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RO	☒		DIV	☒
TRA	☒		AC	☒
AGM	☒		SEA	☒
YE	☒			☒

33rd ANNUAL REPORT 1997-98

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Delton Cables Limited

AN ISO 9002 COMPANY

Delton Cables Limited**BOARD OF DIRECTORS**

RAM KUMAR GUPTA
(Chairman & Managing Director)

V.K. GUPTA
(Managing Director)

BHUSHAN KUMAR GUPTA

VIJAY KUMAR GOEL

M.P. MEHROTRA

A. KARATI

RAVINDER NARAIN

L.B. RUNGTA

A.B. GERSAPPE

VIVEK GUPTA
(Executive Director)

COMPANY SECRETARY

VINAY SHUKLA

BANKERS

CANARA BANK

STATE BANK OF BIKANER & JAIPUR

THE BENARES STATE BANK LTD.

AUDITORS

S.R. DINODIA & CO.
Chartered Accountants
C-37, Connaught Place,
New Delhi - 110 001

REGISTERED & HEAD OFFICE

Delton House,
4801, Bharat Ram Road,
24, Darya Ganj
New Delhi - 110 002
Phones : 011-3273905-08
Cable : DELWIRE
Telex : 031-63357 DCCL-IN
Fax : 011-3280375, 3272178
Email : delhi @delton. wiprobt.ems.vsnl.net.in

BRANCH OFFICE

83-B, Dr. Annie Besant Road,
Near Warli-Naka
Mumbai - 400 018
Phones : 022-4935178, 4936501
Cable : DELCAB
Telex : 011-75767 DLTN-IN
Fax : 022-4936501

Flat No. 1, 6th Floor,
'Shantiniketan',
8, Camac Street,
Calcutta - 700 017
Phone : 033-2424388
Cable : DELTONCO
Telex : 021-2351 DCCL-IN
Fax : 033-2424153

59, Montieh Road
1st Floor, Asha Mansion,
Egmore,
Chennai - 600 008
Phone : 044-8587702
Fax : 044-8554930
Email : madras@delton. wiprobt.ems.vsnl.net.in

3rd Floor, Maruthi Mansion,
19/7, Cunningham Road,
Bangalore-560052
Phone : 080-2263934
Cable : MYCABWIRE
Telex : 0845-2478 DCCL-IN
Fax : 080-2253933

WORKS**FARIDABAD**

17/4, Mathura Road,
Faridabad, Haryana
Phone : 91-288222, 288225
Fax: 91-288220

NEW DELHI

24, Shivaji Marg,
New Delhi
Phones : 011-5931280, 5436753

DHARUHERA

70th Milestone,
Delhi-Jaipur Highway,
Village - Malpura,
Tehsil-Dharuhera,
District - Rewari, Haryana
Phones : 01283-2229, 2296
Fax: 01283-2294

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Delton Cables Limited**NOTICE**

NOTICE IS HEREBY GIVEN that the **Thirty Third Annual General Meeting** of the Members of **Delton Cables Limited** will be held on **Friday, the 25th September, 1998** at **1030 Hours at Delton Hall, I.E.T.E. 2, Institutional Area, Lodi Road, New Delhi - 110 003** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st March, 1998.
3. To appoint a Director in place of Shri M.P. Mehrotra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A. Karati, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modifications(s) the following Resolution : -

6. (As Special Resolution)

"RESOLVED THAT in modification of Resolution passed at the 16th Annual General Meeting of the Company the consent of the Company be and is hereby accorded in terms of Section 293(1)(d) and other applicable provisions if any, of the Companies Act, 1956 to the Board of Directors of the company for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the company and its Free Reserves (i.e. reserves not set apart for any specific purpose) provided that the total amount so borrowed by the board shall not at any time exceed the limit of Rupees 40,00,00,000 (Rupees Forty Crores)."

"FURTHER RESOLVED THAT in modification of another Resolution passed at the 16th Annual General Meeting of the Company, consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions if any, of the Companies Act, 1956 to the Board of Directors of the Company for sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking(s) of the Company or mortgaging or Charging all or any of the movable and immovable properties of the Company, wherever situate, both present and future as the Board of Directors may think fit, for borrowing a sum not exceeding Rs. 40,00,00,000/- (Rupees Forty Crores only) as loans from banks, financial institutions or elsewhere."

Registered Office
'Delton House', 4801, Bharat Ram Road,
24, Daryanganj
New Delhi - 110 002
Dated : 29th July, 1998

By Order of the Board
(VINAY SHUKLA)
COMPANY SECRETARY

Delton Cables Limited**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective, must be received at the Registered office of the Company not less than 48 hours before the time of the meeting.
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto and is a part of the notice.
4. Register of Members and Shares Transfer Books of the Company will remain closed from 18th September, 1998 to 25th September, 1998 (both days inclusive).
5. Dividend, if any, declared at the meeting will be payable to the Members whose names appear in Register of Members of the Company at the close of business hours on 25th September, 1998.
6. Members are requested to :
 - i) intimate the company regarding any change in the addresses or mandates.
 - ii) approach the company for consolidation of folios, if shares are held in multiple folios.
 - iii) furnish Bank Account details for avoidance of instance of fraudulent encashment of dividend warrants.
 - iv) bring their attendance slip alongwith copy of Annual Report at the Annual General Meeting.
 - v) send their queries, if any, relating to the Accounts of the company at least 10 days before the Annual General Meeting.
7. Pursuant to Section 205A of the Companies Act, 1956 unclaimed/unpaid dividend upto 31st March, 1994 have already been transferred to the General Revenue Account to the Central Government. Unclaimed/Unpaid dividend for the year 1994-95 will be transferred to above Account in due course.

