

Delton Cables Limited

AN ISO 9001 : 2000 COMPANY



**ANNUAL REPORT
2006-2007**

Delton Cables Limited

BOARD OF DIRECTORS

V.K. Gupta
(Chairman & Managing Director)

Vijay Kumar Goel

A. Karati

B.B. Chadha

M.P. Mahrotra

S.S. Malhotra

Vivek Gupta
(Joint Managing Director)

COMPANY SECRETARY

Rajesh Gupta

Bankers

Canara Bank
Punjab National Bank
Centurian Bank of Punjab

Auditors

S.R. Dinodia & Co.
Chartered Accountants
K-39, Connaught Place,
New Delhi-110 001

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Registered & Head Office

Delton House, 4801, Bharat Ram Road, 24, Darya Ganj, New Delhi-110 002
Phones : 011-23273905-07 Fax : 011-23280375, 23272178
Email : dcl@deltoncables.com , shares@deltoncables.com
Web Site : www.deltoncables.com



SHRI RAM KUMAR GUPTA
(1919-2007)

In Shri Ram Kumar Gupta, we have lost not only our Chairman,
but also a visionary , noted for his business acumen,
integrity and ethics and simplicity of lifestyle.

Delton Cables Limited**NOTICE**

NOTICE IS HEREBY GIVEN that the 42nd Annual General Meeting of the Members of Delton Cables Limited will be held on Friday the 28th September, 2007 at 11.00 A.M. 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 2007 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. B. B. Chadha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. S. S. Malhotra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. S. R. Dinodia & Co, Chartered Accountants, as 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 of Directors to fix their remuneration.

Special Business

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

"RESOLVED THAT Sh. Vivek Gupta, be and is hereby appointed as Joint Managing Director w.e.f. 1.2.2007 on the existing terms and conditions.

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

"RESOLVED THAT Sh. M.P. Mehrotra, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board
for **Delton Cables Limited**

Place: New Delhi,
Date: June 30, 2007.

Rajesh Gupta
Company Secretary

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/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER. Proxies in order to be effective must be received by the company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the company shall remain closed from September 21st, 2007 to September 28, 2007 (both days inclusive).
3. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 2000 and 31st March, 2001, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor

Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 2000 or 31st March, 2001 are requested to make their claim to Ms. Madhu Gupta, Delton Cables Limited, 4801, Bharat Ram Road, 24 Daryaganj, New Delhi-110 002. It may also be noted that once the unclaimed dividend is transferred to the Investor Education & Protection Fund, as above, no claim shall lie in respect thereof.

4. The shares of the company are traded on BSE and ISIN number for NSDL & CDSL is INE872E01016
5. M/s. Beetal Financial & Computer Services (P) Ltd. is acting as Registrar and Share Transfer Agent of the Company for carrying out its entire share related activities. Shareholders are requested to make all future correspondence related to shares at the following address:

M/s. Beetal Financial & Computer Services (P) Ltd.

Beetal House, IIIrd Floor,
99 Madangir, Behind Local Shopping Complex
Near Dada Harsukh Das Mandir
New Delhi - 110 062
Phone: 011-29961281-82
Fax: 011-29961284

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

ITEM NO. 5

Sh. Vivek Gupta was re-appointed as Executive Director of the Company for a period of five years w.e.f. 1st August, 2005. The appointment was approved by the members in the Annual General Meeting held on 30th September 2005. The Board of Directors in its meeting held on 31st January 2007 has re-designated him as Joint Managing Director with effect from 1st February, 2007 on the same terms and conditions as approved by the members in their meeting held on 30th September, 2005.

None of the Director of the Company except Sh. V. K. Gupta and Sh. Vivek Gupta are interested in the resolution.

ITEM NO. 6

Sh. M.P. Mehrotra has been appointed as an additional director of the company with effect from 30th June, 2007. As per provisions of Section 260 of the Companies Act, 1956, Shri M.P. Mehrotra office of Director only upto the date of ensuing Annual General Meeting.

The company has received notice in writing from a member under Section 257 of the Companies Act, 1956 proposing appointment of Shri M.P. Mehrotra for the office of Director. The Board recommends the resolution for your approval.

