

Delton Cables Limited

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**ANNUAL REPORT
2009 - 2010**

Delton Cables Limited

BOARD OF DIRECTORS

V.K. GUPTA
(Chairman & Managing Director)
VIVEK GUPTA
(Joint Managing Director)
VIJAY KUMAR GOEL
M. P. MEHROTRA
A. KARATI
B.B. CHADHA
MRS. RAKESH VERMA (w.e.f. 13.08.2010)
S. S. MALHOTRA

COMPANY SECRETARY

P. C. JOSHI

BANKERS

CANARA BANK
PUNJAB NATIONAL BANK
BARCLAYS BANK

ADUITORS

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

NOTICE

NOTICE is hereby given that the 45th Annual General Meeting of the Members of Delton Cables Limited will be held on Thursday, the 30th September, 2010 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, 2010 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 on Equity Shares for the Financial Year 2009-10.
3. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.
"RESOLVED THAT Sh. S.S. Malhotra, who retires by rotation at this meeting has expressed his inability to continue further and the vacancy caused thereby not to be filled."
4. To appoint a Director in place of Sh. A. Karati, who retires by rotation and being eligible, offers himself for re-appointment.
5. 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

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

"RESOLVED THAT Mrs Rakesh Verma, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 13th August, 2010 under section 260 of the Companies Act, 1956 and who holds office upto the conclusion of this Annual General Meeting, but who is eligible for re-appointment and in respect of whom, the company has received a notice from a member, proposing her candidature for the office of a Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose term of office shall be liable to determination by rotation."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendments thereto, and subject to the approval of the Central Government and such other sanctions and approvals as may be necessary in this regard, consent of the Company is hereby accorded to the re-appointment of Sh. Vivek Gupta, as Joint Managing Director of the Company, not liable to retire by rotation, for a period of 5 years w.e.f. 01.08.2010, on the remuneration and terms and conditions as set out below, with powers to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions in such manner as the Board may deem fit and is acceptable to Sh. Vivek Gupta and/or to change his remuneration, in accordance with the provisions of the Companies Act, 1956 or any statutory amendment, modification, re-enactment thereof or as approved by the Central Government as the case may be :-

1. Remuneration

- a. Basic Salary of 1,50,000/- (Rupees One Lac Fifty Thousand) per month.
- b. Management Allowance of Rs. 50,000/- (Rupees Fifty Thousand) per month.
- c. Entitlement of other Perquisites such as House Rent Allowance, Leave Travel Allowance, Medical benefits, Provident Fund, Superannuation, Gratuity, Leave and such other Benefits as per Company's Rules, as shown in Para 2

2. Perquisites

- i. Housing Accommodation : The Company will provide furnished accommodation or HRA in lieu thereof at 50% of basic salary, as per policy.
- ii. Car : One Car with chuffer shall be provided for official purpose as per Company's policy.
- iii. Medical : Reimbursement at actual as per Company's policy upto maximum of Rs. 24,000/- per annum.
- iv. Gas Electricity & Water : Reimbursement at actual as per Company's policy upto maximum of Rs. 18,000/- per annum.
- v. Leave Travel Allowance : Rs. 72,000/- per annum for self and family.
- vi. Telephone : He will be provided one landline and one cellular phone. The company will pay rental & usage expenses.
- vii. Club Membership : Reimbursement of Club Membership Fees.
- viii. Provident Fund, Gratuity, Superannuation and hospitalization insurance as per the policy of the Company.
- ix. The Joint Managing Director shall be entitled to such other benefits or amounts as may be approved by the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary or desirable for giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendments thereto, and subject to the approval of the Central Government and such sanctions and approvals as may be necessary in this regard, consent of the Company is hereby accorded to the appointment of Mrs Rakesh Verma as Whole Time Director of the Company, liable to retire by rotation, for a period of 3 years w.e.f. 1st October, 2010, on the remuneration and terms and conditions as set out below, with powers to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions in such manner as the Board may deem fit and is acceptable to Mrs Rakesh Verma and/or to change her remuneration, in accordance with the provisions of the Companies Act, 1956 or any statutory amendment, modification, re-enactment thereof or as approved by the Central Government, as the case may be :-

Delton Cables Limited

1. Remuneration

Basic Salary : Rs. 1,00,000/- (Rupees One Lac) per month.

