

### **AUDITORS**

M/s RMA & Associates  
Chartered Accountants  
48, Hasanpur,  
I. P. Extension,  
Delhi – 110 092

**Tel:** 011-45261214; **Fax:** 011-22248165

### **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

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Shruti Bhardwaj

### **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

### **PLANT**

#### **Unit I**

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

#### **Unit II**

Plot no E 138, RIICO Industrial area,  
Bhiwadi, Distt. Alwar, Rajasthan.

### **BANKERS**

IDBI Bank  
Punjab National Bank  
State Bank of India  
UCO Bank  
OBC Bank  
Bank of Baroda  
Union Bank of India  
Andhra Bank

# Shilpi Cable Technologies Ltd.

## NOTICE

**Notice** is hereby given that the sixth Annual General Meeting of the Members of the Company will be held on Saturday, 29<sup>th</sup> September, 2012 at 11.30 AM at the Aiwan E Ghalib Auditorium, Mata Sundari Lane, ITO, Delhi 110002, to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 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 Manish Goel, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Sunil Kala 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 Section 314 of the Companies Act, 1956 and other approvals, if any, consent of members be and is hereby given for holding of place of profit by Mr Vishal Goel as Marketing Head of the company, at a total monthly remuneration of Rs 1,50,000 per month w.e.f 1<sup>st</sup> November, 2011.

**Resolved further that** the Board of Directors of the Company be and is hereby authorized, to change the remuneration, designation and other terms and conditions of the aforesaid appointee, including increase in remuneration upto a limit prescribed under section 314(1B) of the Companies Act, 1956 read with Director's Relative (Office or Place of Profit) Rules, 2011; and to take all such steps and actions and to give such directions, as may be in its absolute discretion deemed necessary and to do all such acts and things which may be necessary or incidental for the purpose."

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

Date: 14<sup>th</sup> August, 2012

Place: New Delhi

Shruti Bhardwaj  
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 Friday, 28<sup>th</sup> September 2012 to Saturday, 29<sup>th</sup> September 2012 (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, 3<sup>rd</sup> Floor, 99 Madangir  
Behind Local Shopping centre Near Harsukhdas Mandir,  
New Delhi-110 062; Phone No. 011-29961284.  
e-mail: [shilpi\\_ipo@beetalfinancial.com](mailto: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](mailto: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 Saturday 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.

**The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 for Items accompanying the notice as under:**

**ITEM NO. 5**

As per the provisions of section 314 of the Companies Act, 1956 approval of the members of the Company is required for appointment of and payment of remuneration to relative of the Directors. Mr Vishal Goel, relative of the directors is appointed as Marketing Head in the Company w.e.f 1<sup>st</sup> November 2011.

Your approval is required in terms of the provisions of section 314 of the Companies Act, 1956 by way of Special Resolutions for payment of remuneration to the aforesaid person. Directors recommend for approval on the aforesaid resolutions.

Mr Mukesh Kumar Gupta and Mr Manish Goel, Directors are deemed to be interested in the above resolution.

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

**Date: 14<sup>th</sup> August, 2012**  
**Place: New Delhi**

**Shruti Bhardwaj**  
**Company Secretary**

# Shilpi Cable Technologies Ltd.

## DIRECTORS' REPORT

### Dear Members

Your Directors have pleasure in presenting the Sixth Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2012.

### Financial Highlights

(Amount in Rs. Lacs)

Particulars	Financial Year ended	
	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
Net Sales	46,054.89	23,039.77
Other Income	265.97	147.10
Increase/ (Decrease) in Stocks	1660.09	172.33
Total Income	46,320.86	23,200.95
Total Expenditure	43,543.88	21,203.92
Profit before tax	2,776.98	1,997.03
Provision for tax	914.57	661.45
Profit after tax	1,862.41	1,335.58
Transfer to Reserve	3,640.53	2,127.70
Paid-up Share Capital	3,229.88	2,420.00
Reserves and Surplus (excluding revaluation reserve)	9967.55	3,067.69

### Year in Retrospect

During the year under review, total income of the Company was Rs. 46,320.86 lacs as against Rs. 23,200.95 lacs in the previous year. The Company was able to earn a profit after tax of Rs. 1,862.41 lacs for the year as against a profit of Rs. 1,335.58 lacs in previous year. The figures of the previous year was not comparable with the current year as current year figures includes the figures of erstwhile Transferor Company-Shilpi Cabletronics Ltd which is merged with the Company w.e.f. the appointed date i.e. 1<sup>st</sup> April, 2011 in terms of the Scheme of Amalgamation approved by the Hon'ble Delhi High Court vide order dated 14<sup>th</sup> May, 2012. 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 close of the financial year

The Scheme of Amalgamation of Shilpi Cabletronics Ltd with Shilpi Cable Technologies Ltd was approved by the Hon'ble Delhi High Court, vide order dated 14<sup>th</sup> May 2012. The Scheme has become effective w.e.f. 1<sup>st</sup> June, 2012 the date of filing of order with the Registrar of Companies, Delhi. Since the scheme is operative from the appointed date 1<sup>st</sup> April 2011 the effect of amalgamation has been given in the present Audited Annual Accounts.

In terms of the Scheme of Amalgamation the company has allotted 52,17,374 equity shares of Rs 10/- each on 2<sup>nd</sup> June 2012 to SCTL Securities Trust to hold the same in the beneficial interest of Shilpi Cable Technologies Ltd.

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year of the Company-31<sup>st</sup> March,2012.

### **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.

### **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**

During the year under review, your Company has acquired 100% of the total, issued and subscribed and paid up capital of Shilpi Worldwide JLT, UAE and thereby, Shilpi Worldwide JLT is a Wholly Owned Subsidiary.

The erstwhile Wholly Owned Subsidiary of the Company – M/s Shilpi Cabletronics Ltd. has been amalgamated with the Company w.e.f. 1<sup>st</sup> June, 2012.

### **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.

# Shilpi Cable Technologies Ltd.

**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)

	2011-12	2010-11
Total Foreign Exchange Inflow	Nil	Nil
Total Foreign Exchange outflow	21,105.67	1,3550.70

## 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

Except for the following changes, there was no change in the composition of the Board of Directors of the Company subsequent to the last Directors' Report:

- Mr Anirudh Goel and Mr Rajesh Suri have resigned from the Board of Directors w.e.f 15<sup>th</sup> September, 2011 and 10<sup>th</sup> September, 2011, respectively.
- Mr Ghanshyam Pandey has resigned from the office of Whole-time Director of the Company w.e.f 31<sup>st</sup> May, 2012. However, he is continuing as a non-executive director.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr Manish Goel and Mr Sunil Kala, 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 31<sup>st</sup> March, 2012 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 BSE Ltd. and National Stock Exchange of India Ltd. (NSE) The listing fee for the financial year 2012-13 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 : 14<sup>th</sup> August, 2012**

**Place : New Delhi**

**Manish Goel**

Whole-time Director  
DIN No.00163105

**Ghanshyam Pandey**

Director  
DIN No.00163072

# 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 31<sup>st</sup> MARCH, 2012:

#### PARTICULARS AS PER FORM A:

#### A. POWER AND FUEL CONSUMPTION

	2011-2012	2010-2011
1. ELECTRICITY		
(a) PURCHASED:		
Units (in lacs)	17.65	10.21
Total amount (in lacs)	98.07	50.79
Rate/Units (in Rs.)	5.56	4.97
(b) OWN GENERATION:		
(i) Through Diesel Generator		
Units (in lacs)	1.83	1.82
Total amount (in lacs)	22.78	23.41
Rate/Unit (in Rs.)	12.43	12.86
(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)	21105.67	13550.70
© 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.

During the previous year the Company had acquired 100% shareholding of its erstwhile subsidiary - M/s Shilpi Cabletronics Ltd. Thereafter Shilpi Cabletronics Ltd has now been merged with the Company with the approval of the High Court along with its business and manufacturing plant at Bhwadi, Rajasthan.

Accordingly, apart from manufacturing and trading of telecom cables from its Chopaki Plant at Rajasthan; the Company is now engaged manufacturing and trading of automobiles, telecom and other cables and accessories from its Bhiwadi Plant.

Despite the worldwide economic challenges, your Company remained steadfast in delivering excellent performance during last financial year. Your Board hopes that with the support from the Telecom & Automotive market, your Company will accelerate the process to forge ahead towards the goal of being a top-class company in this sector.

### Industry Structure, Developments & Outlook

The Indian cable market has been witnessing growth owing to the increasing subscriber base. With over 900 million users, the Indian telecom market is the second largest in the world. An expanding subscriber base and broadband growth have led to telecom operators adopting new technologies to increase the capacity of existing networks and offer improved quality of service (QoS).

Active infrastructure in a telecom network comprises components such as radio frequency (RF) feeder cables, base transceiver stations (BTSs), switches and antennas. RF feeder cables are used for connecting BTSs to antennas, and given the large number of BTSs deployed in the country; there exists a large market for this component.

As far as telecom cable sector is concerned; the key components that will drive the demand of feeder cables in India in future are:

- 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)
- 3G services
- Replacement of existing cables

Sharing of active infrastructure will also 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.

## 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, automobile and industrial segment. Any slowdown in these sectors can largely impact the demand for the company's products.

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.

## 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

The company sold cables wire and accessories of Rs 46028.81 Lacs during financial year 2011-12.

# Shilpi Cable Technologies Ltd.

## 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 six (6) directors on 31st March, 2012, out of which Three (3) are independent. Mr Mukesh Kumar Gupta is the Chairman cum Managing Director, Mr Manish Goel and Mr Ghanshyam Pandey are the Whole Time Directors of the Company. The Constitution of the Board as on 31st March 2012 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	Nil	Nil	Nil
Mr Manish Goel Whole Time Director	Promoter	Nil	Nil	Nil
Mr Ghanshyam Pandey <sup>1</sup> Whole Time Director	Executive	Nil	Nil	Nil
Mr Sunil Kala Director	Non-Executive Independent	4	Nil	Nil
Mr Sandeep Gupta Director	Non-Executive Independent	1	Nil	Nil
Ms Neeta Sood Nominee Director	Nominee & Independent	Nil	Nil	Nil

<sup>1</sup> Mr Ghanshyam Pandey has resigned from the office of Whole-time Director of the Company w.e.f 31st May, 2012. However, he is continuing as a non-executive director.

<sup>2</sup> Only included Indian Companies.

### Directors' Attendance Record

During the Financial Year 2011-12, (11) eleven meetings of the Board of Directors were held on 01.04.2011, 07.04.2011, 19.04.2011, 11.06.2011, 29.07.2011, 10.10.2011, 29.10.2011, 19.11.2011, 06.12.2011, 29.12.2011 and 07.03.2012. The Board was duly supplied with the agenda of the meetings incorporating all material information for facilitating meaningful and 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 2011-12 are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr Mukesh Kumar Gupta	11	11	Yes
Mr Ghanshyam Pandey	11	11	Yes
Mr Manish Goel	11	6	Yes
Mr Sunil Kala	11	3	No
Mr Sandeep Gupta	11	7	Yes
Ms Neeta Sood	11	3	No
Mr Anirudh Goel*	5	4	No
Mr Rajesh Suri**	5	1	No

\*Resigned w.e.f 15th September 2011

\*\*Resigned w.e.f 10th September 2011

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

Mr Manish Goel and Mr Sunil Kala, Directors who shall be retiring in this AGM, being eligible have offered themselves for re-appointment. Brief particulars of these gentlemen are as follows:

Particulars	Mr Sunil Kala	Mr Manish Goel
DIN	00511839	00163105
Father's Name	Mr. Tarachand Jain	Mr. Mukesh Kumar Gupta
Date of Birth	02.07.1949	08.03.1982
Address	C-5, Jangpura Extn, New Delhi - 110014, India	B-8, Chirag Enclave, New Delhi - 110048, India
Designation	Director	Whole-Time Director
Education	Bachelor of Engineering and MBA	Bachelor in Business Management
Experience	33 Years	8 Years
Companies in which holds Directorship*	<ul style="list-style-type: none"> <li>Kunthu Portfolio and Leasing Pvt Ltd</li> <li>Cardinal Drug Ltd</li> <li>Nistha Securities Ltd</li> <li>Status Portfolios Ltd</li> <li>Fox Software Technologies Ltd</li> <li>Fostiima Integrated Learning Resources Pvt Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Shilpi Communication Pvt Ltd</li> <li>MVM Impex Pvt Ltd</li> <li>Shilpi Cables Pvt Ltd</li> <li>Fasten Cables and Accessories Pvt Ltd</li> </ul>
Companies in which holds membership of committees	Nil	Nil
Shareholding in the Company (No. & %)	Nil	7000 equity shares 0.02%
Relationship with other Director	Nil	Mr Manish Goel is son of Mr Mukesh Kumar Gupta

\*Only included Indian Companies.

# Shilpi Cable Technologies Ltd.

## 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;
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 was re constituted on 10th October 2011 due to the resignation of Mr Anirudh Goel from board of the company and Mr Ghanshyam Pandey was introduced as member of the committee.

The re-constituted Audit Committee of the Company as on date comprises of 2 Non Executive Independent Directors and one Executive Director. i.e. Mr Sandeep Gupta, as Chairman; Mr Ghanshyam Pandey and Mr Sunil Kala, as the Members of the Committee.

**(c) Attendance**

The Committee met six (6) times during the Financial Year 2011-12 on the following dates: 07.04.2011, 11.06.2011, 29.07.2011, 29.10.2011, 19.11.2011 and 07.03.2012. 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 Anirudh Goel (Chairman*)	Non Executive Independent Director	2
Mr Sandeep Gupta (Chairman)	Non Executive Independent Director	6
Mr Ghanshyam Pandey**	Executive Director	3
Mr Sunil Kala	Non Executive Independent Director	3

\* Mr Anirudh Goel resigned w.e.f 15th Sept., 2011.

\*\* Mr Ghanshyam Pandey joined the Committee w.e.f 10th October, 2011. Mr Ghanshyam Pandey has resigned from the office of Whole-time Director of the Company w.e.f 31st May, 2012. However, he is continuing as a non-executive director.

During the year Ms Sunita Gaur was the company secretary who was acting as a secretary to the committee till 31st May 2012. After her resignation, Ms Shruti Bhardwaj appointed as company secretary of the company and will act as the secretary of the committee.

**(a) Composition & Terms of Reference**

In terms of the provisions of Companies Act, 1956 the company has constituted its Remuneration Committee. The Remuneration Committee shall have the power to determine the Company's policy on specific remuneration packages including pension rights and other compensation for executive directors and for this purpose, the Remuneration Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary.