Shareholders who have not encashed the dividend warrants for the said periods are requested to claim the amount from Registrar of Companies, NCT of Delhi and Haryana, Paryawaran Bhawan, C.G.O. Complex, Paryawaran Bhawan, New Delhi.

ANNEXURE TO NOTICE**Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956.****Item No. 6**

Board of Directors of the Company were authorised and empowered by the shareholders vide Special Resolutions passed at 16th Annual General Meeting of the Company held on 10th June 1981, to borrow in excess of aggregate of the paid up share capital and free reserves provided total borrowings should not exceed Rs. 10,00,00,000/- at any time. By another Special Resolution at said Meeting, the Board of Directors were also authorised for creating charge or mortgage on Company's property/undertakings u/sec 293(1)(a) of the Act.

However having regards to enhanced need of borrowings, Item No. 6 is hereby proposed to be passed as Special Resolution for giving authorisation to the Board of Directors to borrow upto a maximum of Rs. 40,00,00,000/- in place of earlier limit of Rs. 10,00,00,000/- and create charge or mortgage on the property(s)/undertaking(s) of the company for said purposes.

None of the Directors are interested in or concerned with the above Resolution.

Registered Office
 'Delton House', 4801, Bharat Ram Road,
 24, Daryanganj.
 New Delhi - 110 002
 Dated : 29th July, 1998

By Order of the Board
(VINAY SHUKLA)
 COMPANY SECRETARY

Delton Cables Limited**DIRECTORS' REPORT TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting their Thirty Third Annual Report togetherwith the Audited Accounts for the year ended 31st March, 1998.

FINANCIAL HIGHLIGHTS

The working results for the year ended 31st March, 1998 are as under :

	(Rs. in Lacs)
Profit before Depreciation	129.59
Less : Depreciation	35.88
Profit before taxation	93.71
Less : Provision for Taxation	35.25
Profit after Taxation	58.46
Less : Provision for earlier year	0.71
Profit during the year	57.75
Add : Balance brought forward from the previous year	398.42
Add : Investment Allowance Utilised Reserve	23.00
Profit available for appropriations	479.17

APPROPRIATIONS

Proposed Dividend	28.80
Tax on Proposed Dividend	2.88
Balance Carried Forward	447.49

DIVIDEND

Your Board of Directors are pleased to recommend dividend of Re. 1.00 per share for the year ended 31st March, 1998 on 28,80,000 equity shares of Rs. 10/- each.

PERFORMANCE

Turnover during the year was Rs. 5813 Lacs as compared to Rs. 5501 Lacs during the previous year. Profit after tax during the year was Rs. 58 Lacs as compared to Rs. 85 Lacs during the previous year.

INDUSTRIAL RELATION

Industrial relation remained cordial during the year.

DIRECTORS

Shri A. Karati and Sh. M.P. Mehrotra, Directors are retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

AUDITORS

M/s. S.R. Dinodia & Company, Chartered Accountants, New Delhi, the retiring Auditors, are eligible for re-appointment and hence recommended for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO.

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed to this report as Annexure-I.

EMPLOYEES

Disclosure required under 217(2A) of the Company Act 1956 is annexed to this Report as Annexure-II.

ACKNOWLEDGMENT

Your directors wish to record their warm appreciation for the valuable services rendered by the employees of the company at all levels. Your directors also wish to acknowledge the co-operation and help of Bankers, Financial Institutions, and all our customers, and shareholders.

For & on behalf of the
Board of Directors

New Delhi - 110 002

Dated : 29th July, 1998

R.K. GUPTA

Chairman & Managing Director

ANNEXURE I TO DIRECTORS' REPORT**COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 :****A. Conservation of Energy**

- a. Energy Conservation measures taken :
Greater emphasis has been laid on creating awareness amongst all employees for the optimal utilisation of Power and to prevent misuse of energy at all levels.
- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
Efforts are on in the direction of reducing energy consumption.
- c. impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :
Impact has not been measures.
- d. Total energy consumption and energy consumption per unit of production in respect of industries specified in the Schedule thereto :
Not applicable.