2. Perquisites

- i. House Rent Allowance : Rs 50,000/- (Rupees Fifty Thousand) per month.
- ii. Car : One Car with chuffer shall be provided for official purpose as per Company's policy.
- iii. Telephone : She shall be provided one landline and one cellular phone. The company will pay rental & usage expenses.
- iv. Provident Fund, Gratuity, Superannuation and hospitalization insurance as per the policy of the Company.
- v. The Whole Time Director shall be entitled to such other benefits or amounts as may be approved by the Central Government.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary or desirable for giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and other sanctions and approvals as may be necessary, the consent of the Company be and is hereby accorded to the revision in the remuneration of Sh. V. K. Gupta, Chairman & Managing Director of the Company for his remaining term as Managing Director w.e.f. 1st July 2010 upon the terms & Conditions as set out in the agreement entered into between the Company and Sh. V.K. Gupta and that the Board of directors of the Company be and is hereby authorized to revise, amend, alter or otherwise vary the terms and conditions of the remuneration from time to time as may be mutually agreed with Sh. V. K. Gupta in accordance with the provisions of the Companies Act, 1956 or as approved by the Central Government as the case may be.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary or desirable for giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 149 (2A) and all other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the members of the Company be and is hereby accorded to the company for commencing and carrying on of the business as specified under Clause 24 of the Object Clause of the Memorandum of Association of the Company (as detailed hereunder) as may be deemed fit by the Board of Directors:-

"To sell, or in any other manner deal with or dispose off the properties or undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, stock, debentures and other securities of any other Company having objects altogether or in part similar to those of this Company."

"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as required in the matter."

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

Place: New Delhi,
Date: August 13, 2010

P. C. Joshi
Company Secretary

NOTES:

1. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolution set out under item Nos. 6 to 10 is appended below.
2. 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 SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received by the company not less than 48 hours before the time of meeting.
3. The Register of Members and Share Transfer Books will remain closed from 27th September, 2010 to 30th September, 2010 (both days inclusive) for payment of dividend. The Dividend in respect of Equity Shares, as recommended by the Board of Directors, if declared, at the meeting, will be payable to the shareholders whose names appear in the Company's Register of Members as at the close of Business on 25th September, 2010. In respect of dematerialized shares, the dividend will be payable to "Beneficial Owners" of the Equity Shares whose names appear in the Statement of Beneficial Ownership, as at the close of Business hours on 25th September, 2010 furnished by the NSDL and CDSL.
4. Members whose shareholding is in Electronic mode are requested to direct change of address notifications and updation of Saving Bank Account details to their respective Depository Participants.
5. Members are requested to address all correspondence including dividend matters, to the Registrar and Share Transfer Agent **M/s. Beetal Financial & Computer Services (P) Ltd.** at the following address:
Beetal House, IIIrd Floor,
99 Madangir, Behind Local Shopping Complex,
Near Dada Harsukh Das Mandir,
New Delhi - 110 062
All documents referred to in the Notice are open for inspection at the registered office of the Company on all working days, except holidays between 11.00 A.M. to 1.00 P.M. upto date of the Annual General Meeting.

ANNEXURE TO NOTICE

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

ITEM NO. 6

Mrs Rakesh Verma, was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 13th August, 2010 under Section 260 of the Companies Act, 1956 and who holds office upto the conclusion of this Annual General Meeting. The company has received a notice from a member, proposing her candidature for the office of a Director under the provisions of Section 257 of the Companies Act, 1956.

Except Mrs Rakesh Verma, none of the Directors is concerned or interested in the resolution.

Delton Cables Limited

ITEM NO. 7

Sh. Vivek Gupta was appointed as Executive Director of the Company for a period of 5 years w.e.f. 1st August 2005, and re designated as Joint Managing Director of the Company in the Annual General Meeting held on 28th September, 2007. His present tenure ends on 31st July, 2010. The Remuneration Committee and the Board of Directors have, at their Meetings, held on 31st May, 2010 re-appointed Sh. Vivek Gupta as Joint Managing Director of the Company for a further period of 5 years effective from 1st August, 2010.