Till 15th September, 2011, the members of the Remuneration Committee are Mr Sandeep Gupta-Chairman, Mr Sunil Kala and Mr Anirudh Goel are the members.

The Remuneration Committee of the Board of Directors was dissolved due to resignation of Mr Anirudh Goel w. e. f. 15th September 2011. The company is trying to induct a new independent director to re-constitute the committee in due course.

The Committee met one (1) times during the Financial Year 2011-12 on 29.07.2011. Details of attendance of Directors in the Remuneration Committee meeting are as under:

Name of the Director	Category	Attendance at the Remuneration Committee Meeting
Mr Sandeep Gupta (Chairman)	Non Executive Independent Director	1
Mr Sunil Kala	Non Executive Independent Director	1
Mr Anirudh Goel*	Non Executive Independent Director	1

\* Mr Anirudh Goel resigned w.e.f 15th Sept., 2011.

During the year Ms Sunita Gaur was the company secretary who was acting as a secretary to the committee till 31st May 2012. After her resignation, Ms Shruti Bhardwaj appointed as company secretary of the company and will act as the secretary of the committee.

# Shilpi Cable Technologies Ltd.

## 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.

### (b) Details of the Directors' Remuneration for the financial year ended 31st March, 2012

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	-	24,00,000	-	24,00,000	8000 (0.02%)
Mr Ghanshyam Pandey	-	22,70,640	-	22,70,640	7000 (0.02%)
Mr Manish Goel	-	23,90,640	-	23,90,640	7000 (0.02%)
Mr Sunil Kala	-	-	-	-	-
Mr Sandeep Gupta	-	-	-	-	-
Ms Neeta Sood	-	-	-	-	-
Mr Anirudh Goel*	-	-	-	-	-
Mr Rajesh Suri*	-	-	-	-	-

## 5. Share Transfer and Shareholder's Grievance Committee

### Composition & Terms of Reference

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.

A Share Transfer and Shareholder's Grievance Committee of the Board of Directors was re constituted on 10th October 2011 due to resignation of Mr Anirudh Goel from the board of the company and Mr Ghanshyam Pandey was introduced as member of the committee.

The Re-constituted committee comprises of two non-executive and independent directors and one executive director namely Mr Sandeep Gupta - as Chairman, Mr Ghanshyam Pandey and Mr Sunil Kala as the Members.

The Committee met three (3) times during the Financial Year 2011-12 on 30.07.2011, 31.12.2011 and 31.01.2012. Details of attendance of Directors in the Remuneration Committee meeting are as under:

Name of the Director	Category	Attendance at the STSG Committee Meeting
Mr Sandeep Gupta (Chairman)	Non Executive Independent Director	3
Mr Anirudh Goel*	Non Executive Independent Director	1
Mr Sunil Kala	Non Executive Independent Director	2
Mr Ghanshyam Pandey**	Executive Director	1

\* Mr Anirudh Goel resigned w.e.f 15th Sept., 2011.

\*\* Mr Ghanshyam Pandey joined the Committee w.e.f 10th October, 2011. Mr Ghanshyam Pandey has resigned from the office of Whole-time Director of the Company w.e.f 31st May, 2012. However, he is continuing as a non-executive director.

During the year Ms Sunita Gaur was the company secretary who was acting as a secretary to the committee till 31st May 2012. After her resignation, Ms Shruti Bhardwaj appointed as company secretary of the company and will act as the secretary of the committee.

Ms. Shruti Bhardwaj 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.

## 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
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	11.30AM	Nil
2011	29.09.2011	11,Hindi Bhawan,ITO,Delhi 110 002	11.30AM	4

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
2011	29.09.2011	To re-appoint Mr Mukesh Kumar Gupta as Managing Director To re-appoint Mr Ghanshyam Pandey as Whole Time Director To re-appoint Mr Manish Goel as Whole Time Director Change in objects of the issue as mentioned in DRHP.

## 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. 14 of Notes to 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.

# Shilpi Cable Technologies Ltd.

## 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) 6th Annual General Meeting:

Date & Day : 29th September, 2012 & Saturday  
 Time : 11:30 A.M.  
 Venue : Aiwan E Ghalib Auditorium, Mata Sundari Lane, ITO, Delhi 110002  
 Financial year : 1st April 2011 to 31st March 2012

### ii) Financial Calendar

#### Events

Financial Reporting for the quarter ending 30th June, 2012  
 Financial Reporting for the half year ending 30th September, 2012  
 Financial Reporting for the quarter ending 31st December, 2012  
 Financial Reporting for the year ending 31st March, 2013  
 Annual General Meeting for the year ending 31st March, 2013

#### Tentative time frame

14th August, 2012 (actual)  
 On or before 14th November, 2012  
 On or before 14th February, 2013  
 On or before 15th May, 2013  
 On or before 30th September, 2013

### iii) Dates of Book Closure

Friday, 28th September 2012  
 to Saturday, 29th September, 2012  
 (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 :**

Month	Bombay Stock Exchange			National Stock Exchange		
	High (Rs)	Low (Rs)	Volume	High(Rs)	Low (Rs)	Volume
Apr '11	84.65	30.55	326735	84.70	30.70	72534921
May '11	31	18.2	19507	31.90	18.30	5902518
Jun '11	19.6	13.3	4686	19.65	13.30	1431314
Jul '11	18.75	15.65	4319	19.00	15.60	1022746
Aug '11	17.2	11.7	2418	17.25	11.75	636721
Sep '11	15.85	12.03	3386	16.35	12.00	631659
Oct '11	15.79	12.05	3590	15.75	12.00	659429
Nov '11	14.9	9.85	2582	14.90	10.80	394493
Dec '11	11.95	8.89	1536	11.90	8.10	333718
Jan '12	13.35	9.21	2145	13.60	8.95	352302
Feb '12	18.4	12.21	4271	18.50	12.20	992174
Mar '12	15.6	11.4	2591	15.30	11.10	601803

Source: Web-sites of BSE and NSE

**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
E mail	www.beetalfinancial.com

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.

# Shilpi Cable Technologies Ltd.

## ix) Distribution of Shareholding as on 31st March 2012:

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		7,685	79.92	1,27,03,950.00	3.9333
5,001	10,000	895	9.31	74,41,830.00	2.3041
10,001	20,000	477	4.96	74,69,980.00	2.3128
20,001	30,000	156	1.62	40,74,000.00	1.2613
30,001	40,000	85	0.88	30,35,800.00	0.9399
40,001	50,000	70	0.73	33,41,220.00	1.0345
50,001	1,00,000	134	1.39	95,56,260.00	2.9587
1,00,001 and Above		114	1.19	27,53,64,580.00	85.2555
Tota				32,29,87,620.00	100.00

x) **Dematerialization of shares and liquidity:** As on 31st March 2012 about 99.95% 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 units located at:

### Unit I

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

### Unit II

Plot no E 138, RIICO Industrial area,  
Bhiwadi, 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 31<sup>st</sup> March 2012 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 : 14th August, 2012**  
**Place: New Delhi**

**Vinay Mittal**  
**Chief Financial Officer**

**Mukesh Kumar Gupta**  
**Managing Director**  
**DIN No. 00163044**

## 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](http://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**  
**Managing Director**  
**DIN No. 00163044**

# 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 31<sup>st</sup> March, 2012, 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 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.

For **R&D**  
**Company Secretaries**

**Debabrata Deb Nath**  
**Partner**  
**ACS: 23935; CP: 8612**

**Date: 14th August, 2012**

**Place: Delhi**

### 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](http://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**

**Shruti Bhardwaj**  
**Company Secretary**





## AUDITORS' REPORT

### TO THE MEMBERS OF

### SHILPI CABLE TECHNOLOGIES LIMITED

1. We have audited the attached Merged Balance Sheet of **SHILPI CABLE TECHNOLOGIES LIMITED** as at 31<sup>st</sup> March, 2012 and also Profit and Loss account and Cash Flow Statement of the Company for the year ended on that date annexed thereto after giving effect to the Scheme of Amalgamation of Shilpi Cabletronics Ltd (Transferor company) with Shilpi Cable Technologies Ltd (Transferee Company) as approved by the Hon'ble High Court of Delhi vide its order dated 14th May, 2012. Since the Scheme is operative from the Appointed Date, 1st April, 2011, it has been given effect to in the present audited accounts. Accordingly, the present audited accounts are consisting of financial figures of the Transferee Company as well as financial figures of the Transferor Company for the year ended 31st March, 2012. 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 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, We report that none of the Directors is disqualified as on March 31, 2012 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, 2012.
    - 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

**(PANKAJ CHANDER)**  
Partner  
M.No.:089065

Place : New Delhi  
Date : 2<sup>nd</sup> June, 2012

## 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 (Merged) as at and for the year ended 31<sup>st</sup> March 2012:

- (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 1461.59 Lacs (Previous Year Rs. 1274.50 Lacs) and balance of such loan at the yearend was Rs. 1155.19 Lacs (Previous year Rs. 391.80 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 31.3.2012 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 not given any corporate guarantee.
- (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, 2012, 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) During financial year 2011-12, the Company allotted 80,98,762 equity shares of Rs. 10 each at a premium of Rs 59 aggregating Rs. 55,88,14,578 through book building process pursuant to Initial Public Offer (IPO).
- Further, 52,17,374 Equity Shares of Rs. 10 each, credited as fully paid up, has been issued by the Company pursuant to the Scheme of Amalgamation of Shilpi Cabletronics Ltd (Transferor company) with Shilpi Cable Technologies Ltd (Transferee Company).
- (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

**(PANKAJ CHANDER)**  
Partner  
M.No.:089065

Place : New Delhi  
Date : 2<sup>nd</sup> June, 2012

# Shilpi Cable Technologies Ltd.

## BALANCE SHEET as at 31st March 2012

(₹ in Lacs)

Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Fund</b>			
(a) Share capital	2	3,229.88	2,420.00
(b) Reserves and surplus	3	9,967.55	3,067.69
(c) Shares to be issued pursuant to Scheme of Amalgamation	1	521.74	-
<b>(2) Share application money pending allotment</b>		-	14,896.00
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	9,032.42	7,996.00
(b) Deferred Tax Liabilities (Net)	5	790.31	433.71
(c) Other Long-Term Liabilities		-	-
(d) Long-Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings	4	1,441.80	1,290.44
(b) Trade Payables	6	12,760.59	5,707.21
(c) Other Current Liabilities	7	346.30	121.00
(d) Short-Term provisions	7A	603.24	414.96
<b>TOTAL</b>		<b>38,693.83</b>	<b>36,347.01</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		6,371.82	6,470.64
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		1,736.16	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	9	1,374.74	379.20
(c) Deferred Tax Assets (Net)		-	-
(d) Long-term loans and advances	10	194.11	56.31
(e) Other non-current assets		-	76.27
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	11	5,833.22	3,271.87
(c) Trade Receivables	12	19,790.81	8,751.28
(d) Cash and cash equivalents	13	1,727.76	15,581.61
(e) Short-Term loans and advances	14	5.00	5.55
(f) Other current assets	15	1,660.21	1,754.28
<b>TOTAL</b>		<b>38,693.83</b>	<b>36,347.01</b>
<b>Notes to accounts and significant accounting policies</b>	1		
<b>Other Notes to Accounts</b>	24		

Note No. 1-24 form an integral part of these Financial Statements

As per out 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

DIN No. 00163044

**(Sandeep Gupta)**

Director

DIN No. 00638932

**(Shruti Bhardwaj)**

Company Secretary

**Place : New Delhi**

**Date : 2<sup>nd</sup> June, 2012**

## PROFIT & LOSS ACCOUNT for the year ended March 31, 2012

(₹ in Lacs)

Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
<b>I. Revenue from Operations</b>	<b>16</b>	46,054.89	23,053.85
<b>II. Other Income</b>	<b>17</b>	265.97	147.10
<b>III. Total Revenue (I+II)</b>		<b>46,320.86</b>	<b>23,200.95</b>
<b>IV. EXPENSES</b>			
Cost of materials/ Services consumed	<b>18</b>	40,257.59	18,547.70
Changes in inventories of finished goods, wip and stock-in-trade	<b>19</b>	(1,660.09)	(172.33)
Other Manufacturing/ Operating Expenses	<b>20</b>	1,039.45	578.76
Employee benefits expense	<b>21</b>	396.59	225.94
Finance Costs	<b>22</b>	2,415.53	1,396.82
Depreciation and amortization expense	<b>8</b>	332.30	315.26
Other expenses	<b>23</b>	762.51	311.77
<b>Total Expenses</b>		<b>43,543.88</b>	<b>21,203.92</b>
<b>V. Profit before exceptional and extraordinary items (III-IV)</b>		<b>2,776.98</b>	<b>1,997.03</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>2,776.98</b>	<b>1,997.03</b>
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before Tax(PBT) (VII-VIII)</b>		<b>2,776.98</b>	<b>1,997.03</b>
<b>X. Tax Expense of continuing operations :</b>			
Current Tax ( Income Tax)	569.00	398.39	
Tax Adjustment of Previous Years	-	(4.01)	
Current Tax ( Wealth Tax)	0.08	0.58	
MAT credit Entitlement	-	-	
Deferred Tax Expenses/(Income)	<b>5</b> 345.49	914.57	266.49
<b>XI. Profit/(loss) for the period from continuing operations (IX-X)</b>		<b>1,862.41</b>	<b>1,335.58</b>
<b>XII. Profit/(loss) from discontinuing operations</b>		-	
<b>XIII. Tax expense of discontinuing operations</b>		-	
<b>XIV. Profit/ (loss) from discountinuing oprations (after Tax) (XII-XIII)</b>		-	
<b>XV. Profit/ (loss) for the period [ Profit After Tax (PAT)] (XI+XIV)</b>		<b>1,862.41</b>	<b>1,335.58</b>
<b>XVI. Earnings per equity share</b>			
(1) Basic		<b>5.77</b>	<b>5.50</b>
(2) Diluted		-	
<b>Notes to accounts and significant accounting Policies</b>	<b>1</b>		
<b>Note No 1-24 form an integral part of these Financial Statements</b>			

Note No. 1-24 form an integral part of these Financial Statements

As per out 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

DIN No. 00163044

**(Sandeep Gupta)**

Director

DIN No. 00638932

**(Shruti Bhardwaj)**

Company Secretary

Place : New Delhi

Date : 2<sup>nd</sup> June, 2012

# Shilpi Cable Technologies Ltd.

## **Note- 1:- SIGNIFICANT ACCOUNTING POLICIES**

### **Corporate Information:**

Shilpi Cable Technologies Ltd being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at A-19/B-1 Extension, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110 044. The Company was initially incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style of Rosenberger Shilpi Cable Technologies Ltd vide Certificate of Incorporation No. (CIN) L 64201 DL 2006 PLC 150753 dated 9th July, 2006 issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Company obtained Certificate for Commencement of Business on 13th July, 2006. Name of the Company was changed to its present name-'Shilpi Cable Technologies Ltd' vide fresh Certificate of Incorporation dated 21st October, 2008 issued by the ROC, New Delhi.