None of the Director of the Company except Sh. M.P. Mehrotra is interested in the resolution.

By Order of the Board
for **Delton Cables Limited**

Place: New Delhi,
Date: June 30, 2007.

Rajesh Gupta
Company Secretary

Delton Cables Limited**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 42nd Annual Report together with the Audited Accounts for the year ended 31st March 2007

Financial Results

	(Rs. in Lacs) 2006-2007
Gross Sales	13554.07
Less : Excise	1837.04
Net Sales	11717.03
Other Income	121.07
Excess Provision	
Written Back	0.04
Total Expenditure	11266.31
Profit / (Loss) Before Tax	571.83
Less : Provision for Income Tax	217.05
Less : Provision for Fringe Benefit Tax	12.36
Less : Provision for Deferred Tax	(0.70)
Less : Provision for Wealth Tax	0.24
Net Profit / (Loss)	342.88

Performance

During the year under review your Company has given a good performance. The turnover of the company has increased by 17% from Rs. 11580.57 lacs in the last Financial Year to Rs. 13554.07 lacs in the current Financial Year. The Company has also attained Profit Before Tax of Rs.571.83 lacs in the Current Financial Year as compared to Profit Before Tax of Rs. 525.34 lacs in the previous Financial Year and Net Profit of Rs. 342.88 lacs as compared to Net Profit of Rs. 336.30 lacs in the previous Financial Year.

Future Outlook

During the year the company has set up a new Division for the manufacture of Switchgears at Noida (U.P). Company has started production with MCBs upto 63 Amp. and plan to market the product by September/October, 2007 after obtaining ISI approval. It is planned to add DB's, Isolators MCB changeovers by March, 08. This will enhance the value of the brand 'Delton' and add to the turnover and profitability of the company. The Company plans to expand in the segment of power cables and RF cables.

Dividend

The Company is in expansion process and need to conserve its profits thus your Directors regret to propose any dividend for the Financial Year ended 31st March, 2007.

Directors

Directors regret to inform that during the year the Company has lost Shri R.K. Gupta the founder Chairman & Managing Director due to his demise on 18th January 2007.

The Board appointed Sh. V. K. Gupta, Managing Director of the Company as the Chairman & Managing Director w.e.f. 1st February 2007.

The Board has also appointed Shri Vivek Gupta, Executive Director of the Company as the Joint Managing Director of the

Company on the existing remuneration. The resolution for the appointment of Shri Vivek Gupta as Joint Managing Director, is before the Shareholders. The Board recommends the resolution to be passed.

The Board has co-opted Shri M.P. Mehrotra as Additional Director with effect from 30.06.2007. He holds office upto 42nd Annual General Meeting of the company. Notice under Section 257 of the Companies Act, 1956 has been received from a member of the company intending to propose him for appointment as Director of the Company.

Shri B. B. Chadha and Shri S. S. Malhotra, Directors of the Company, retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the accounts for the financial year ended 31st March 2007, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. that the Directors have prepared the accounts for the financial year ended 31st March 2007 on a 'going concern' basis.

Fixed Deposits

The Company has not accepted any fixed deposits during the year as per the provisions of Section 58-A of the Companies Act, 1956, and the Rules made there under, and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Reply to Observation of the Auditors

As mentioned in clause (g) of the Auditors' Report your Directors wish to state that there is one case pending before the Hon'ble High Court. In another matter the Company has filed a Criminal complaint for the recovery of amount of bounced cheques under Section 138 of the Negotiable Instrument Act. Your Directors are of the opinion that there are good chances of recovery of the amount from the opposite party(s) in both cases.

Personnel

None of employees of the Company is in receipt of remuneration in excess of the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Delton Cables Limited**Auditors**

M/s. S.R. Dinodia & Co., Chartered Accountants, New Delhi, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them for the Financial year 2007-08. M/s. S.R. Dinodia & Co., have, under Section 224 (1-B) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment.

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

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.

Listing of Shares

As per listing agreement the company declares that its equity shares are listed at Delhi Stock Exchange Association Limited (DSE) and Bombay Stock Exchange Ltd. (BSE). The listing fee in respect thereof, for the year 2007-08 has already been paid to the Stock Exchanges.

