

Delton Cables Limited

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**ANNUAL REPORT
2012-2013**

Delton Cables Limited

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NOIDA

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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

S.S. MALHOTRA

COMPANY SECRETARY

PANKAJ MITTAL

BANKERS

CANARA BANK

PUNJAB NATIONAL BANK

BARCLAYS BANK

THE FEDERAL BANK LIMITED

AUDITORS

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

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REGISTERED & HEAD OFFICE

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Web Site : www.deltoncables.com

Delton Cables Limited

NOTICE

NOTICE is hereby given that the 48th Annual General Meeting of the Members of Delton Cables Limited will be held on Monday, the 30th September, 2013 at 11:00 A.M. at Delton Hall, I.E.T.E 2, Institutional Area, Lodi Road, New Delhi - 110003, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijay Kumar Goel, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. Karati, 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 Mr. S. S. Malhotra who was appointed as an Additional Director of the Company by the Board of Directors under section 260 of the Companies Act, 1956 on 8th February, 2013 and who holds office upto the date of this Annual General Meeting and in respect of whom the company has received a notice in writing proposing his candidature for the office of Director under section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY 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, Sh. S. S. Malhotra be and is hereby appointed as a Whole Time Director of the Company, liable to retire by rotation, for a period of 3 years w.e.f. 8th February, 2013, on the remuneration and terms and conditions as set out herein:-

Basic Salary	-	Rs.18,000/- (Rs. Eighteen Thousand only) per month
House Rent Allowance	-	Rs. 9,000/- (Rs. Nine Thousand only) per month
Other Allowances	-	Rs. 9,000/- (Rs. Nine Thousand only) per month

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. S. S. Malhotra 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 at total remuneration Rs. 36,000/- (Rupees Thirty Six Thousand Only) per month.

"FURTHER RESOLVED THAT in the event of absence of or inadequacy of profits in any financial year, the remuneration payable to Sh. S. S. Malhotra shall be subject to the provisions prescribed under the Companies Act, 1956 and the Rules made thereunder or any statutory modification(s) or re-enactment thereof."

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

"RESOLVED THAT in modification of Resolution passed at the 33rd Annual General Meeting of the Company, the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and all 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 to secure the borrowings of a sum not exceeding Rs. 150 Crores (Rupees One Hundred Fifty Crores Only) outstanding at any time as loans from Banks, Financial Institutions or elsewhere.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable to give effect to this Resolution."

By Order of the Board

Place : New Delhi
Date : 14th August, 2013

(**Pankaj Mittal**)
Company Secretary

NOTES:

1. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2013 to 30th September, 2013 (both days inclusive).
3. Members are requested to:-
 - i) Intimate the Registrar and Share Transfer Agent or the Company regarding any change in the addresses

Delton Cables Limited

or mandates and 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.

- ii) Bring their attendance slip along with copy of Annual Report at the Annual General Meeting.
- iii) Send their queries, if any relating to the Accounts of the Company at least 10 days before the Annual General Meeting.

4. 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.

5. 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.

6. No Gifts/ Vouchers/ Pack shall be distributed at Meeting.

7. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued Circular Nos. 17/2011 & 18/2011 dated April 21, 2011 and April 29, 2011 respectively stating that service of notice/ documents including Annual Reports can be sent by e-mail to its members.

The Listing Agreement with Stock Exchanges, amended recently, now requires a company to send soft copies of the full Annual Report containing its Balance Sheet, Profit & Loss Account and Directors' Report to all those Shareholders who have registered their email address for the purpose.

In connection with the same, Shareholders are requested to provide their latest/updated email address on which Annual Report and Accounts and other documents can be sent since next financial year to save paper and cost.

Shareholders holding shares in demat mode, are requested to register their e-mail id with the concerned Depository Participant. The Shareholders holding shares in physical mode, are requested to register their e-mail id with Beetal Financial & Computer Services (P) Ltd. (RTA) by sending a request letter duly signed by first/sole shareholder (attached in Annual Report).

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

Item No.5 & 6

Sh. S. S. Malhotra is associated with the company for long time. He is a B.Sc. Engineering (Electrical). He is having rich and varied experience in various areas of operations of the Company viz. of manufacturing, production, industrial relations and administrative matters.