The company is carrying on the business of manufacturing and trading of RF Feeder Cables and other cables and Accessories. These cables are used in transmission towers of mobile signals and BTS (Base Terminal Station) with these towers.

### **1 a) Basis of Preparation:**

- i. The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis.
- ii. Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.
- iii. The preparation of financial statements are in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.

### **b) Preparation and disclosure of financial statements :**

During the year ended 31st March 2012, the Revised Schedule VI, notified under The Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year

### **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. During the year, Fixed Assets has been taken over by Holding Companies

### **3 Depreciation:**

- a 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.

- b License and process know-how fee having future economic benefits is amortised on straight line method over a period of 10 years from the date when the asset is available for use in accordance with Accounting Standard-26 issued by ICAI.

#### **4 Inventories:**

Inventories are valued at cost or net realisable value whichever is less with cost established 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 translated 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 are 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**

Pre operative expenditures are 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 impairment 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 exist.

**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.



### **Scheme of Amalgamation :**

- I. A Scheme of Amalgamation was framed under the provisions of sections 391 and 394 of the Companies Act, 1956, and other applicable provisions, if any, for amalgamation of Shilpi Cabletronics Ltd with Shilpi Cable Technologies Ltd.
- II. The aforesaid Scheme of Amalgamation was approved by the Hon'ble High Court of Delhi vide its order dated 14<sup>th</sup> May, 2012. The Appointed Date of the Scheme was 1<sup>st</sup> April, 2011. The Scheme became effective on 1<sup>st</sup> June, 2012, being the date of filing of the Court Orders with the ROC. Since the Scheme is operative from the Appointed Date, 1<sup>st</sup> April, 2011, it has been given effect to in the present audited accounts. Accordingly, the present audited accounts are consisting of financial figures of the Transferee Company as well as financial figures of the Transferor Company for the year ended 31<sup>st</sup> March, 2012.
- III. Salient features of the Scheme of Amalgamation are given below:
  - a. All assets and liabilities including Income Tax and all other statutory liabilities, if any, of the Transferor Company will be transferred to and vest in the Transferee Company.
  - b. All the employees of the Transferor Company in service on the Effective Date, if any, shall become the employees of the Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the Transferor Company on the said date.
  - c. Appointed Date for amalgamation will be 1<sup>st</sup> April, 2011 or such other date, as the Hon'ble High Court(s) may approve.
  - d. Equity Shares of the Transferor Company which are beneficially held by the Transferee Company shall not get cancelled but shall stand transferred to and vested in the Trust to be settled by the Transferee Company. The Transferee Company shall issue 9 (nine) Equity Shares of Rs. 10 each, credited as fully paid up, for every 4 (four) Equity Shares of Rs. 10 each held in the Transferor Company to the Trustee of the Trust who shall hold such shares for the sole benefit of the Transferee Company.
  - e. Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.
- IV. Prior to the Scheme of Amalgamation, these Companies were engaged in the following activities:
  - a. The Transferor Company had been engaged in manufacturing and trading of automobiles, telecom and other cables and accessories; and other related activities. The Holding Company- Shilpi Cable Technologies Ltd took over its entire business since then.
  - b. The Transferee Company is engaged in manufacturing and trading of radio frequency cables and accessories used in telecommunication and other related activities. It has also taken over the entire business of manufacturing and trading of automobiles, telecom and other cables and accessories carried on by its wholly owned subsidiary- Shilpi Cabletronics Ltd since then.
- V. In terms of the Scheme, Equity Shares of the Transferor Company which are beneficially held by the Transferee Company shall not get cancelled but shall stand transferred to and vested in the Trust to be settled by the Transferee Company. The Transferee Company shall issue 9 (nine) Equity Shares of Rs. 10 each, credited as fully paid up, for every 4 (four) Equity Shares of Rs. 10 each held in the Transferor Company to the Trustee of the Trust who shall hold such shares for the sole

## Shilpi Cable Technologies Ltd.

benefit of the Transferee Company. Accordingly, the Transferee Company has issued 52,17,374 Equity Shares to the aforesaid Trustee of the Trust, in exchange of 100% share capital of the Transferor Company after the date of the Balance Sheet.

The aforesaid Shares issued by the Transferee Company (after the Balance Sheet date) have been disclosed under the head **“Shares to be issued pursuant to the Scheme of Amalgamation”** in the Balance Sheet.

- VI** Amalgamation of Transferor Company with the Transferee Company has been accounted for under the Pooling of Interests Method as prescribed under the Accounting Standard-14 (AS-14) as prescribed under the Companies (Accounting Standards) Rules, 2006. Accordingly, all the assets, liabilities and reserves of the Transferor Company have been recorded in the Company's books at their existing carrying amounts and in the same form. Cost of investments in the equity shares of the Transferor Company as appearing in the books of accounts of the Transferee Company is recorded as beneficial interest in the Trust in terms of the provisions the Scheme. Inter-company balances between the Transferor Company and the Transferee Company stand cancelled.
- VII** In terms of the Scheme of Amalgamation, deficit of Rs. 2,89,85,410 arising out of amalgamation being the difference between the pre-merger paid up Share Capital of the Transferor Company and paid up value of new Equity Shares issued by the Transferee Company on amalgamation has been adjusted in the Securities Premium Account in the books of the Transferee Company.

## NOTES FORMING PART OF ACCOUNTS as on 31st March 2011

### Note 2: SHARE CAPITAL

#### (A) Authorised, Issued, Subscribed and paid-up share capital and par value per share

(₹ in Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Authorised Share Capital</b> 4,25,00,000 equity shares of ₹ 10/- each (Previous year 4,00,00,000 equity shares of ₹ 10/- each)	4,250.00  <b>4,250.00</b>	4,000.00  <b>4,000.00</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b> 3,22,98,762 equity shares of ₹ 10/- each (Previous year 2,42,00,000 equity shares of ₹ 10/- each)	3,229.88	2,420.00
<b>Total</b>	<b>3,229.88</b>	<b>2,420.00</b>

#### (B) Reconciliation of number of equity shares outstanding at the beginning and at end of the year

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
<b>Number of shares outstanding as at beginning of the year</b>	24,200,000	24,200,000
<b>Add:</b>		
Number of shares allotted as fully paid-up-bonus shares during the year	-	-
Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	-	-
Number of shares allotted to employees pursuant to ESOPs/ESPs	-	-
Number of shares allotted for cash	8,098,762	-
A) 80,98,762 Equity Shares of ₹ 10 each fully paid have been allotted during the financial year 2011-12 to the Public at premium of ₹ 59 per equity share.		
	<b>32,298,762</b>	<b>24,200,000</b>
<b>Less:</b>		
Number of shares bought back during the year	-	-
<b>Number of shares outstanding as at end of the year</b>	<b>32,298,762</b>	<b>24,200,000</b>

65,00,000 equity shares held by the promoters of the company are locked in up to 15.04.2014.

#### (c) Shareholdings in the company by the holding/ultimate holding company and their subsidiaries/associates

Out of equity shares issued by the company, share held by holding company are as follows:	Year ended 31st March 2012	Year ended 31st March 2011
Shilpi Communication Private Limited	74.77%	99.79%

#### (D) Shares in the company held by each shareholder holding more than 5% shares

Name of the shareholder	Number of shares held in the company	Percentage of shares held
Shilpi Communication Private Limited	24,150,000	74.77%

#### (E) Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

#### (F) Shares reserved for issue under contract / contracts

For details of shares reserved for issue under scheme of amalgamation, please refer Note -1

# Shilpi Cable Technologies Ltd.

## NOTES FORMING PART OF ACCOUNTS as on 31st March 2012

### Note 3: RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31-03-2011	Additions during the year	Deductions during the year	As at 31-03-2012
Securities Premium Reserve	940.00	5,877.99	490.97	6,327.02
General Reserve	-	-	-	-
Surplus (Profit and Loss account)	2,127.69	2,200.11	687.27	3,640.53
<b>Total</b>	<b>3,067.69</b>			<b>9,967.55</b>

- As per section 78 (2)(c) of The Companies Act 1956, amount of ₹ 201.12 Lacs spent in Initial Public Issue has been written off from Security Premium Account and ₹ 289.85 Lacs on account of difference between the transferor company share capital and shares to be issued to the members of transferor company
- Amount showing as adjustments in Reserve & Surplus are for Income Tax, prior period adjustments

### Note 4. LONG-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>(A) LOANS FROM BANKS</b>		
Term loan from Banks for Vehicle Loan against hypothecation of vehicle purchased out of above loan	29.25	1.44
Working Capital Limits from Schedule Banks (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)	6,636.01	3,553.97
Term Loan (From Bankers under Multiple banking arrangement, secured against hypothecation/mortgage of Plant & Machinery, and other fixed assets and second charge over current assets of the company)	650.43	2,046.14
Other Loans from Bank / NBFCs (Unsecured)	62.28	-
<b>(B) LOANS FROM OTHERS</b>		
Loans from Corporates (Unsecured)	891.73	2,015.65
<b>(C) LOANS AND ADVANCES FROM RELATED PARTIES</b>		
Unsecured Loans from Related Parties	762.72	378.80
<b>Total</b>	<b>9,032.42</b>	<b>7,996.00</b>
<b>Note: There is no default, continuing or otherwise, in repayment of any of the above loans.</b>		
<b>Short Term Borrowing</b>		
Amount due with in next financial year		
Term loan from Banks for Vehicle Loan (Loan against hypothecation of vehicle purchased out of above loan)	55.85	26.96
Term Loan (From Bankers under Multiple banking arrangement, secured against hypothecation /mortgage of Plant & Machinery, and other fixed assets and second charge over current assets of the company)	1,263.48	1,263.48
Other Loans from Bank / NBFCs (Unsecured)	122.47	-
<b>Total</b>	<b>1,441.80</b>	<b>1,290.44</b>

## NOTES FORMING PART OF ACCOUNTS as on 31st March 2012

### Note 5. Deferred Tax Liabilities (Net)

( ₹ in Lacs)		
Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
Deferred Tax Liabilities	801.39	716.53
Deferred Tax Assets	11.08	282.82
<b>Deferred Tax Liabilities (Net)</b>	<b>790.31</b>	<b>433.71</b>
Deferred Tax Expenses/( Income)	<b>356.60</b>	
Less: DTL carried forward from SCL	<b>(11.11)</b>	
Transfer to Profit & Loss Account	<b>345.49</b>	
<b>Accounting for Taxes on Income - Accounting Standard - 22 - Deferred Tax:-</b>		
The major components of deferred tax asset (net) as on 31.03.2012 are given below:-		
<b>DEFERRED TAX LIABILITIES</b>	<b>As at 31-03-2012</b>	<b>As at 31-03-2011</b>
Fixed Assets	801.39	716.52
<b>DEFERRED TAX ASSETS</b>		
Carried forward Business Loss	0.00	277.33
Carried forward Short Term Capital Loss	0.00	0.00
Provision for Gratuity	11.08	5.49
Provision for Doubtful Debts & Advances & Inventory write down	0.00	0.00
Disallowances under Income Tax Act, 1961	0.00	0.00
<b>DEFERRED TAX ASSET(NET)</b>	<b>(790.31)</b>	<b>(433.70)</b>
<b>Note: 6 Trade Payables</b>		
		( ₹ in lakhs)
<b>Particulars</b>	<b>As at 31-03-2012</b>	<b>As at 31-03-2011</b>
Trades Payable		
- Creditors for Goods (Considered Good)	12,760.59	5,707.21
<b>Total</b>	<b>12,760.59</b>	<b>5,707.21</b>
<b>Note 7: Other Current Liabilities</b>		
		( ₹ in lakhs)
<b>Particulars</b>	<b>For the year ended 31-03-2012</b>	<b>For the year ended 31-03-2011</b>
Duty and Taxes	86.94	26.82
Expenses Payables	107.04	46.25
Creditors for Capital Goods	6.89	3.18
Creditors for Expenses	145.43	44.75
<b>Total</b>	<b>346.30</b>	<b>121.00</b>
<b>Note 7A : Short Term Provisions</b>		
Provision for employee benefits	34.16	16.24
Provision for dividends (including dividend distribution tax)	-	-
Provision for income-tax	569.00	398.39
Provision for wealth-tax	0.08	0.33
Other provisions	-	-
<b>Total</b>	<b>603.24</b>	<b>414.96</b>

## NOTES FORMING PART OF ACCOUNTS as on 31st March 2012

### Note-8

#### Detail of Tangible Assets

( ₹ in lakhs )

Sl No.	Particulars	GROSS BLOCK			DEPRECIATION			Accumulated Impairment			NET BLOCK	
		As On 01.04.2011	Additions	Sale /Adjustments	As On 31-Mar-2012	As On 01.04.2011	During the year	Sale /Adjustments	As On 31-Mar-2012	As On 01.04.2011	As On 31-Mar-2012	As On 31-Mar-2011
1	LAND	290.16	-	-	290.16	-	-	-	-	-	290.16	290.16
2	FACTORY BUILDING	2,066.26	-	-	2,066.26	191.87	69.02	-	260.89	-	1,805.37	1,874.40
3	PLANT & MACHINERY	4,877.67	38.70	-	4,916.37	645.14	232.94	-	878.08	-	4,038.29	4,122.69
4	FURNITURE & FIXTURES	84.50	3.44	-	87.94	14.22	5.49	-	19.71	-	68.23	53.06
5	COMPUTER & SOFTWARE	32.85	6.55	-	39.40	8.38	5.85	-	14.23	-	25.17	19.81
6	VEHICLES	191.28	19.56	8.11	202.73	42.72	19.00	3.59	58.13	-	144.60	110.52
	<b>TOTAL</b>	<b>7,542.72</b>	<b>68.25</b>	<b>8.11</b>	<b>7,602.86</b>	<b>902.33</b>	<b>332.30</b>	<b>3.59</b>	<b>1,231.04</b>	<b>-</b>	<b>6,371.82</b>	<b>6,470.64</b>
7	CAPITAL WORK IN PROGRESS	-	1,736.16	-	1,736.16	-	-	-	-	-	1,736.16	-
	<b>TOTAL</b>	<b>7,542.72</b>	<b>1,804.41</b>	<b>8.11</b>	<b>9,339.02</b>	<b>902.33</b>	<b>332.30</b>	<b>3.59</b>	<b>1,231.04</b>	<b>-</b>	<b>8,107.98</b>	<b>6,470.64</b>