Sh. Vivek Gupta has contributed immensely towards the growth and development of the company. Keeping in view the knowledge, experience, qualification and long association of Shri Vivek Gupta with the company the board recommends his re-appointment.

The total remuneration proposed to be paid to Mr. Vivek Gupta alongwith other directors is in excess of remuneration permitted under the provisions of Schedule XIII of the Companies Act, 1956. The approval of the shareholders and the Central Government are required in case the conditions provided in schedule XIII are not satisfied.

Except Sh. V.K. Gupta and Shri Vivek Gupta, none of the other Directors of the company is in any way interested or concerned in the accompanying resolution.

ITEM NO. 8

Mrs Rakesh Verma is a senior Chartered Accountant having diversified experience in various industries. She was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 13th August, 2010. Considering her vast experience and professional qualification, the Board of Directors in their meeting held on 13th August, 2010 appointed Mrs Verma as Whole Time Director of the company w.e.f. 1st October, 2010 subject to the approval of the members in the ensuing Annual General Meeting.

The total remuneration proposed to be paid to Mrs. Rakesh Verma alongwith other directors is in excess of remuneration permitted under the provisions of Schedule XIII of the Companies Act, 1956. The approval of the shareholders and the Central Government are required in case the conditions provided in schedule XIII are not satisfied.

Your Directors recommend passing of the aforesaid special resolution.

Except Mrs Rakesh Verma, none of the other Directors of the company is in any way interested or concerned in the accompanying resolution.

ITEM NO. 9

Sh. V. K. Gupta was appointed as Managing Director of the Company by the Board of Directors on 1st June 2006 for the period of 5 (Five) years on such terms and conditions as agreed between Sh. Gupta and the Company. The shareholders in Annual General Meeting held on 23rd September 2006 approved the appointment and terms of Remunerations being payable to Sh. Gupta during the tenure of Managing Director.

Sh. Gupta is associated with Company since last 42 years and has wide experience in Cable Industry. During his association with Company, the Company has achieved high growth in terms of turnover and profitability. His remuneration was last revised by the members in the Annual General Meeting of the Company held on 30th September, 2008. Considering the current remuneration levels in the industry and responsibilities shouldered by him, the Remuneration Committee and the Board of Directors in their meetings held on 31st May, 2010 have recommended revision in the remuneration of Sh. Gupta, for the remaining tenure of Chairman and Managing Director of the Company w.e.f. 1st July 2010 subject to the approval of the members of the Company and other authorities including Central Govt. as may be required. The proposed revised remuneration of Sh. Gupta is as mentioned below :

1. Remuneration

- a. Basic Salary of Rs. 2,00,000/- (Rupees Two Lacs) per month.
- b. Management Allowance of Rs. 50,000/- (Rupees Fifty Thousand) per month.

- c. Entitlement of other Perquisites such as House Rent Allowance, Leave Travel Allowance, Medical benefits, Provident Fund, Superannuation, Gratuity, Leave and such other Benefits as per Company's Rules, as shown in Para 2.

2. Perquisites

- i. Housing Accommodation : The Company will provide furnished accommodation, or HRA in lieu thereof at 50% of basic salary, as per policy.
- ii. Car : One Car with chuffer shall be provided for official purpose as per Company's policy.
- iii. Medical : Reimbursement at actual as per Company's policy upto maximum of Rs. 36,000/- per annum.
- iv. Gas Electricity & Water : reimbursement at actual as per Company's policy upto maximum of Rs. 18,000/- per annum.
- v. Leave Travel Allowance : Rs. 96,000/- per annum for self and family.
- vi. Telephone : He will be provided one landline and one cellular phone. The company will pay rental & usage expenses.
- vii. Club Membership : Reimbursement of Club Membership Fees.
- viii. Provident Fund, Gratuity, Superannuation and hospitalization insurance as per the policy of the Company.