Keeping in view the qualification, experience and long association of Sh. S. S. Malhotra with the Company, the Board of Directors in their meeting held on 8th February, 2013 appoint him as an Additional Director as well as Whole Time Director of the Company liable to retire by rotation. The terms and conditions of the appointment are set out in the resolution, which is in conformity with the provisions of Schedule XIII to the Companies Act, 1956. Pursuant to the provisions of Section 260 of the Companies Act, 1956 Sh. S. S. Malhotra holds office of Director upto the date of this Annual General Meeting. The Company has received a notice from a member in pursuance of Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Sh. S. S. Malhotra as Director of the Company, alongwith the deposit of Rs. 500/- (Rs. Five Hundred only) which shall be refunded to the concerned member, if Sh. S.S. Malhotra is elected as Director.

The Board of Directors in the same meeting has also appointed Sh. S. S. Malhotra as an Occupier of all the four units situated at Najafgarh Road, Faridabad, Dharuhera and Noida.

Therefore, your directors recommend for resolution(s) for your approval. None of the Directors, except Sh. S. S. Malhotra, to the extent of his appointment, shall be deemed to be concerned or interested in the resolution(s).

The resolution given in the notice may be treated as the abstract of the terms of appointment of Sh. S. S. Malhotra as the Whole Time Director of the Company under Section 302 of the Companies Act, 1956.

Item No. 7

The Board of Directors of the Company were authorized and empowered by the shareholders vide Special Resolutions passed at 33rd Annual General Meeting of the Company held on 25th September, 1998, to borrow in excess of aggregate of the paid up share capital and free reserves provided total borrowings should not exceed Rs.40 crores at any time and were authorized for creating charge or mortgage on the Company's property/ undertakings under section 293(1)(a) of the Companies Act, 1956.

The Board of Directors of the Company were further authorized and empowered by the Shareholders vide Special Resolution passed at 43rd Annual General Meeting of the Company held on 30th September, 2008 to borrow in excess of aggregate of the paid up share capital and free reserves provided that total borrowings should not exceed Rs.150 crores at any time but were not authorized for creating charge or mortgage on the Company's property/ undertakings beyond Rs.40 crores under section 293(1)(a) of the Companies Act, 1956.

Therefore, having regards to enhanced need of borrowings, item no.7 is hereby proposed to be passed as Special Resolution for giving authorization to the Board of Directors to borrow upto a maximum of Rs.150 crores in place of earlier limit of Rs.40 crores 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.

Place : New Delhi
Date: 14th August, 2013

By Order of the Board
Pankaj Mittal
Company Secretary

Delton Cables Limited

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 48th Annual Report together with the Audited Accounts for the year ended 31st March, 2013.

Financial Results

	(Rs. in Lacs) 2012-2013
Gross Sales	12707.52
Less : Excise	1093.31
Net Sales	11614.21
Other Income	67.18
Total Income	11681.39
Total Expenditure	11866.89
Profit / (Loss) Before Exceptional Item and Tax	(185.50)
Add : Exceptional Item*	(203.65)
Profit/ (Loss) Before Tax	(389.15)
Less : Income Tax	
Less : Deferred Tax	(119.95)
Less : Adjustment of taxes for earlier years	11.31
Net Profit / (Loss)	(280.51)

*The above Exceptional Item includes arrears of rent of Rs.1.60 cr. payable in 18 EMIs to landlords for rented Najafgar unit as per Hon'ble High Court Order Settlement agreement dated 15.4.2013 and arrears of wages of Rs.42 lacs payable in 24 EMIs to workers as per Hon'ble Supreme Court order dated 15.3.2013(Also Refer Note no.26 of Balance Sheet).

Performance

You would see that the performance of this year is not satisfactory for various reasons, which, inspite of best efforts of the management, could not be controlled. The cable industry, as a whole, was subject to severe recession owing to worldwide slowdown. The Company achieved the Gross Sale of Rs.12,707.52 lacs as compared to previous year's Rs.15,295.46 lacs. The decline in turnover was mainly due to low volume of orders from power, telecom, railways, infrastructure, etc. Besides, domestic demand was also not upto the mark. Some new products like MCCB and Modular Switches were introduced in the end of the year and their impacts will be felt in the current year.