B. Technology Absorption

- e. Efforts made in technology absorption as per Form B is given below :

Research & Development (R & D)

1. Specific areas in which R&D efforts have been put in by the Company are :
 - a. Development of Feeder Cables which is required by Department of Telecommunication for their multi access rural radio system.
 - b. Development of Polythene insulated Jelly Filled Cables.
 - c. Development of Switch Board Cables which facilitate exchange of foreign technology.
2. Benefits desired as a result of the above R&D.
All the above items mentioned in item No. 1 have

Delton Cables Limited

- been implemented and taken in actual production.
3. Future plan of action :
The company is having an ongoing process of research & development to develop new types of cables for special use at Nuclear Thermal Power Plant & for Telecommunication use.
4. Expenditure on R&D.
- | | | |
|---|-----|-----------|
| (a) Capital | Rs. | Nil |
| (b) Recurring | Rs. | 2,683,375 |
| (c) Total | Rs. | 2,683,375 |
| (d) Total R&D Expenditure as a percentage of total turnover | | 0.46% |

Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation :
Efforts for Development and Innovation are going on.
2. Benefits derived as a result of the efforts :

Product improvement, cost reduction, product development, import substitution etc.

3. Technology imported during the last 5 years
NIL

C. Foreign Exchange Earnings and Outgo :

- f. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans :
Not applicable.
- g. Total foreign exchange used and earned :
- | | | |
|------------------------------|---|----------------|
| (i) Earning by way of | | |
| (a) Exports (FOB) | : | Rs. 3,313,860 |
| (b) Services | : | Rs. 1,751 |
| (c) Commission | : | Rs. 3,144,314 |
| (ii) Outgo by way of imports | | |
| (a) CIF value of Imports | : | Rs. 97,942,126 |
| (b) Travelling & Others | : | Rs. 1,778,859 |

ANNEXURE II TO DIRECTORS' REPORT**INFORMATION OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 FOR THE YEAR ENDED 31ST MARCH, 1998 AS ANNEXURE - II**

Name	Age	Qualification	Designation/ Nature of Duties	Date of Appointment	Experience (Yrs.)	Remuneration Gross (Rs.)	Previous Employment
A) Employees who were employed throughout the year and were in receipt of remuneration in aggregate of not less than Rs. 3,00,000 for the year.							
Gupta R.K.	78	Technical knowledge Practical Experience	Chairman & Managing Director	16.08.1969	58	798,825	Industrialist
Gupta V.K.	58	Technical knowledge & Practical Experience	Managing Director	01.09.1969	41	784,723	Industrialist
Gupta Vivek	30	B.Com (Hons.)	Executive Director	10.06.1989	9	641,025	Industrialist
B. Employee who was employed for a part of the year and was in receipt of remuneration not less than Rs. 25,000 per month. — N.A. —							

Notes :

- (i) Remuneration includes value of perquisites and benefits under the Income Tax Act, 1961, wherever actual value cannot reasonably be determined.
- (ii) All appointments are/were contractual and are subject to the Rules and Regulations of the company in force from time to time.
- (iii) Shri R.K. Gupta, Shri V.K. Gupta, and Shri Vivek Gupta themselves are the directors of the Company.

Place : New Delhi
Date : 29th July, 1998

For & on behalf of the Board of Directors
(R.K. GUPTA)
Chairman & Managing Director

Delton Cables Limited**AUDITOR'S REPORT TO THE MEMBERS OF DELTON CABLES LIMITED**

We have examined the attached Balance Sheet of Delton Cables Limited as at 31st March, 1998 and the annexed Profit and Loss Account for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss account, read with the Statement on Significant Accounting policies and the notes thereon and attached thereto give in the prescribed manner, the information required by the Companies Act, 1956 and also give respectively a true and fair view of the state of the Company's affairs as at 31st March, 1998 and its profit for the year ended on that date.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit. In our opinion, proper books of account have been kept as required by law so far as appears from our examination of the books and the above mentioned accounts are in agreement therewith.

As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, and on the basis of such examination of the books and records of the Company, as we considered appropriate, and the information and explanations given to us during the course of our audit, we report that :

- i) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. The fixed assets of the Company have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed between book records and physical inventory on such verification.
- ii) The Company has not revalued any of its fixed assets during the year.
- iii) In respect of finished goods, stores, spare parts and raw materials, excluding materials in transit and lying with third parties, physical verification has been conducted by the management at reasonable intervals.
- iv) In our opinion, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- v) No material discrepancies were noticed on physical verification of stocks as compared to book records.
- vi) On the basis of our examination, it is considered that the valuation of stocks is fair and proper and is accordance with the normally accepted accounting principles. The valuation of stocks is on the same basis as in the preceding year.
- vii) The Company has not taken or granted any loans, secured or unsecured, from/to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 where the rate of interest and other terms and conditions are prima-facie prejudicial to the interest of the Company. We are informed that there are no Companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956.
- viii) The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and/or to companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
- ix) The Company has not given any loan or advances in the nature of loan to any party except to the employees of the Company, the installments for which are predetermined and deducted regularly from the salary of the employees. Further the excess remuneration paid to the directors for the year 1982-83 to 1987-88 is being recovered.
- x) In our opinion, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business for purchase of stores, raw-materials including components, plant and machinery, equipment and similar assets and for the sale of goods.
- xi) In our opinion, purchase of goods and materials and sales of goods, materials and services made in pursuance of contracts or arrangements entered in the registre maintained u/s 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in value in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices, for such goods, materials or services or the prices at which