All other terms and conditions of the appointment of Sh. V K Gupta as setout and approved by the members on 23rd September 2006 remain unchanged.

The total remuneration proposed to be paid to Mr. V.K. Gupta alongwith other directors is in excess of remuneration permitted under the provisions of Schedule XIII of the Companies Act, 1956. The approval of the shareholders and the Central Government are required in case the conditions provided in schedule XIII are not satisfied.

Except Sh. V.K. Gupta and Shri Vivek Gupta, none of the other Directors of the company is in any way interested or concerned in the accompanying resolution.

Approval of Members for the aforementioned revision of remuneration is sought and members are requested to approve the resolution.

This Explanatory Statement in respect of resolutions at item No 7 to 9 together with the accompanying Notice may also be regarded as an Abstract and Memorandum under Section 302 of the Companies Act, 1956.

Item No. 10

The main business of the Company is to manufacture and selling of Wires, Cables and Switchgears. The aforesaid business would remain focused business of the Company. The Company has about 35 acres of land at Dharuhera to be used for residential and commercial purposes. At present the land is lying vacant. In order to increase the revenue streams of the Company, your Company is exploring options to carry out developmental activities for the best utilization of the abovesaid land in near future either its own or through its subsidiaries/joint ventures or in any other manner. Approval of the Company is being sought by means of special resolution.

None of the Directors of the Company is concerned or interested in this resolution.

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

Place: New Delhi,
Date : August 13, 2010

P. C. Joshi
Company Secretary

Delton Cables Limited

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 45th Annual Report together with the Audited Accounts for the year ended 31st March, 2010.

Financial Results

	(Rs. in Lacs)
	2009-2010
Gross Sales	15096.56
Less : Excise	976.21
Net Sales	14120.35
Other Income	34.26
Total Expenditure	13872.83
Profit / (Loss) Before Tax	281.78
Less : Provision for Income Tax	101.50
Less : Deferred Tax Asset Charge/(Release)	(4.01)
Less : Provision for Wealth Tax	0.32
Less : Adjustment of taxes for earlier years	0.26
Net Profit / (Loss)	183.71

Performance

During the year under review, your company has achieved a turnover of Rs. 15096.56 lacs as against Rs. 18151.61 lacs in the previous year. During the year the management strategy was to focus on profitable business and the company has not participated in the lower margin business. Due to adverse market conditions, turnover has declined by 16.83%, but your company has managed to improve operational profit to Rs. 281.78 lacs as against Rs. 56.81 lacs in the previous year. The Net Profit after tax for the year has marginally increased to Rs. 183.71 lacs against Rs. 174.98 lacs in the previous year.

Dividend

Your Directors are pleased to recommend 10% Equity Dividend i.e., Re. 1.00 per share on the Paid up Equity Share Capital of the Company for the year 2009-10. Total dividend (including dividend tax) will absorb Rs. 33,69,456/- out of the profits available for the year 2009-10.

Future Outlook

During the year 2009-10 the Indian Economy witnessed recovery from the global slowdown with strong domestic consumption and demand. Indian Cable and Wire industry playing a major role in infrastructure, power and communication sectors is expected to grow at appx. 10% annum. However, due to intense competition and volatility of input costs, the margin in cable and wire products is likely to be reduced further. However, your company with an experience of 50 years in the industry and a trusted name for high quality products is fully prepared to face the future challenges. Your directors are committed to strive for achieving better performance in the current financial year.

Human Resources

The company recognise the value of committed workers at all levels as a key factor for the growth of the company. Measures for training, development, safety of the employees and environmental awareness received the top priority of the Management. Employer-employee relations throughout the year remained cordial.

Quality Policy / Certification

The company is always committed to provide consistent good quality products to its customers world wide. Your Management on its part is also fully committed to further improve quality and provides all inputs and resources to achieve this goal.

Your company is certified for ISO9001:2008 in quality.

Directors

Shri S.S. Malhotra Director of the Company retiring by rotation at the ensuing Annual General Meeting expressed his inability for re-appointment. Your Directors place on record the valuable contribution made by him during his tenure.