Due to lower sales realizations, the gross profit margin remained under pressure. It has ultimately resulted in a net loss of Rs.280.51 lacs as compared to the profit of Rs.181.13 lacs of the previous year. The financial cost has gone up by Rs.12.66 lacs during the year.

The Management is making strenuous efforts to control the cost, particularly in consumption of energy, stores and spares, etc. Ongoing efforts are there to reduce the financial and administrative expenses. The efforts are also being made to increase the marketing strength so as to achieve good orders in the current year. Nevertheless, the Company's products have to face stiff competition.

Dividend

Due to the loss in the year, the Board of Directors has not proposed any dividend for the year ending 31st March, 2013.

Outlook

Indian Wire and Cable industry will be contributory in growth of industrial sector owing to huge investment in development of infrastructure by the government and private players. However, intense competition in markets and increasing cost of raw materials will be the challenging factors. Your Company has coveted experience in manufacturing of wires and cables and competent to face the challenges. The Company is exploring the new markets in India and outside. The Company expects better results in coming years under normal conditions.

Human Resources

Human resources are an integral and important part for the Company. Your Company has put in place sound policies for its employees. Further, it took various steps to provide training and development opportunities to the employees to enhance their skills and knowledge. Employer-employee relations throughout the year remained very cordial.

Quality Policy / Certification

Your Company's Mission is 'SUCCESS OF ITS CUSTOMERS'. Your Company is always committed to provide good quality products consistently to its customers worldwide. 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

Mrs. Rakesh Verma had resigned as Director of the Company on 17th December, 2012.

Shri Vijay Kumar Goel and Shri A. Karati, Directors are retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Shri S. S. Malhotra was appointed as an Additional Director and the Whole Time Director of the Company by the Board of Directors in their meeting held on 08th February, 2013. The Company has received a notice under section 257 of the Companies Act, 1956 proposing his appointment as a Director,

liable to retirement by rotation. The proposal for his appointment as a Whole Time Director is mentioned in the notice of the Annual General Meeting for the consideration of the Shareholders.

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, 2013, the applicable Accounting Standards have been followed;
- 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 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, 2013 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.

Green Initiative

Your Company follows the policy and law of the Ministry of Corporate Affairs in respect of 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the Companies under its Circular Nos.17/2011 & 18/2011 dated April 21, 2011 and April 29, 2011 respectively, allowing the despatch of notice / documents, including Annual Reports, etc., through e-mail to its members. Similarly, the amended Listing Agreement facilitated to send soft copies of the full Annual Report, containing its Balance Sheet, Statement of Profit & Loss and Directors' Report to all those Shareholders, who have registered their email address for the purpose.

The Board has decided to approach Shareholders to obtain their latest/ updated e-mail address on which Annual Report and Accounts and other documents can be sent since next financial year to save paper and cost. Your cooperation is solicited.

Reply to Observation of the Auditors

With respect to the Auditors' observation in their report dated 30th May, 2013, the subject note is self-explanatory.

Personnel

None of the Employee of the Company has received remuneration beyond the limits, as prescribed in Sub-section 2A of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

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 2013-14. 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.

Applicability of Clause 49 of the Listing Agreement

In terms of SEBI Circular No.SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004, Clause 49 of the Listing Agreement is not applicable to the Company. Hence, Management Discussion and Analysis Report and Corporate Governance Report have not been inserted in the Annual Report.

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 2013-14 has already been paid to the Stock Exchanges.

Acknowledgement

Your Directors wish to record their warm appreciation for the valuable cooperation and support received from all the customers and suppliers, various Banks, Central and State Government Bodies, Auditors and Legal Advisors and other persons concerned with your Company. 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 : 14th August, 2013

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 ascertainable.
- 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:
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.
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 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)	:	220.18
(ii) Outgo by way of imports		
(a) CIF Value of imports	:	899.66
(b) Travelling	:	21.70
(c) Foreign bank Charges	:	0.33
(d) Interest on LC and buyer credit	:	13.18
(e) Others	:	

For & on behalf of the Board of Directors

Place : New Delhi
Date : 14th August, 2013

V. K. Gupta
Chairman & Managing Director

INDEPENDENT AUDITORS' REPORT

To The Board of Directors

M/S DELTON CABLES LIMITED

1. We have audited the accompanying financial statements of **M/S DELTON CABLES LIMITED, ("the Company")**, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended 31st March, 2013; and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013; and
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") 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.