1 All the Fixed Assets are owned by the company and Company has not taken any tangible asset on Lease.

2 Gross Amount and Depreciation Shown as on 01.04.2011 are inclusive of Assets taken into consideration in Merger Scheme

## NOTES FORMING PART OF ACCOUNTS as on 31st March 2012

### Notes 9- NON CURRENT INVESTMESNTS

( ₹ in Lacs)		
Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>Investment Property</b>	-	-
<b>Investment in Equity Instruments</b>	-	-
A. Investment in Equity Shares of M/s Shilpi Cabletronics Limited (757600 no. of Shares of Rs. 10 each being 51% shareholding)	-	378.80
B. Investment in Equity Shares of M/s Shilpi Worldwide JLT (300 no. of share of AED 1000 each being 100% shareholding.)	36.96	-
<b>Investment in Government or Trust Securities</b>		
- NSC	0.40	0.40
<b>Other Non Current Investment</b>		
<b>Interest in SCTL Securities Trust</b> (for details refer note no -1)	1,337.38	-
<b>TOTAL</b>	<b>1,374.74</b>	<b>379.20</b>

### Notes 10- LONG-TERM LOANS AND ADVANCES

( ₹ in Lacs)		
Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>(A) Loans and advances to related parties</b>		
Secured, considered goods	-	-
Unsecured, considered goods	154.82	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>(B) Security Deposits</b>		
Secured, considered goods	-	-
Unsecured, considered goods	39.29	56.31
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total (A+B)</b>	<b>194.11</b>	<b>56.31</b>

### Notes 11. INVENTORIES

( ₹ in Lacs)		
Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
(a) <b>Raw Material</b>	2,786.62	1,885.36
(b) <b>Work -in-Progress</b>	1,520.32	634.47
(c) <b>Finished Goods</b>	1,526.28	752.04
<b>TOTAL</b>	<b>5,833.22</b>	<b>3,271.87</b>

#### Mode of Valuation:

- (a) Raw Material, stores and spares ,loose tools and Packing materials are valued at cost
- (b) Work -in-Progress are valued at cost or Net Realisable Value, whichever is lower
- (c) Finished goods and stock-in-Trade are valued at cost or Net Realisable Value, whichever is lower

# Shilpi Cable Technologies Ltd.

## NOTES FORMING PART OF ACCOUNTS as on 31st March 2012

### Notes 12:- Trade Receivables

(₹ in Lacs)		
Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>(A) Trade receivables outstanding for more than six months from the date they became due for payment:</b>		
(i) Secured ,considered good	-	-
(ii) Unsecured ,considered good	245.28	46.83
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
<b>(B) Trade Receivables (others)</b>	-	-
(i) Secured ,considered good	-	-
(ii) Unsecured ,considered good	19,545.53	8,704.45
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
<b>TOTAL</b>	<b>19,790.81</b>	<b>8,751.28</b>

#### Note:

Debts due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director is a member is Nil

### Notes 13:- CASH AND CASH EQUIVALENTS

(₹ in Lacs)		
Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>(A) Balances with Banks</b>		
<b>(I) Earmarked Bank balances (Escrow Accounts)</b>	-	-
(i) Employee security deposits pursuant to section 417 of the companies act, 1956	-	-
(ii) Unpaid dividend bank account	-	-
(iii) Money raised in public issue kept in scheduled bank account pending allotment	-	14,896.00
<b>(II) Bank balance held as margin money or as security against:</b>		
(i) Borrowings	-	-
(ii) Guarantees	42.78	28.84
(iii) Letter of Credit	1,618.34	541.01
(iv) Other commitments	-	-
<b>(III) Other bank balances</b>		
(i) Bank deposits with more than 12 months	-	-
(ii) Others	14.25	104.95
<b>(B) Cheques, drafts in hand</b>		
(i) Cheques on hand	-	-
(ii) Drafts in hand	-	-
<b>(C) Cash on hand</b>	52.39	10.81
<b>(D) Others</b>	-	-
<b>TOTAL</b>	<b>1,727.76</b>	<b>15,581.61</b>



## NOTES FORMING PART OF ACCOUNTS as on 31st March 2012

### Notes 14 SHORT-TERM LOANS AND ADVANCES

( ₹ in Lacs)		
Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
<b>(A) Loans and advances to related parties</b>		
Secured, considered goods	-	-
Unsecured, considered goods	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total (A)</b>	-	-
<b>(B) Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member</b>		
Secured, considered goods	-	-
Unsecured, considered goods	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total (B)</b>	-	-
<b>c) Other Loan &amp; Advances</b>		
Prepaid Expenses	5.00	5.55
<b>TOTAL [(A)+(B)+ C]</b>	<b>5.00</b>	<b>5.55</b>

### Notes 15 . OTHER CURRENT ASSETS

( ₹ in Lacs)		
Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
Deposits with Government Authorities	1,317.54	1,094.95
Deposits & Advances receivable in cash or in kind	342.67	659.24
Preliminary Expenses	-	0.09
IPO expenses (Sub Note-1)	-	-
<b>TOTAL</b>	<b>1,660.21</b>	<b>1,754.28</b>
<b>Sub Note -Non Current Assets</b>		
<b>IPO EXPENSES</b>		
Opening	76.27	-
Addition during the year	124.85	76.27
<b>Total</b>	<b>201.12</b>	<b>-</b>
<b>Expenses Written off Against Securities Premium Amount</b>	<b>(201.12)</b>	<b>76.27</b>

During the Year, IPO expenses has been written off under Section 78 (2) ( C) of the Companies Act, 1956 (Utilisation of Securities Premium)

# Shilpi Cable Technologies Ltd.

## NOTES FORMING PART OF ACCOUNTS as on 31st March 2012

### Notes 16- Revenue from operations

(₹ in Lacs)		
Particulars	Year ended 31st March 2012	Year ended 31st March 2011
<b>Sales of products (A)</b>		
Cables wire & Accessories	46,028.81	23,039.77
<b>Total(A)</b>	<b>46,028.81</b>	<b>23,039.77</b>
<b>Sales of services (B)</b>		
Service Charges	26.08	-
<b>Total(B)</b>	<b>26.08</b>	<b>-</b>
<b>Other operating revenues ( C )</b>		
Job work Charges	-	14.08
<b>Total (C)</b>	<b>-</b>	<b>14.08</b>
<b>TOTAL (A)+(B)+ (C )</b>	<b>46,054.89</b>	<b>23,053.85</b>
<b>Revenue from Operations</b>	<b>46,054.89</b>	<b>23,053.85</b>
Service Charges includes amount of Work Contract Services which includes Civil Work, Electrical Work, Transportation Charges, Security Charges and other liasioning work		

### Notes 17. OTHER INCOME

(₹ in Lacs)		
Particulars	Year ended 31st March 2012	Year ended 31st March 2011
<b>(A) Income from Non-current investments</b>		
Rentals from invesment property	-	-
Dividends from subsidiaries	-	-
Interest from Government Securities	-	-
Dividends from shares of other companies/units of Mutual Funds	-	-
Interest from debentures	-	-
Exchange Fluctuation (Profit)	-	96.42
Share of profit/loss from partnership firm	-	-
Miscellaneous Income	-	0.55
<b>Total (A)</b>	<b>-</b>	<b>96.97</b>
<b>(B) Income from current investments</b>		
Interest income on FDRs	265.97	50.13
Dividends	-	-
<b>Total (B)</b>	<b>265.97</b>	<b>50.13</b>
<b>TOTAL (A)+(B)</b>	<b>265.97</b>	<b>147.10</b>

## NOTES FORMING PART OF ACCOUNTS as on 31st March 2012

### Notes-18 COST OF MATERIAL AND SERVICES

( ₹ in Lacs)		
Particulars	As at 31st March 2012	As at 31st March 2011
<b>A. COST OF MATERIAL</b>		
Opening Stock	1,885.36	1,480.68
Add:		
Purchases and Adjustments	41,131.90	18,952.38
<b>Total</b>	<b>43,017.26</b>	<b>20,433.06</b>
Less:		
Transfers and Adjustments (at cost)	-	-
Closing Stock	2,786.62	1,885.36
<b>Total (a)</b>	<b>40,230.64</b>	<b>18,547.70</b>
<b>B. COST OF SERVICES</b>		
Purchases for Civil Work	11.23	-
Purchases of Electrical Work	5.32	-
Civil Work Expenses	5.29	-
Contractor's Salary	1.35	-
Electrical Work	3.76	-
<b>Total (b)</b>	<b>26.95</b>	<b>-</b>
<b>Total ( a + b)</b>	<b>40,257.598</b>	<b>18,548</b>

### Notes-19 : Details of Change in Inventories

( ₹ in Lacs)		
Particulars	As at 31st March 2012	As at 31st March 2011
<b>Opening stock</b>		
Finished Goods	752.04	680.04
Work in-Progress	634.47	534.14
<b>Total (A)</b>	<b>1,386.51</b>	<b>1,214.18</b>
<b>Closing Stock</b>		
Finished Goods	1,526.28	752.04
Work in-Progress	1,520.32	634.47
<b>Total (B)</b>	<b>3,046.60</b>	<b>1,386.51</b>
<b>Change in Inventories</b>	<b>(1,660.09)</b>	<b>(172.33)</b>

# Shilpi Cable Technologies Ltd.

## NOTES FORMING PART OF ACCOUNTS as on 31st March 2012

### Notes 20 Other Manufacturing Expenses

Particulars	(₹ in Lacs)	
	Year ended 31st March 2012	Year ended 31st March 2011
Wages	376.80	140.64
Custome Duty, Excise Etc.	270.45	-
Power & Fuel	120.85	74.20
Freight, Cartage & Custom Clearance	79.04	214.93
Job Work Charges	6.54	0.05
Repairs-Plant & Machinery	27.27	18.01
Factory Expenses	22.69	2.04
Testing Charges	4.51	0.57
Stores, Consumables & Packing	131.30	128.32
<b>TOTAL</b>	<b>1,039.45</b>	<b>578.76</b>

### Notes 21. Employee Benefits Expenses

Particulars	(₹ in Lacs)	
	Year ended 31st March 2012	Year ended 31st March 2011
Salaries & Wages, bonus, gratuity and allowances	304.05	157.79
Contribution to PF ,ESIC and Superannuation Fund	11.70	5.27
Staff Welfare Expense	7.40	6.42
Recruitment Expenses	2.83	5.65
Director's Remuneration	70.61	50.81
<b>TOTAL</b>	<b>396.59</b>	<b>225.94</b>

### Notes 22. Finance Costs

Particulars	(₹ in Lacs)	
	Year ended 31st March 2012	Year ended 31st March 2011
Interest Expense	841.50	458.32
Interest on Term Loans	302.80	317.49
Other Borrowing Cost	663.01	162.02
Bank Charges	608.22	458.99
<b>TOTAL</b>	<b>2,415.53</b>	<b>1,396.82</b>

## NOTES FORMING PART OF ACCOUNTS as on 31st March 2012

### Notes 23 . OTHER EXPENSES

Particulars	( ₹ in Lacs)	
	As at 31st March 2012	As at 31st March 2011
Amount Write Off	9.18	-
Books & Periodicals	0.16	0.44
Communication Exps	28.19	12.60
Conveyance Expenses	16.99	12.75
Fees & Subscriptions	16.74	2.4
Insurance	14.65	4.78
Legal , professional and consultancy charges	66.13	30.00
Loss on Sale of Fixed Assets	0.80	-
Loading & Unloading Expenses	0.66	-
Miscellaneous expenses	15.86	5.88
Net gain/loss on foreign currency transactions/translation (other than adjusted as finance costs)	276.31	-
Office Expenses	3.42	2.23
Panelaty & Interest	0.98	3.76
Payment to statutory auditors		
- as auditors	4.97	2.76
- for certification/limited review	-	-
- for company law matters	-	-
- for management services	-	-
- for tax audit	-	-
- for taxation matters	-	-
- reimbursement of expenses (out of pocket expenses)	-	-
Power & Fuel	2.25	-
Property Tax	0.65	-
Postage, Telegram & Courier	1.41	0.65
Preliminary Expenses Written off	0.13	0.09
Printing Stationery and Periodicals	7.93	5.12
Repair & Maintenance	23.48	9.41
Rent, Rates & Taxes other than taxes on income	27.39	22.49
Security Expenses	29.44	20.88
Travelling Exps ( Officers & Staff)	92.15	47.40
Vehicle Running & Maintenance	6.43	10.34
Advertising & Publicity Expenses	25.93	22.21
Business Promotion	6.28	6.18
Commission Expenses	1.86	1.20
Discount	19.46	2.76
Freight & Forwarding Expenses	50.68	68.48
Samples	12.00	16.96
<b>TOTAL</b>	<b>762.51</b>	<b>311.77</b>

# Shilpi Cable Technologies Ltd.

## Notes 24 - OTHER NOTES TO THE ACCOUNTS

### 1 Note 24. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) (₹ In Lakhs)

Particulars	As at 31st march 2012	As at 31st march 2011
<b>(A) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debts	-	-
(b) Guarantees		
- Bank Guarantees (For EPCG and Performance)	147.84	131.77
- Corporate Guarantee (For WC loans to Subsidiary)	-	5,000.00
(c) Other money for which company is contingently liable		
Bills discounted with banks	-	-
<b>Total</b>	<b>147.84</b>	<b>5,131.77</b>
<b>(B) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>TOTAL [(A)+(B)]</b>	<b>147.84</b>	<b>5,131.77</b>

### 2 The Details of Subsidiaries Companies

Name of Company	Origin	Shareholding	Status as on 31-03-2012
Shilpi Worldwide JLT	UAE	100%	wholly owned subsidiary

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 The allotment of Share application Money received through IPO of Rs. 55.88 Crores was made on 1st April'2011. A sum of Rs. 201.11 Lacs towards IPO Expenses has been written off against Securities Premium, as per Section 78(2)(C) of the Companies Act, 1956