Acknowledgement

Your Directors wish to record their warm appreciation for the valuable co-operation and support received from all the customers and suppliers, various Financial Institutions, Banks, Central and State Government Bodies, Auditors and Legal Advisors which have made possible the improved results achieved by your company and to all the persons who reposed faith and trust in us. We would also like to express thanks to our Shareholders for their confidence and understanding.

Last but not the least, we wish to place on record our appreciation for the sincere services rendered by the employees and our colleagues at all levels.

For & on behalf of the Board of Directors

Place: New Delhi
Dated: June 30, 2007

V.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 utilization 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:
No major investments proposed during the year.
- 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:
Not applicable.
- 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

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:
Continuous efforts are made to improve quality and efficiency and to develop new products.
2. Benefits derived as a result of the above R & D:
Improvement in quality and cost reduction.
3. Future plan of action:
The Company will take R & D activities in the organisation to improve quality and reduce cost by increasing the raw material efficiency and reducing the wastage.
4. Expenditure on R & D : NIL

Technology Absorption, Adaptation and Innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation:
Efforts for Development and Innovation for further improvements and product up-grading are going on.
2. Benefits derived as a result of the efforts:
Quality improvement, cost reduction, product development, import substitution and better consumer satisfaction.
3. Technology imported during the last 5 years : NIL

C. Foreign Exchange Earnings and Outgo:

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans:
The company is targeting growth in exports. It is exploring new markets overseas to expand the product base.
- b) Total foreign exchange used and earned:

Rupees in Lacs

(i) Earning by way of	
(a) Exports (FOB)	268.84
(ii) Outgo by way of imports	
(a) CIF Value of imports	1440.00
(b) Travelling	14.59
(c) Subscription	1.16
(d) Others	4.70

For & on behalf of the Board of Directors

Place : New Delhi
Date : June 30, 2007

V.K. GUPTA
Chairman & Managing Director

Delton Cables Limited**AUDITOR'S REPORT**

To the Share Holders of **M/S DELTON CABLES LIMITED**

We have audited the attached Balance sheet of **M/S DELTON CABLES LIMITED**, as at **31st March, 2007** and also the Profit & Loss Account for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 (as amended by the Companies (Auditor's Report) (Amendment) Order, 2004) 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 the paragraphs 4 and 5 of the said order.

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

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- c) The Company's Balance sheet, Profit & Loss Account and the cash flow statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Profit and Loss Account and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 from being appointed as director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In the absence of any notification in the official gazette by the Central Government, no cess is payable under section 441A of the Companies Act, 1956 for the year ended 31st March 2007.
- g) **We are unable to express an opinion on the recoverability or otherwise and the consequential effect if any, on the profit & loss account in respect of old outstandings aggregating to Rs. 12,098,725 due from the customers and included under the head sundry debtors over six months unsecured and considered good in Schedule '8' (Refer to Note No. B-2 of Schedule '17').**

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at **31st March, 2007**;
- ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
- iii) in the case of cash flow statement, of the cash flow for the year ended on that date.

For **S.R. DINODIA & CO.**,
Chartered Accountants,

(**PRADEEP DINODIA**)
PARTNER
M.NO. 80617

PLACE: NEW DELHI
DATED: June 30, 2007

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our audit report of even date)

- i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, physical verification of major fixed assets has been conducted by the management at appropriate intervals. In our opinion, the program is reasonable having regard to the size of the company and the nature of the fixed assets. No material discrepancies were noticed on such verification as compared to book records.
- (c) No substantial part of fixed assets has been disposed off during the year.
- ii) (a) On the basis of information and explanation provided by the management, Inventories have been physically verified by the management during the year except inventories lying with the third parties. In our opinion, frequency of verification is reasonable.
- (b) In our opinion, procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company is maintaining proper records of inventory. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii) According to information and explanation given to us, the company has not granted/ taken any loans to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year. Therefore, the provision of clause 4 (iii) (a to g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and for the sales of goods. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices, there is no continuing failure to correct the weaknesses in the aforesaid internal control systems.
- v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) The transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable with regard to the prevailing market prices at the relevant times.