Shri A. Karati, Directors of the Company, retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

Mrs Rakesh Verma has been appointed as an Additional Director of the Company w.e.f. 13th August, 2010 to hold office upto the date of the ensuing Annual General Meeting and being eligible for appointment at the ensuing Annual General Meeting.

The five years term of Shri Vivek Gupta, Joint Managing Director is expiring on 31st July, 2010. The Board of Directors has recommended his re-appointment for a period of five years w.e.f. 1st August, 2010. The matter is being put up before the members of the company at the ensuing Annual General Meeting for their approval.

The Board of Directors in their meeting held on 13th August, 2010 resolved to appoint Mrs Rakesh Verma as Whole Time Director w.e.f. 01.10.2010. The matter is being put up before the members of the company at the ensuing Annual General Meeting for their approval.

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:

- in the preparation of the accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- 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;
- 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
- that the Directors have prepared the accounts for the financial year ended 31st March 2010 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

The Auditors in their report, have drawn attention to note No. B-2 of Schedule 17 to the Balance Sheet of the Company regarding the Opinion on the Recoverability. In this reference the management stated that there is one case pending before the Hon'ble High Court. In other matters, the company has filed criminal complaints for recovery of amount of bounced cheques under section 138 of Negotiable Instruments Act.

The company is following the process of recovery of the amount from the parties in above cases. Management considers these debts good for recovery.

Personnel

The information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 forms part of this report as Annexure-I.

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 2010-11. 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.

Delton Cables Limited

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-II.

Listing of Shares

Your company's 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 2010-11 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 Banks, Central and State Government Bodies, Auditors and Legal Advisors for their co operation 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: August 13, 2010

V.K. GUPTA
Chairman & Managing Director

ANNEXURE-I TO DIRECTORS' REPORT

Statement under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 and forming part of the Directors' Report for the year ended March 31, 2010.

(i) Employed throughout the year and in receipt of remuneration in aggregate of not less than Rs. 24,00,000/- per annum

Name	Age (Years)	Total Remuneration (Rs.)	Designation	Educational Qualification	Experience in years	Date of Appointment	Nature of Employment	Previous Employment
Sh. V. K. Gupta	71	25,65,654/-	Chairman & Managing Director	Technical knowledge & Practical Experience	53	01.09.1969	Contractual	N. A.

ANNEXURE-II TO DIRECTORS' REPORT

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. Conservation of Energy

- 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.
- Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
No major investments proposed during the year.
- 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 ascertainable.
- 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)

- Specific areas in which R & D efforts have been put in by the Company are:
The Company is a manufacturing organization and is not engaged in any major Research and Development activity. However, continuous efforts are made to improve quality and efficiency and to develop new product.
- Benefits derived as a result of the above R & D:
Improvement in quality and cost reduction.
- 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.
- Expenditure on R & D : NIL

Technology Absorption, Adaptation and Innovation

- 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.
- Benefits derived as a result of the efforts:
Quality improvement, cost reduction, product development and better consumer satisfaction.
- Technology imported during the last 5 years : NIL

C. Foreign Exchange Earnings and Outgo:

- 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.
- Total foreign exchange used and earned:

	Rupees in Lacs
(i) Earning by way of	
(a) Exports (FOB)	65.01
(ii) Outgo by way of imports	
(a) CIF Value of imports	803.01
(b) Travelling	2.20
(c) Sales Promotion	0.68
(d) Subscription	1.35
(e) Interest on LC and Buyer Credit	6.78
(f) Others	2.14

For & on behalf of the Board of Directors

Place : New Delhi
Date : August 13, 2010

V.K. GUPTA
Chairman & Managing Director

AUDITORS' 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, 2010** 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) **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. 10,173,725 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, 2010**;
 - 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

For **S.R. DINODIA & CO.**,
Chartered Accountants,
Regn. No. 01478N

(**SANDEEP DINODIA**)
Partner
M.NO. 083689

Place : NEW DELHI
Dated : May 31 2010

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.
- ii) (c) No substantial part of fixed assets has been disposed off during the year.
- (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.