### 6 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)

## 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:

<b>Principal actuarial assumptions</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Discount Rate (Per annum)	8.50%	8.00%	7.50%	7.00%
Rate of increase in Compensation levels	6.00%	5.50%	5.00%	4.50%
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	17.66	3.85	2.36	2.41
Interest Cost	1.50	0.31	0.18	0.17
Current Service Cost	7.78	2.02	1.90	1.58
Past Service Cost	-	-	-	-
Benefit Paid	(3.59)	(2.12)	(2.17)	(0.55)
Actuarial (Gains)/Loss on Obligation	1.22	0.58	1.59	(1.25)
Present value of Obligation as at the end of period	24.58	4.64	3.85	2.36

##### 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	1.22	4.65	3.85	2.36

##### 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	24.58	4.65	3.85	2.36
Fair value of Plan Assets as at the end of period	-	-	-	-
Funded (Asset)/Liability recognized in the Balance Sheet	24.58	4.65	3.85	2.36
Unrecognized Past Service Cost	-	-	-	-
Net Liability recognized in the Balance Sheet	24.58	4.65	3.85	2.36

##### iv) Expenses recognized in the Profit and Loss Account

Current Service Cost	7.79	2.02	1.90	1.58
Past Service Cost	-	-	-	-
Interest Cost	1.50	0.31	0.18	0.17
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss	1.23	0.58	1.59	(1.25)
Total Expenses recognized in the Profit and Loss Account	10.52	2.91	3.66	0.05

# Shilpi Cable Technologies Ltd.

## B. GRATUITY

### i) Changes in present Value of Obligation

Present value of Obligation as at the beginning of period	5.75	6.56	5.28	2.52
Interest Cost	0.49	0.52	0.40	0.18
Current Service Cost	3.83	3.88	3.20	2.80
Past Service Cost	-	-	-	-
Benefit Paid	(4.67)	-	-	-
Actuarial (Gains)/Loss on Obligation	2.69	(0.65)	(2.31)	(0.23)
Present value of Obligation as at the end of period	8.09	10.31	6.56	0.53

### 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	(2.69)	0.65	2.31	0.53

### 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	8.09	10.31	6.56	0.53
Fair value of Plan Assets as at the end of period	-	-	-	-
Funded (Asset)/Liability recognized in the Balance Sheet	8.09	10.31	6.56	0.53
Unrecognized Past Service Cost	-	-	-	-
Net Liability recognized in the Balance Sheet	8.09	10.31	6.56	0.53

### iv) Expenses recognized in the Profit and Loss Account

Current Service Cost	3.83	3.88	3.20	2.80
Past Service Cost	-	-	-	-
Interest Cost	0.49	0.52	0.40	0.18
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss	2.69	(0.65)	(2.31)	(0.23)
Total Expenses recognized in the Profit and Loss Account	7.01	3.76	1.28	2.75

7 Debit / Credit balances of the parties are subject to confirmation / reconciliation.

8 (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.



- 9 The company has provided excise duty on finished goods amounting Rs. 65.97 Lacs (Previous year Rs. 12.91 Lacs) at the end of year, there is no resultant impact on the profit for the year.

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

Amount (' In Lakhs.)

Particulars	2011-12	2010-11
<b>a) Value of imports on CIF Basis :</b>		
i) Capital Goods	-	-
ii) Raw Materials and Spare Parts	24186.23	14,970.46
<b>b) Expenditure in Foreign Currency :</b>		
i) On Capital Goods	10.58	-
ii) Raw Materials and Spare Parts	21,061.81	13,523.30
iii) Others	33.28	27.40
<b>c) Earning in Foreign Currency :</b>		
i) Sales (Export)	-	-
ii) Others	-	-
<b>d) Auditors' Remuneration :</b>		
i) Statutory Audit Fee	3.25	2.00
ii) Tax Audit Fee	1.00	0.50
iii) Service Tax	0.44	0.26
<b>e) Directors' Remuneration</b>	70.61	50.81

**11 Earning Per Share**

Particulars		2011-12	2010-11
Weighted average number of shares outstanding during the year	Nos.	32,298,762	24,200,000
Net profit for the year attributable to Shareholders	Rs.	186,241,000	133,180,502
Earning per Share of Rs. 10/- each	Rs.	5.77	5.50
Diluted Earning per Share of Rs. 10/- each	Rs.	5.77	5.50

**12 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.

# Shilpi Cable Technologies Ltd.

## 13 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.

## 14 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 worldwide JLT                                   |
| iii) Associates Companies     | : | M/s MVM Impex Pvt.Limited                                  |
|                               | : | M/s Shilpi Cables Pvt.Limited                              |
|                               | : | M/s Gloster Metals & Alloys Private Limited                |
| (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 31.03.2012 are given under:

( ₹ In Lacs)					
Particulars	Holding Company	Subsidiary Company	Associates Companies in which Directors are interested	Key Management Personnel	Relative of Directors
<b>Purchases</b>	-	-	-	-	-
<b>Expenses</b>					
Salaries/Remuneration	-	-	-	70.61	22.30
Others	-	-	6.00	1.09	9.50
<b>Sales</b>	-	-	-	-	-
<b>Job Works Charges</b>	-	-	-	-	-
<b>Receipts</b>					
Share Application Money	-	-	-	-	-
Unsecured Loan	655.14	-	628.93	487.58	-
Loans & Advances	-	-	-	-	-
<b>Payments</b>					
Unsecured Loan (Repayment)	657.45	-	1,265.50	103.66	-
Loans & Advances	-	154.82	-	-	-
Share Capital	-	36.96	-	-	-
<b>Outstanding as on 31st March 2012</b>					
<b>Payable</b>					
Unsecured Loan	-	-	392.48	762.72	-
Loans & Advances	-	-	-	-	-
Others	-	-	-	-	0.68
<b>Receivable</b>	-	154.82	-	-	-
<b>Corporate Guarantees</b>	-	-	-	-	-

- 15 Prior years Figures have been regrouped, rearranged & recast where considered necessary to conform to the current period's classification
- 16 Since the Scheme of Amalgamation has been given effect to in the current year accounts as explained elsewhere, the current year figures are not comparable with the previous year figures.
- 17 All the figures have been rounded off to the nearest lakh Rupees.

**As per out 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  
 DIN No. 00163044

**(Sandeep Gupta)**  
 Director  
 DIN No. 00638932

**(Shruti Bhardwaj)**  
 Company Secretary

**Place : New Delhi**  
**Date : 2<sup>nd</sup> June, 2012**

# Shilpi Cable Technologies Ltd.

## CASH FLOW STATEMENT for the year ended March 31, 2012

(Rs. in Lacs)

Sr.No.	Particulars	As on 31-03-2012		As on 31-03-2011	
<b>A</b>	<b>Cash Flow from Operations</b>				
	Profit before Taxation		2,776.98		1,997.03
	Adjustments for:				
	Depreciation	332.30		315.26	
	Misc. Expenses written off	0.13		(76.18)	
	Financial Charges	2,415.53		1,396.82	
	Provision for Gratuity, Leave Encashment etc.	17.53		4.69	
	Payment of Gratuity, Leave Encashment	(7.44)		-	
	Interest Income	(265.97)		(50.13)	
	(Profit)/Loss on Sale of Fixed Assets	0.80		-	
	<b>Operating Profit before Working Capital Changes</b>		<b>2,492.88</b>		<b>1,590.46</b>
	<b>(Increase)/Decrease in Current Assets</b>		<b>5,269.86</b>		<b>3,587.49</b>
	Inventories	(2,561.35)		(577.01)	
	Sundry Debtors	(11,039.53)		(2,732.46)	
	Other Current Assets	94.62	(13,506.26)	(1,075.53)	(4,385.00)
	<b>Increase/(Decrease) in Current Liabilities</b>				
	Sundry Creditors	7,053.38		1,544.79	
	Expenses Payable	60.79		13.05	
	Short Term Borrowings	151.36		-	
	Other Liabilities	164.51	7,430.04	(30.26)	1,527.58
	<b>Cash Inflow/(Outflow) from Operations</b>		<b>(806.36)</b>		<b>730.07</b>
	Taxes Paid				
	Wealth Tax Paid	(0.33)		(0.25)	
	Income Tax Paid	(303.63)	(303.96)	(239.65)	(239.90)
	<b>Net Cash Inflow/ (Outflow) from Operation (A)</b>		<b>(1,110.32)</b>		<b>490.17</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>				
	Addition to Fixed Assets		(1,974.15)		(24.39)
	Sale of Fixed Asset		3.71		28.80
	Income from Interest/Dividends		265.97		50.13
	Long Term Loans & Advances		(137.80)		-
	Investments		(995.54)		-
	<b>Net Cash Inflow/ (Outflow) from Investing Activities (B)</b>		<b>(2,837.81)</b>		<b>54.54</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>				
	Increase in Share Capital		1,331.62		-
	Increase /(Decrease ) in Share Application Money		(14,896.00)		14,896.00
	Prior Period Adjustments		(349.25)		-
	Increase in Securities Premium		5,387.02		-
	Increase/(Decrease) in Long Term Borrowings		1,036.42		1,105.00
	Financial Charges Paid		(2,415.53)		(1,396.82)
	<b>Net Cash Inflow/(Outflow) from Financing Activities ( C)</b>		<b>(9,905.72)</b>		<b>14,604.18</b>
	Net Change in Cash or Cash Equivalents during the Year		(13,853.85)		15,148.89
	Cash and Cash Equivalents at the beginning of the year		15,581.61		432.72
	<b>Cash and Cash Equivalents at the end of the year</b>		<b>1,727.76</b>		<b>15,581.61</b>

Notes:

1The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'

2Previous 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

DIN No. 00163044

**(Sandeep Gupta)**

Director

DIN No. 00638932

**(Shruti Bhardwaj)**

Company Secretary

**Place : New Delhi**

**Date : 2<sup>nd</sup> June, 2012**



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

1. Name of the Subsidiary	Shilpi Worldwide JLT
2. Financial Year of the company	31.03.2012
3. Shares held in the Subsidiary Company at the end of the financial year of the subsidiary Company	300 No. of Shares AED 1,000/- each fully paid up
4. Extent of holding	100 %
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 2012	Nil
b) Not dealt with in the Accounts of the Company for the year ended 31 March 2012	Rs.518.17 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 2011	Nil
b) Not dealt with in the Accounts of the Company for the year ended 31 March 2011	Nil
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,2012 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 : 2<sup>nd</sup> June, 2012**

**(Mukesh Kumar Gupta)**  
Managing Director  
DIN No. 00163044

**(Sandeep Gupta)**  
Director  
DIN No. 00638932

**(Shruti Bhardwaj)**  
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 Worldwide JLT
<b>Summary Balance Sheet</b>	
Share Capital	36.96
Reserve and Surplus	558.03
Total Liabilities	6,981.80
Total Assets	7,576.79
Investment (excluding subsidiary)	NIL
<b>Summary Profit &amp; Loss Account</b>	
Trunover	6,844.61
Profit/(loss) before Tax	518.17
Provision for Tax	NIL
Profit/(loss) after Tax	518.17
Proposed Dividend	NIL

For and on behalf of the Board

Place : New Delhi  
Date : 2<sup>nd</sup> June, 2012

(Mukesh Kumar Gupta)  
Managing Director  
DIN No.00163044

(Sandeep Gupta)  
Director  
DIN No.00638932

(Shruti Bhardwaj)  
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 and its subsidiary namely SHILPI WORLDWIDE JLT as at 31<sup>st</sup> March, 2012 and also Profit and Loss account and Cash Flow Statement of the Company for the year ended on that date annexed thereto after giving effect to the Scheme of Amalgamation of Shilpi Cabletronics Ltd (Transferor company) with Shilpi Cable Technologies Ltd (Transferee Company) as approved by the Hon'ble High Court of Delhi vide its order dated 14th May, 2012. Since the Scheme is operative from the Appointed Date, 1st April, 2011, it has been given effect to in the present audited accounts. Accordingly, the present audited accounts are consisting of financial figures of the Transferee Company as well as financial figures of the Transferor Company for the year ended 31st March, 2012. These Consolidated financial statements are the responsibility 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of its subsidiary M/s Shilpi World Wide JLT included in the consolidated financial statements. These financial statements and other financial information have been audited /reviewed by other auditors whose report have been furnished to us, and our opinion on the consolidated financial statement to the extent they have been derived from such financial statement is based solely on the report of other auditors.
4. 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 in Consolidated Financial Statements" notified by the Companies (Accounting Standard) Rules, 2006,  
B) Based on our audit as foresaid, 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 2012,
  - 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  
M.No.:089065

Place : New Delhi  
Date : 2<sup>nd</sup> June, 2012

# Shilpi Cable Technologies Ltd.

## CONSOLIDATED BALANCE SHEET as at 31st March 2012

(₹ in Lacs)

Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Fund</b>			
(a) Share capital	2	3,229.88	2,420.00
(b) Reserves and surplus	3	10,527.40	3,285.23
(c) Shares to be issued pursuant to Scheme of Amalgamation		521.74	-
<b>(2) Share application money pending allotment</b>		-	14,896.00
<b>(3) Minority Interest</b>		21.19	572.95
<b>(4) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	9,032.42	10,166.27
(b) Deferred Tax Liabilities (Net)	5	790.31	444.83
(c) Other Long-Term Liabilities		-	-
(d) Long-Term Provisions		-	-
<b>(5) Current Liabilities</b>			
(a) Short-Term Borrowings	4	1,441.80	1,290.44
(b) Trade Payables	6	19,318.33	9,688.89
(c) Other Current Liabilities	7	592.53	193.72
(d) Short-Term provisions	7A	603.24	519.26
<b>TOTAL</b>		<b>46,078.84</b>	<b>43,477.59</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		6,409.18	6,640.38
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		1,736.16	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	9	1,337.78	0.40
(c) Deferred Tax Assets (Net)		-	-
(d) Long-term loans and advances	10	198.40	79.41
(e) Other non-current assets		-	76.53
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Inventories	11	5,833.22	5,201.41
(c) Trade Receivables	12	27,094.12	13,153.04
(d) Cash and cash equivalents	13	1,739.67	16,253.01
(e) Short-Term loans and advances	14	23.47	6.70
(f) Other current assets	15	1,706.84	2,066.71
<b>TOTAL</b>		<b>46,078.84</b>	<b>43,477.59</b>
<b>Notes to accounts and significant accounting Policies</b>	1		
<b>Other Notes to Accounts</b>	24		