As required by section 227(3) of the Act, 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on 31st March 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.
- g. Attention is invited to the following:
 - i) *We are unable to express an opinion on the recoverability or otherwise and the consequential effect if any, on the statement of profit and loss in respect of old outstandings aggregate to Rs. 10,173,725 due from the customers and included under the head sundry debtors over six months unsecured and considered good in Note 15 of Financial Statement.*

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

(SANDEEP DINODIA)
Partner
M. No. 083689

Place : New Delhi
Dated : 30 May, 2013

Delton Cables Limited

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.
- vi) In our opinion, and according to the information and explanations given to us, the company has not accepted any deposit within the meaning of section 58A, 58 AA and the other relevant provisions of the Companies Act, 1956 and rules framed there under.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of accounts 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 Companies Act, 1956 and are of the opinion that, prime facie, the prescribed accounts and records have been made and maintained. But, we were not required to carry out and have not carried out any detailed examination of such records and account.
- ix) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the Appropriate Authorities except Employees Deposit Linked Insurance.
(b) According to information and explanation given to us, no undisputed amount of statutory dues were outstanding as at last day of the financial year for a period more than six months from the date on which they became payable except Employees Deposit Linked Insurance amounting to Rs. 150,000.
(c) According to information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, cess, which have not been deposited on account of any dispute, except as follows:-

Statement of Disputed Dues

Name of the Statute	Nature	Amount (Rs.)	Period to which the amount relates (Assessment Year)	Forum where dispute is pending
Sales Tax Law	Sales Tax	33,168	1980-81	High Court
		42,216	1981-82	-do-
		6,030	1982-83	-do-
		43,676	1989-90	Sales Tax Tribunal
		21,168	1990-91	-do-
		2,551,867	1999-00	Joint Com. (Appeal)
		1,446,868	2000-01	-do-
		289,668	2005-06	-do-
		318,029	2007-08	Excise & Taxation Comm. (Appeal)
		755,411	2007-08	Joint Com. (Appeal)
		2,518,755	2006-07	Joint Com. (Appeal)
		2,003,739	2007-08	Joint Com. (Appeal)
		2,998,425	2006-07	Joint Com. (Appeal)
		497,951	2008-09	Joint Com. (Appeal)
		1,266,181	2006-07	Joint Com. (Appeal)
		314,037	2008-09	Joint Com. (Appeal)
Local Area Development Tax	LADT	167,929	2009-10	Joint Com. (Appeal)
		1,356,877	2008-09	Joint Com. (Appeal)
		806,460	2000-01	Joint Com. (Appeal)
		3,889,683	2001-02	-do-
Excise Law	Excise case	1,036,364	2004-05	-do-
		1,029,000	2011-12	Customs, Excise and Service tax Appellate Tribunal, New Delhi

Delton Cables Limited

- x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xi) On the basis of information and explanation provided by the management and test checked by us, the company has not made any default in the repayment of dues to the financial institutions and banks.
- xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, during the year under audit.
- xiii) In our opinion, the company is not a chit fund or nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors Report) Order, 2003 are not applicable to the company.
- xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4(xiv) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- xv) On the basis of information and explanation provided, the company has not given guarantee for loans taken by others from the banks during the year.
- xvi) The term loan was applied for the purposes for which the loan was obtained.
- xvii) On the basis of information and explanation given to us and on an overall examination of the balance sheet, we report that during the year there are no funds raised by the company on short-term basis, which have been used for long term investment.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix) During the period covered by our audit report, the company has not issued any debentures.
- xx) The company has not raised any money by public issues during the year.
- 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, during the year we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

For **S.R. DINODIA & CO.,**
Chartered Accountants
Regn. No. 001478N

(SANDEEP DINODIA)
Partner
M. No. 083689

Place : New Delhi
Dated : 30 May, 2013