Note No. 1-24 form an integral part of these Financial Statements

As per out 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

DIN No. 00163044

**(Sandeep Gupta)**

Director

DIN No. 00638932

**(Shruti Bhardwaj)**

Company Secretary

**Place : New Delhi**

**Date : 2<sup>nd</sup> June, 2012**



## CONSOLIDATED PROFIT & LOSS ACCOUNT for the year ended March 31, 2012

(₹ in Lacs)

Particulars	Note No.	As at 31st March 2012	As at 31st March 2011
<b>I. Revenue from Operations</b>	<b>16</b>	52,899.50	34,930.90
<b>II. Other Income</b>	<b>17</b>	265.97	222.21
<b>III. Total Revenue (I+II)</b>		<b>53,165.47</b>	<b>35,153.11</b>
<b>IV. EXPENSES</b>			
Cost of materials/ Services consumed	<b>18</b>	46,482.28	29,463.08
Changes in inventories of finished goods, wip and stock-in-trade	<b>19</b>	(1,660.09)	(302.05)
Other Manufacturing/ Operating Expenses	<b>20</b>	1,039.45	812.39
Employee benefits expense	<b>21</b>	424.24	372.02
Finance Costs	<b>22</b>	2,415.79	1,700.87
Depreciation and amortization expense	<b>8</b>	337.08	328.43
Other expenses	<b>23</b>	831.57	485.50
<b>Total Expenses</b>		<b>49,870.32</b>	<b>32,860.24</b>
<b>V. Profit before exceptional and extraordinary items (III-IV)</b>		<b>3,295.15</b>	<b>2,292.87</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit before extraordinary items and tax (V-VI)</b>		<b>3,295.15</b>	<b>2,292.87</b>
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit before Tax(PBT) (VII-VIII)</b>		<b>3,295.15</b>	<b>2,292.87</b>
<b>X. Tax Expense of continuing operations :</b>			
Current Tax ( Income Tax)		569.00	498.73
Tax Adjustment of Previous Years		-	-
Current Tax ( Wealth Tax)		0.08	0.74
MAT credit Entitlement		-	-
Deferred Tax Expenses/(Income)	<b>5</b>	345.49	270.96
<b>XI. Profit/(loss) for the period from continuing operations (IX-X)</b>		<b>2,380.58</b>	<b>1,522.44</b>
<b>XII. Profit/(loss) from discontinuing operations</b>		-	-
<b>XIII. Tax expense of discontinuing operations</b>		-	-
<b>XIV. Profit/ (loss) from discountinuing oprations (after Tax) (XII-XIII)</b>		-	-
<b>XV. Profit/ (loss) for the period [ Profit After Tax (PAT)] (XI+XIV)</b>		<b>2,380.58</b>	<b>1,522.44</b>
<b>XVI. Earnings per equity share</b>			
(1) Basic		<b>7.37</b>	<b>6.29</b>
(2) Diluted		-	-
<b>Notes to accounts and significant accounting Policies</b>	<b>1</b>		
<b>Other Notes to Accounts</b>	<b>24</b>		

**Note No. 1-24 form an integral part of these Financial Statements**

**As per out 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

DIN No. 00163044

**(Sandeep Gupta)**

Director

DIN No. 00638932

**(Shruti Bhardwaj)**

Company Secretary

**Place : New Delhi**

**Date : 2<sup>nd</sup> June, 2012**

# Shilpi Cable Technologies Ltd.

## **Note- 1:- SIGNIFICANT ACCOUNTING POLICIES**

### **Corporate Information:**

Shilpi Cable Technologies Ltd being a company incorporated under the provisions of the Companies Act, 1956, and having its registered office at A-19/B-1 Extension, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi-110 044. The Company was initially incorporated under the provisions of the Companies Act, 1956, as a public limited company with the name and style of Rosenberger Shilpi Cable Technologies Ltd vide Certificate of Incorporation No. (CIN) L 64201 DL 2006 PLC 150753 dated 9th July, 2006 issued by the Registrar of Companies, NCT of Delhi & Haryana, New Delhi. The Company obtained Certificate for Commencement of Business on 13th July, 2006. Name of the Company was changed to its present name-'Shilpi Cable Technologies Ltd' vide fresh Certificate of Incorporation dated 21st October, 2008 issued by the ROC, New Delhi.

The company is carrying on the business of manufacturing and trading of RF Feeder Cables and other cables and Accessories. These cables are used in transmission towers of mobile signals and BTS (Base Terminal Station) with these towers.

### **1 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 the Company- Shilpi Worldwide JLT

Country of Incorporation- UAE

% age of Voting Power- 100%

- 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, 2012

**b) Basis of Preparation:**

- i. The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis.
- ii. Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.
- iii. The preparation of financial statements are in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements.

**c) Preparation and disclosure of financial statements :**

During the year ended 31st March 2012, the Revised Schedule VI, notified under The Companies Act 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosure made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year

**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. During the year, Fixed Assets has been taken over by Holding Companies

**3 Depreciation:**

- a 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.
- b License and process know-how fee having future economic benefits is amortised on straight line method over a period of 10 years from the date when the asset is available for use in accordance with Accounting Standard-26 issued by ICAI.

**4 Inventories:**

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

# Shilpi Cable Technologies Ltd.

## 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 translated 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 are 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**

Pre operative expenditures are 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 impairment 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.

**Scheme of Amalgamation :**

- I. A Scheme of Amalgamation was framed under the provisions of sections 391 and 394 of the Companies Act, 1956, and other applicable provisions, if any, for amalgamation of Shilpi Cabletronics Ltd with Shilpi Cable Technologies Ltd.
- II. The aforesaid Scheme of Amalgamation was approved by the Hon'ble High Court of Delhi vide its order dated 14<sup>th</sup> May, 2012. The Appointed Date of the Scheme was 1<sup>st</sup> April, 2011. The Scheme became effective on 1<sup>st</sup> June, 2012, being the date of filing of the Court Orders with the ROC. Since the Scheme is operative from the Appointed Date, 1<sup>st</sup> April, 2011, it has been given effect to in the present audited accounts. Accordingly, the present audited accounts are consisting of financial figures of the Transferee Company as well as financial figures of the Transferor Company for the year ended 31<sup>st</sup> March, 2012.
- III. Salient features of the Scheme of Amalgamation are given below:
  - a. All assets and liabilities including Income Tax and all other statutory liabilities, if any, of the Transferor Company will be transferred to and vest in the Transferee Company.

## Shilpi Cable Technologies Ltd.

- b. All the employees of the Transferor Company in service on the Effective Date, if any, shall become the employees of the Transferee Company on and from such date without any break or interruption in service and upon terms and conditions not less favorable than those subsisting in the Transferor Company on the said date.
- c. Appointed Date for amalgamation will be 1<sup>st</sup> April, 2011 or such other date, as the Hon'ble High Court(s) may approve.
- d. Equity Shares of the Transferor Company which are beneficially held by the Transferee Company shall not get cancelled but shall stand transferred to and vested in the Trust to be settled by the Transferee Company. The Transferee Company shall issue 9 (nine) Equity Shares of Rs. 10 each, credited as fully paid up, for every 4 (four) Equity Shares of Rs. 10 each held in the Transferor Company to the Trustee of the Trust who shall hold such shares for the sole benefit of the Transferee Company.
- e. Any fraction of share arising out of the aforesaid share exchange process, if any, will be rounded off to nearest whole number.

#### IV. Prior to the Scheme of Amalgamation, these Companies were engaged in the following activities:

- a. The Transferor Company had been engaged in manufacturing and trading of automobiles, telecom and other cables and accessories; and other related activities. The Holding Company-Shilpi Cable Technologies Ltd took over its entire business since then.
- b. The Transferee Company is engaged in manufacturing and trading of radio frequency cables and accessories used in telecommunication and other related activities. It has also taken over the entire business of manufacturing and trading of automobiles, telecom and other cables and accessories carried on by its wholly owned subsidiary- Shilpi Cabletronics Ltd since then.

#### V In terms of the Scheme, Equity Shares of the Transferor Company which are beneficially held by the Transferee Company shall not get cancelled but shall stand transferred to and vested in the Trust to be settled by the Transferee Company. The Transferee Company shall issue 9 (nine) Equity Shares of Rs. 10 each, credited as fully paid up, for every 4 (four) Equity Shares of Rs. 10 each held in the Transferor Company to the Trustee of the Trust who shall hold such shares for the sole benefit of the Transferee Company. Accordingly, the Transferee Company has issued 52,17,374 Equity Shares to the aforesaid Trustee of the Trust, in exchange of 100% share capital of the Transferor Company after the date of the Balance Sheet.

The aforesaid Shares issued by the Transferee Company (after the Balance Sheet date) have been disclosed under the head **"Shares to be issued pursuant to the Scheme of Amalgamation"** in the Balance Sheet.

#### VI Amalgamation of Transferor Company with the Transferee Company has been accounted for under the Pooling of Interests Method as prescribed under the Accounting Standard-14 (AS-14) as prescribed under the Companies (Accounting Standards) Rules, 2006. Accordingly, all the assets, liabilities and reserves of the Transferor Company have been recorded in the Company's books at their existing carrying amounts and in the same form. Cost of investments in the equity shares of the Transferor Company as appearing in the books of accounts of the Transferee Company is recorded as beneficial interest in the Trust in terms of the provisions the Scheme. Inter-company balances between the Transferor Company and the Transferee Company stand cancelled.

#### VII In terms of the Scheme of Amalgamation, deficit of Rs. 2,89,85,410 arising out of amalgamation being the difference between the pre-merger paid up Share Capital of the Transferor Company and paid up value of new Equity Shares issued by the Transferee Company on amalgamation has been adjusted in the Securities Premium Account in the books of the Transferee Company.

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2011

### Note 2: SHARE CAPITAL

#### (A) Authorised, Issued, Subscribed and paid-up share capital and par value per share

(₹ in Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>Authorised Share Capital</b> 4,25,00,000 equity shares of ₹ 10/- each (Previous year 4,00,00,000 equity shares of ₹ 10/- each)	4,250.00	4,000.00
	<b>4,250.00</b>	<b>4,000.00</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b> 3,22,98,762 equity shares of ₹ 10/- each (Previous year 2,42,00,000 equity shares of ₹ 10/- each)	3,229.88	2,420.00
<b>Total</b>	<b>3,229.88</b>	<b>2,420.00</b>

#### (B) Reconciliation of number of equity shares outstanding at the beginning and at end of the year

Particulars	Year ended 31st March 2012	Year ended 31st March 2011
<b>Number of shares outstanding as at beginning of the year</b>	24,200,000	24,200,000
<b>Add:</b>		
Number of shares allotted as fully paid-up-bonus shares during the year	-	-
Number of shares allotted during the year as fully paid-up pursuant to a contract without payment being received in cash	-	-
Number of shares allotted to employees pursuant to ESOPs/ESPs	-	-
Number of shares allotted for cash	8,098,762	-
A) 80,98,762 Equity Shares of ₹ 10 each fully paid have been allotted during the financial year 2011-12 to the Public at premium of ₹ 59 per equity share.		
	<b>32,298,762</b>	<b>24,200,000</b>
<b>Less:</b>		
Number of shares bought back during the year	-	-
<b>Number of shares outstanding as at end of the year</b>	<b>32,298,762</b>	<b>24,200,000</b>

65,00,000 equity shares held by the promoters of the company are locked in up to 15.04.2014.

#### (c) Shareholdings in the company by the holding/ultimate holding company and their subsidiaries/associates

Out of equity shares issued by the company, share held by holding company are as follows:	Year ended 31st March 2012	Year ended 31st March 2011
Shilpi Communication Private Limited	74.77%	99.79%

#### (D) Shares in the company held by each shareholder holding more than 5% shares

Name of the shareholder	Number of shares held in the company	Percentage of shares held
Shilpi Communication Private Limited	24,150,000	74.77%

#### (E) Terms / rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

#### (F) Shares reserved for issue under contract / contracts

For details of shares reserved for issue under scheme of amalgamation, please refer Note -1

# Shilpi Cable Technologies Ltd.

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2012

### Note 3: RESERVES AND SURPLUS

(₹ in Lacs)

Particulars	As at 31-03-2011	Additions during the year	Deductions during the year	As at 31-03-2012
Securities Premium Reserve	940.00	5,877.99	490.97	6,327.02
General Reserve	-	-	-	-
Foreign Currency Translation Reserve	-	41.68	-	41.68
Surplus (Profit and Loss account) (1)	2,345.23	2,718.28	904.81	4,158.70
<b>Total</b>	<b>3,285.23</b>	<b>8,637.95</b>	<b>1,395.78</b>	<b>10,527.40</b>

- As per section 78 (2)(c) of The Companies Act 1956, amount of ₹ 201.12 Lacs spent in Initial Public Issue has been written off from Security Premium Account and ₹ 289.85 Lacs on account of difference between the transferor company share capital and shares to be issued to the members of transferor company
- Amount showing as adjustments in Reserve & Surplus are for Income Tax, prior period adjustments
- Foreign Currency Translation Reserve has been calculated as per Accounting Standard-11 for Non-Integral Operations.

### Note 4. LONG-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>(A) LOANS FROM BANKS</b>		
Term loan from Banks for Vehicle Loan against hypothecation of vehicle purchased out of above loan	29.25	5.18
Working Capital Limits from Schedule Banks (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)	6,636.01	4,448.42
Term Loan (From Bankers under Multiple banking arrangement, secured against hypothecation/mortgage of Plant & Machinery, and other fixed assets and second charge over current assets of the company)	650.43	2,046.14
Other Loans from Bank / NBFCs (Unsecured)	62.28	163.22
<b>(B) LOANS FROM OTHERS</b>		
Loans from Corporates (Unsecured)	891.73	2,106.15
<b>(C) LOANS AND ADVANCES FROM RELATED PARTIES</b>		
<b>Unsecured</b>		
Loans from Related Parties	762.72	1,397.16
<b>Total</b>	<b>9,032.42</b>	<b>10,166.27</b>
<b>Note: There is no default, continuing or otherwise, in repayment of any of the above loans.</b>		
<b>Short Term Borrowing</b>		
Amount due with in next financial year		
Term loan from Banks for Vehicle Loan (Loan against hypothecation of vehicle purchased out of above loan)	55.85	26.96
Term Loan (From Bankers under Multiple banking arrangement, secured against hypothecation /mortgage of Plant & Machinery, and other fixed assets and second charge over current assets of the company)	1,263.48	1,263.48
Other Loans from Bank / NBFCs (Unsecured)	122.47	-
<b>Total</b>	<b>1,441.80</b>	<b>1,290.44</b>



## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2012

### Note 5. Deferred Tax Liabilities (Net)

( ₹ in Lacs)		
Particulars	As at 31st March 2012	As at 31st March 2011
Deferred Tax Liabilities	801.39	730.52
Deferred Tax Assets	11.08	285.69
<b>Deferred Tax Liabilities (Net)</b>	<b>790.31</b>	<b>444.83</b>
Deferred Tax Expenses/( Income)	345.48	
<b>Accounting for Taxes on Income - Accounting Standard - 22 - Deferred Tax:-</b>		
<b>The major components of deferred tax asset (net) as on 31.03.2012 are given below:-</b>		
<b>DEFFERED TAX LIABILITIES</b>	<b>As at 31-03-2012</b>	<b>As at 31-03-2011</b>
Fixed Assets	801.39	730.52
<b>DEFFERED TAX ASSETS</b>		
Carried forward Business Loss	0.00	277.33
Carried forward Short Term Capital Loss	0.00	0.00
Provision for Gratuity	11.08	8.36
Provision for Doubtful Debts & Advances & Inventory write down	0.00	0.00
Disallowances under Income Tax Act, 1961	0.00	0.00
<b>DEFFERED TAX ASSET(NET)</b>	<b>(790.31)</b>	<b>(444.83)</b>

### Note: 6 Trade Payables

( ₹ in lakhs)		
Particulars	As at 31-03-2012	As at 31-03-2011
Trades Payable		
- Creditors for Goods (Considered Good)	19,318.33	9,688.89
<b>Total</b>	<b>19,318.33</b>	<b>9,688.89</b>

### Note 7: Other Current Liabilities

( ₹ in lakhs)		
Particulars	As at 31-03-2012	As at 31-03-2011
Duty and Taxes	86.94	56.35
Expenses Payables	119.57	70.14
Creditors for Capital Goods	6.89	8.35
Creditors for Expenses	164.88	58.88
Advance Against Share Capital	214.25	-
Other Liabilities	-	-
<b>Total</b>	<b>592.53</b>	<b>193.72</b>

### Note 7A : Short Term Provisions

Particulars	As at 31-03-2012	As at 31-03-2011
Provision for employee benefits	34.16	24.89
Provision for dividends (including dividend distrubution tax)	-	-
Provision for income-tax	569.00	494.04
Provision for wealth-tax	0.08	0.33
Other provisions	-	-
<b>Total</b>	<b>603.24</b>	<b>519.26</b>

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2012

### Note-8

#### Detail of Tangible Assets

( ₹ in lakhs )

SI No.	Particulars	GROSS BLOCK					DEPRECIATION			Accumulated Impairment			NET BLOCK	
		As On 01.04.2011	Additions	Sale /Adjustments	As On 31-Mar-2012	As On 01.04.2011	During the year	Sale /Adjustments	As On 31-Mar-2012	As On 01.04.2011	Reversed during the year	Provided during the year	As On 31-Mar-2012	As On 31-Mar-2011
1	LAND	290.16	-	-	290.16	-	-	-	-	-	-	-	290.16	290.16
2	FACTORY BUILDING	2,066.26	-	-	2,066.26	191.87	69.02	-	260.89	-	-	-	1,805.37	1,874.39
3	PLANT & MACHINERY	4,877.67	41.26	-	4,918.93	645.14	233.24	-	878.38	-	-	-	4,040.55	4,232.53
4	FURNITURE & FIXTURES	84.50	7.01	-	91.51	14.22	5.75	-	19.97	-	-	-	71.54	70.27
5	COMPUTER & SOFTWARE	32.85	6.55	-	39.40	8.38	5.85	-	14.23	-	-	-	25.17	24.47
6	VEHICLES	191.28	55.57	8.11	238.74	42.72	23.22	3.59	62.35	-	-	-	176.39	148.56
	TOTAL	7,542.72	110.39	8.11	7,645.00	902.33	337.08	3.59	1,235.82	-	-	-	6,409.18	6,640.38
7	CAPITAL WORK IN PROGRESS	-	1,736.16	-	-	-	-	-	-	-	-	-	1,736.16	-
	TOTAL	7,542.72	1,846.55	8.11	9,381.16	902.33	337.08	3.59	1,235.82	-	-	-	8,145.34	6,640.38

1 All the Fixed Assets are owned by the company and Company has not taken any tangible asset on Lease.

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2012

### Notes 9- NON CURRENT INVESTMESNTS

( ₹ in Lacs)		
Particulars	As at 31st March 2012	As at 31st March 2011
Investment Property	-	-
Investment in Equity Instruments	-	-
Investment in Preference Shares	-	-
Investment in Government Securities or Trust Securities - NSC	0.40	0.40
Other Non current Investments	-	-
Interest in SCTL Securities Trust (for details Note no. 1)	1,337.38	-
<b>TOTAL</b>	<b>1,337.78</b>	<b>0.40</b>

### Notes 10- LONG-TERM LOANS AND ADVANCES

( ₹ in Lacs)		
Particulars	As at 31st March 2012	As at 31st March 2011
<b>(A) Loans and advances to related parties</b>		
Secured, considered goods	-	-
Unsecured, considered goods	154.82	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>(B) Security Deposits</b>		
Secured, considered goods	-	-
Unsecured, considered goods	43.58	79.41
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total (A+B)</b>	<b>198.40</b>	<b>79.41</b>

### Notes 11. INVENTORIES

( ₹ in Lacs)		
Particulars	As at 31st March 2012	As at 31st March 2011
<b>(a) Raw Material</b>	2,786.62	2,566.98
<b>(b) Work -in-Progress</b>	1,520.32	1,459.93
<b>(c) Finished Goods</b>	1,526.28	1,174.50
		-
<b>TOTAL</b>	<b>5,833.22</b>	<b>5,201.41</b>

#### Mode of Valuation:

- (a) Raw Material, stores and spares ,loose tools and Packing materials are valued at cost
- (b) Work -in-Progress are valued at cost or Net Realisable Value, whichever is lower
- (c) Finished goods and stock-in-Trade are valued at cost or Net Realisable Value, whichever is lower

# Shilpi Cable Technologies Ltd.

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2012

### Notes 12:- Trade Receivables

Particulars	(₹ in Lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>(A) Trade receivables outstanding for more than six months from the date they became due for payment:</b>		
(i) Secured ,considered good	-	-
(ii) Unsecured ,considered good	245.28	132.71
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
<b>(B) Trade Receivables (others)</b>	-	-
(i) Secured ,considered good	-	-
(ii) Unsecured ,considered good	26,848.84	13,020.33
(iii) Doubtful	-	-
Less: Allowance for bad and doubtful debts	-	-
<b>TOTAL</b>	<b>27,094.12</b>	<b>13,153.04</b>

#### Note:

Debts due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director is a member is Nil

### Notes 13:- CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lacs)	
	As at 31st March 2012	As at 31st March 2011
<b>(A) Balances with Banks</b>		
<b>(I) Earmarked Bank balances (Escrow Accounts)</b>		
(i) Employee security deposits pursuant to section 417 of the companies act, 1956	-	-
(ii) Unpaid dividend bank account	-	-
(iii) Moneys raised in public issue kept in scheduled bank account pending allotment	-	14,896.00
<b>(II) Bank balance held as margin money or as security against:</b>		
(i) Borrowings	-	-
(ii) Guarantees	42.78	28.84
(iii) Letter of Credit	1,618.34	911.07
(iv) Other commitments	-	-
<b>(III) Other bank balances</b>		
(i) Bank deposits with more than 12 months	-	284.52
(ii) Others	15.50	110.44
<b>(B) Cheques, drafts in hand</b>		
(i) Cheques on hand	-	-
(ii) Drafts in hand	-	-
<b>(C) Cash on hand</b>	63.05	22.14
<b>TOTAL</b>	<b>1,739.67</b>	<b>16,253.01</b>

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2012

### Notes 14 SHORT-TERM LOANS AND ADVANCES

( ₹ in Lacs)		
Particulars	As at 31st March 2012	As at 31st March 2011
<b>(A) Loans and advances to related parties</b>		
Secured, considered goods	-	-
Unsecured, considered goods	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total (A)</b>	-	-
<b>(B) Loans and advances due by directors or officers of the company or any of them either severally or jointly with others or by firms or private companies respectively in which any director is a partner or a director or member</b>		
Secured, considered goods	-	-
Unsecured, considered goods	-	-
Doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
<b>Total (B)</b>	-	-
<b>c) Other Loan &amp; Advances</b>		
Prepaid Expenses	23.47	6.70
Others	-	-
<b>Total ( c)</b>	23.47	6.70
<b>TOTAL [(A)+(B)+ C)]</b>	<b>23.47</b>	<b>6.70</b>

### Notes 15 . OTHER CURRENT ASSETS

( ₹ in Lacs)		
Particulars	As at 31st March 2012	As at 31st March 2011
Deposits with Government Authorities	1,317.54	1,405.01
Deposits & Advances receivable in cash or in kind	389.30	661.70
Preliminary Expenses	-	-
IPO expenses (Sub Note-1)	-	-
<b>TOTAL</b>	<b>1,706.84</b>	<b>2,066.71</b>
<b>Non Current Assets</b>		
<b>PRELIMINARY EXPENSES</b>		
Opening	0.26	0.43
Addition during the year	-	-
Written off during the year	0.13	0.17
<b>Closing Balance</b>	<b>0.13</b>	<b>0.26</b>
<b>IPO EXPENSES</b>		
Particulars		
Opening	76.27	-
Addition during the year	124.85	76.27
<b>Total</b>	201.12	
<b>Expenses Written off Against Securities Premium Amount</b>	<b>(201.12)</b>	76.27

The IPO expenses has been written off under Section 78 (2) ( C) of the Companies Act, 1956 (Utilisation of Securities Premium)

# Shilpi Cable Technologies Ltd.

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2012

### Notes 16- Revenue from operations

Particulars	(₹ in Lacs)	
	Year ended 31st March 2012	Year ended 31st March 2011
<b>Sales of products (A)</b>		
Cables wire & Accessories	52,873.42	34,930.90
<b>Total(A)</b>	<b>52,873.42</b>	<b>34,930.90</b>
<b>Sales of services (B)</b>		
Service Charges	26.08	-
<b>Total(B)</b>	<b>26.08</b>	<b>-</b>
<b>Other operating revenues ( C)</b>		
Job work Charges	-	-
<b>Total (C)</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A)+(B)+ (C )</b>	<b>52,899.50</b>	<b>34,930.90</b>
<b>Revenue from Operations</b>	<b>52,899.50</b>	<b>34,930.90</b>

Service Charges includes amount of Work Contract Services which includes Civil Work, Electrical Work, Transportation Charges, Security Charges and other liasioning work

### Notes 17. OTHER INCOME

Particulars	(₹ in Lacs)	
	Year ended 31st March 2012	Year ended 31st March 2011
<b>(A) Income from Non-current investments</b>		
Rentals from invesment property	-	-
Dividends from subsidiaries	-	-
Interest from Government Securities	-	-
Dividends from shares of other companies/units of Mutual Funds	-	-
Interest from debentures	-	-
Exchange Fluctuation (Profit)	-	137.19
Share of profit/loss from partnership firm	-	-
Miscellaneous Income	-	0.56
<b>Total (A)</b>	<b>-</b>	<b>137.75</b>
<b>(B) Income from current investments</b>		
Interest income on FDRs	265.97	84.46
Dividends	-	-
<b>Total (B)</b>	<b>265.97</b>	<b>84.46</b>
<b>TOTAL (A)+(B)</b>	<b>265.97</b>	<b>222.21</b>

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2012

### Notes-18 COST OF MATERIAL AND SERVICES

( ₹ in Lacs)		
Particulars	As at 31st March 2012	As at 31st March 2011
<b>A. COST OF MATERIAL</b>		
Cost of Consumption of Raw Materials, Other Materials sold and Services rendered		
Opening Stock	1,885.36	1,892.95
Add:		
Purchases and Adjustments	47,356.59	30,137.12
<b>Total</b>	<b>49,241.95</b>	<b>32,030.07</b>
Less:		
Transfers and Adjustments (at cost)	-	-
Closing Stock	2,786.62	2,566.99
<b>Total (a)</b>	<b>46,455.33</b>	<b>29,463.08</b>
<b>B. COST OF SERVICES</b>		
Purchases for Civil Work	11.23	-
Purchases of Electrical Work	5.32	-
Civil Work Expenses	5.29	-
Contractor's Salary	1.35	-
Electrical Work	3.76	-
<b>Total (b)</b>	<b>26.95</b>	<b>-</b>
<b>Total ( a + b)</b>	<b>46,482.28</b>	<b>29,463.08</b>

Following past practice, consumption of Stocks, stores etc. has been worked out by adding opening balances to purchases and deducting therefrom closing balance based on physical inventories valued as per accounting policy.

### Notes-19 : Details of Change in Inventories

( ₹ in Lacs)		
Particulars	As at 31st March 2012	As at 31st March 2011
<b>Opening stock</b>		
Finished Goods	752.04	1,068.99
Work in-Progress	634.47	1,263.39
<b>Total (A)</b>	<b>1,386.51</b>	<b>2,332.38</b>
<b>Closing Stock</b>		
Finished Goods	1,526.28	1,174.50
Work in-Progress	1,520.32	1,459.93
<b>Total (B)</b>	<b>3,046.60</b>	<b>2,634.43</b>
<b>Change in Inventories</b>	<b>(1,660.09)</b>	<b>(302.05)</b>

Difference in Opening Balances in year ended 2012 is because of Merger of its wholly owned subsidiary M/s Shilpi Cabletronics Limited with M/s Shilpi Cable Technologies Limited

# Shilpi Cable Technologies Ltd.

## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2012

### Notes 20 Other Manufacturing Expenses

Particulars	(₹ in Lacs)	
	Year ended 31st March 2012	Year ended 31st March 2011
Wages	376.80	199.15
Customs Duty, Excise Etc.	270.45	95.12
Power & Fuel	120.85	109.25
Freight, Cartage & Custom Clearance	79.04	234.81
Job Work Charges	6.54	8.61
Repairs-Plant & Machinery	26.87	23.21
Repairs-Factory Building	0.40	-
Factory Expenses	22.69	13.35
Testing Charges	4.51	0.57
Stores, Consumables & Packing	131.30	128.32
<b>TOTAL</b>	<b>1,039.45</b>	<b>812.39</b>

### Notes 21. Employee Benefits Expenses

Particulars	(₹ in Lacs)	
	Year ended 31st March 2012	Year ended 31st March 2011
Salaries & Wages, bonus, gratuity and allowances	331.70	293.44
Contribution to PF, ESIC and Superannuation Fund	11.70	13.42
Staff Welfare Expense	7.40	8.70
Recruitment Expenses	2.83	5.65
Director's Remuneration	70.61	50.81
<b>TOTAL</b>	<b>424.24</b>	<b>372.02</b>

### Notes 22. Finance Costs

Particulars	(₹ in Lacs)	
	Year ended 31st March 2012	Year ended 31st March 2011
Interest Expense	841.50	561.38
Interest on Term Loans	302.80	317.49
Other Borrowing Cost	663.01	194.06
Bank Charges	608.48	627.94
<b>TOTAL</b>	<b>2,415.79</b>	<b>1,700.87</b>



## NOTES FORMING PART OF CONSOLIDATED ACCOUNTS as on 31st March 2012

### Notes 23 . OTHER EXPENSES

Particulars	( ₹ in Lacs)	
	As at 31st March 2012	As at 31st March 2011
Amount Write Off	9.18	-
Bad Debts	-	-
Books & Periodicals	0.16	0.44
Communication Exps	28.19	24.33
Conveyance Expenses	16.99	15.91
Donation & Charity	0.22	-
Fees & Subscriptions	16.74	9.10
Insurance	14.65	7.96
Hotel, Boarding & Lodging Expenses	10.52	-
Legal , professional and consultancy charges	120.39	38.88
Loss on Sale of Fixed Assets	0.80	0.80
Loading & Unloading Expenses	0.66	-
Miscellaneous expenses	15.86	5.88
Net gain/loss on foreign currency transactions/translation (other than adjusted as finance costs)	276.31	-
Office Expenses	3.20	4.75
Panelaty & Interest	0.98	3.76
Payment to statutory auditors	4.97	3.31
Power & Fuel	2.25	-
Property Tax	0.65	-
Postage, Telegram & Courier	3.23	1.13
Preliminary Expenses Written off	0.13	0.17
Printing Stationery and Periodicals	7.93	6.91
Repair & Maintenance	23.48	11.39
Rent, Rates & Taxes other than taxes on income	35.44	29.69
Security Expenses	29.44	31.56
Travelling Exps ( Officers & Staff)	81.63	79.84
Vehicle Running & Maintenance	6.43	15.22
Advertising & Publicity Expenses	25.93	22.21
Business Promotion	6.28	8.45
Commission Expenses	1.86	3.94
Discount	19.46	56.66
Freight & Forwarding Expenses	50.68	86.25
Samples	16.93	16.96
<b>TOTAL</b>	<b>831.57</b>	<b>485.50</b>

# Shilpi Cable Technologies Ltd.

## Notes 24 - OTHER NOTES TO THE ACCOUNTS

### 1 Note 24. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) (₹ In Lakhs)

Particulars	As at 31st March 2012	As at 31st March 2011
<b>(A) Contingent Liabilities</b>		
(a) Claims against the company not acknowledged as debts	-	-
(b) Guarantees		
- Bank Guarantees (For EPCG and Performance)	147.84	131.77
- Corporate Guarantee (For WC loans to Subsidiary)	-	5,000.00
(c) Other money for which company is contingently liable		
Bills discounted with banks	-	-
<b>Total</b>	<b>147.84</b>	<b>5,131.77</b>
<b>(B) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
(b) Uncalled liability on shares and other investments partly paid	-	-
(c) Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>TOTAL [(A)+(B)]</b>	<b>147.84</b>	<b>5,131.77</b>

### 2 The Details of Subsidiaries Companies

Name of Company	Origin	Shareholding	Status as on 31-03-2012
Shilpi Worldwide JLT	UAE	100%	wholly owned subsidiary

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 The allotment of Share application Money received through IPO of Rs. 55.88 Crores was made on 1st April'2011. A sum of Rs. 201.11 Lacs towards IPO Expenses has been written off against Securities Premium, as per Section 78(2)(C) of the Companies Act, 1956

### 6 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)

## 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:

<b>Principal actuarial assumptions</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Discount Rate (Per annum)	8.50%	8.00%	7.50%	7.00%
Rate of increase in Compensation levels	6.00%	5.50%	5.00%	4.50%
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	17.66	3.85	2.36	2.41
Interest Cost	1.50	0.31	0.18	0.17
Current Service Cost	7.78	2.02	1.90	1.58
Past Service Cost	-	-	-	-
Benefit Paid	(3.59)	(2.12)	(2.17)	(0.55)
Actuarial (Gains)/Loss on Obligation	1.22	0.58	1.59	(1.25)
Present value of Obligation as at the end of period	24.58	4.64	3.85	2.36

##### 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	1.22	4.65	3.85	2.36

##### 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	24.58	4.65	3.85	2.36
Fair value of Plan Assets as at the end of period	-	-	-	-
Funded (Asset)/Liability recognized in the Balance Sheet	24.58	4.65	3.85	2.36
Unrecognized Past Service Cost	-	-	-	-
Net Liability recognized in the Balance Sheet	24.58	4.65	3.85	2.36

##### iv) Expenses recognized in the Profit and Loss Account

Current Service Cost	7.79	2.02	1.90	1.58
Past Service Cost	-	-	-	--
Interest Cost	1.50	0.31	0.18	0.17
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss	1.23	0.58	1.59	(1.25)
Total Expenses recognized in the Profit and Loss Account	10.52	2.91	3.66	0.05

# Shilpi Cable Technologies Ltd.

## B. GRATUITY

### i) Changes in present Value of Obligation

Present value of Obligation as at the beginning of period	5.75	6.56	5.28	2.52
Interest Cost	0.49	0.52	0.40	0.18
Current Service Cost	3.83	3.88	3.20	2.80
Past Service Cost	-	-	-	-
Benefit Paid	(4.67)	-	-	-
Actuarial (Gains)/Loss on Obligation	2.69	(0.65)	(2.31)	(0.23)
Present value of Obligation as at the end of period	8.09	10.31	6.56	0.53

### 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	(2.69)	0.65	2.31	0.53

### 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	8.09	10.31	6.56	0.53
Fair value of Plan Assets as at the end of period	-	-	-	--
Funded (Asset)/Liability recognized in the Balance Sheet	8.09	10.31	6.56	0.53
Unrecognized Past Service Cost	-	-	-	-
Net Liability recognized in the Balance Sheet	8.09	10.31	6.56	0.53

### iv) Expenses recognized in the Profit and Loss Account

Current Service Cost	3.83	3.88	3.20	2.80
Past Service Cost	-	-	-	-
Interest Cost	0.49	0.52	0.40	0.18
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss	2.69	(0.65)	(2.31)	(0.23)
Total Expenses recognized in the Profit and Loss Account	7.01	3.76	1.28	2.75

7 Debit / Credit balances of the parties are subject to confirmation / reconciliation.

8 (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.

- 9 The company has provided excise duty on finished goods amounting Rs.65.97 Lacs (Previous year Rs. 12.91 Lacs) at the end of year, there is no resultant impact on the profit for the year.

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

Amount (' In Lakhs.)

Particulars	2011-12	2010-11
<b>a) Value of imports on CIF Basis :</b>		
i) Capital Goods	-	-
ii) Raw Materials and Spare Parts	24186.23	16573.74
<b>b) Expenditure in Foreign Currency :</b>		
i) On Capital Goods	10.58	-
ii) Raw Materials and Spare Parts	21,061.81	14284.66
iii) Others	33.28	39.40
<b>c) Earning in Foreign Currency :</b>		
i) Sales (Export)	-	-
ii) Others	518.17	-
<b>d) Auditors' Remuneration :</b>		
i) Statutory Audit Fee	3.25	2.40
ii) Tax Audit Fee	1.00	0.60
iii) Service Tax	0.44	0.31
<b>e) Directors' Remuneration</b>	70.61	53.21

**11 Earning Per Share**

Particulars		2011-12	2010-11
Weighted average number of shares outstanding during the year	Nos.	32,298,762	24,200,000
Net profit for the year attributable to Shareholders	Rs.	238,057,647	152,244,000
Earning per Share of Rs. 10/- each	Rs.	7.37	6.29
Diluted Earning per Share of Rs. 10/- each	Rs.	7.37	6.29

**12 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.

# Shilpi Cable Technologies Ltd.

## 13 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.

## 14 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 worldwide JLT                                   |
| iii) Associates Companies     | : | M/s MVM Impex Pvt.Limited                                  |
|                               | : | M/s Shilpi Cables Pvt.Limited                              |
|                               | : | M/s Gloster Metals & Alloys Private Limited                |
| (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 31.03.2012 are given under:

( ₹ In Lacs)					
Particulars	Holding Company	Subsidiary Company	Associates Companies in which Directors are interested	Key Management Personnel	Relative of Directors
<b>Purchases</b>	-	-	-	-	-
<b>Expenses</b>					
Salaries/Remuneration	-	-	-	70.61	22.30
Others	-	-	6.00	1.09	9.50
<b>Sales</b>	-	-	-	-	-
<b>Job Works Charges</b>	-	-	-	-	-
<b>Receipts</b>					
Share Application Money	-	-	-	-	-
Unsecured Loan	655.14	-	628.93	487.58	-
Loans & Advances	-	-	-	-	-
<b>Payments</b>					
Unsecured Loan (Repayment)	657.45	-	1,265.50	103.66	-
Loans & Advances	-	154.82	-	-	-
Share Capital	-	36.96	-	-	-
<b>Outstanding as on 31st March 2012</b>					
<b>Payable</b>					
Unsecured Loan	-	-	392.48	762.72	-
Loans & Advances	-	-	-	-	-
Others	-	-	-	-	0.68
<b>Receivable</b>	-	154.82	-	-	-
<b>Corporate Guarantees</b>	-	-	-	-	-

- 15** Prior years Figures have been regrouped, rearranged & recast where considered necessary to conform to the current period's classification
- 16** Since the Scheme of Amalgamation has been given effect to in the current year accounts as explained elsewhere, the current year figures are not comparable with the previous year figures.
- 17** All the figures have been rounded off to the nearest lakh Rupees.

**As per out 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  
DIN No. 00163044

**(Sandeep Gupta)**

Director  
DIN No. 00638932

**(Shruti Bhardwaj)**

Company Secretary

**Place : New Delhi**

**Date : 2<sup>nd</sup> June, 2012**

# Shilpi Cable Technologies Ltd.

## CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2012

(Rs. in Lacs)

Sr.No.	Particulars	As on 31-03-2012		As on 31-03-2011	
<b>A</b>	<b>Cash Flow from Operations</b>				
	Profit before Taxation		3,295.15		2,292.87
	Adjustments for:				
	Depreciation	337.08		328.43	
	Misc. Expenses written off	0.13		(76.10)	
	Financial Charges	2,415.79		1,700.87	
	Provision for Gratuity, Leave Encashment etc.	17.53		6.73	
	Payment of Gratuity, Leave Encashment	(7.44)		-	
	Interest Income	(265.97)		(84.47)	
	(Profit)/Loss on Sale of Fixed Assets	0.80	2,497.92	0.80	1,876.26
	<b>Operating Profit before Working Capital Changes</b>		<b>5,793.07</b>		<b>4,169.13</b>
	(Increase)/Decrease in Current Assets				
	Inventories	(631.81)		(976.09)	
	Sundry Debtors	(13,941.08)		(4,024.35)	
	Other Current Assets	343.10	(14,229.79)	(1,213.21)	(6,213.65)
	Increase/(Decrease) in Current Liabilities				
	Sundry Creditors	9,629.44		2,896.17	
	Expenses Payable	80.02		20.50	
	Short Term Borrowings	151.36		-	
	Other Liabilities	318.79	10,179.61	(124.90)	2,791.77
	<b>Cash Inflow/(Outflow) from Operations</b>		<b>1,742.89</b>		<b>747.25</b>
	Taxes Paid				
	Wealth Tax Paid	(0.33)		(0.41)	
	Income Tax Paid	(303.63)	(303.96)	(299.66)	(300.07)
	<b>Net Cash Inflow/ (Outflow) from Operation (A)</b>		<b>1,438.93</b>		<b>447.18</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>				
	Addition to Fixed Assets		(1,846.55)		(40.59)
	Sale of Fixed Asset		3.71		35.30
	Income from Interest/Dividends		265.97		84.47
	Long Term Loans & Advances		(118.99)		-
	Investments		(1,337.38)		-
	<b>Net Cash Inflow/ (Outflow) from Investing Activities (B)</b>		<b>(3,033.24)</b>		<b>79.18</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>				
	Increase in Share Capital		1,331.62		-
	Increase in Cash Reserves		2,437.37		-
	Increase /(Decrease ) in Share Application Money		(14,896.00)		14,896.00
	Minority Interest		(551.76)		
	Increase/(Decrease) in Long Term Borrowings		1,133.85		1,764.78
	Financial Charges Paid		(2,415.79)		(1,700.87)
	<b>Net Cash Inflow/(Outflow) from Financing Activities ( C)</b>		<b>(12,960.71)</b>		<b>14,959.91</b>
	Foreign Currency Translation Reserve		41.68		
	Net Change in Cash or Cash Equivalents during the Year		(14,513.34)		15,486.27
	Cash and Cash Equivalents at the beginning of the year		16,253.01		766.74
	<b>Cash and Cash Equivalents at the end of the year</b>		<b>1,739.67</b>		<b>16,253.01</b>

Notes:

- 1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'
- 2 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

DIN No. 00163044

**(Sandeep Gupta)**

Director

DIN No. 00638932

**(Shruti Bhardwaj)**

Company Secretary

**Place : New Delhi**

**Date : 2<sup>nd</sup> June, 2012**



## NOTES

[illegible]

## NOTES

[illegible]



## 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](http://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 6<sup>th</sup> Annual General Meeting of the Company held at 11.30 a.m. on Saturday the 29 September 2012 at the Aiwan E Ghalib Auditorium, Mata Sundari Lane, ITO, Delhi-110002

Members Name(Sole Applicant).....

(1<sup>st</sup> Joint holder).....

(2<sup>nd</sup> 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 6<sup>th</sup> Annual General Meeting of the Company held at 11.30 a.m. on Saturday the 29 September 2012 at the Aiwan E Ghalib Auditorium, Mata Sundari Lane, ITO, Delhi-110002 and at any adjournment thereof.

As witness my/our hand this .....day of .....2012

.....  
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.







## **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