

34th ANNUAL REPORT 1998-99

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Delton Cables Limited

AN ISO 9002 COMPANY

Delton Cables Limited**BOARD OF DIRECTORS**

RAM KUMAR GUPTA
(Chairman & Managing Director)

V.K. GUPTA
(Managing Director)

BHUSHAN KUMAR GUPTA

VIJAY KUMAR GOEL

M.P. MEHROTRA

A. KARATI

RAVINDER NARAIN

L.B. RUNGTA

A.B. GERSAPPE

VIVEK GUPTA
(Executive Director)

COMPANY SECRETARY

VINAY SHUKLA

BANKERS

CANARA BANK

STATE BANK OF BIKANER & JAIPUR

THE BENARES STATE BANK LTD.

AUDITORS

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

REGISTERED & HEAD OFFICE

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DELTONCABLES@VSNL.COM
Web Site : WWW.DELTON CABLES.COM

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WORKS

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Faridabad, Haryana
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Fax: 91-288220

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

NOTICE

NOTICE IS HEREBY GIVEN that the **Thirty Fourth Annual General Meeting** of the Members of **Delton Cables Limited** will be held on **Thursday, the 30th September, 1999** at **1100 Hours** at **Delton Hall, I.E.T.E. 2, Institutional Area, Lodi Road, New Delhi - 110 003** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend for the year ended 31st March, 1999.
3. To appoint a Director in place of Shri Bhushan Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri L.B. Rungta, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Ravinder Narain, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint the Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

7. (As Special Resolution)

"RESOLVED THAT Pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, consent of the Shareholders be and is hereby granted by way of special resolution for the re-appointment of Shri Ram Kumar Gupta as Chairman & Managing Director of the Company for a further period of five years w.e.f. 1st June 1999 on the terms and conditions including remuneration as are set out in the agreement, entered into between the Company and Shri Ram Kumar Gupta and is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement in such manner, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto."

"RESOLVED FURTHER THAT in the event of Loss or inadequacy of profits in any financial year of the Company during his respective term of office as the Chairman & Managing Director, the remuneration and perquisites set out in the aforesaid draft agreement be paid as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances for the said Director, shall not exceed the ceiling of Rs. 8,64,000 per annum or Rs. 72,000 per month or any limits specified under Section II of part II of Schedule XIII to the Companies Act, 1956 or any amendment thereof."

8. (As 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 and subject to the approval of the Central Government and/or any other approval(s), approval of the Company be and is hereby accorded in supersession of earlier resolution passed by the Company for increase of remuneration of Shri Ram Kumar Gupta, Chairman and Managing Director for remaining period of his tenure w.e.f. 1.10.1999 as below:

Salary : Rs. 1,00,000 - 10,000 - 1,50,000 per month.

Perquisites: Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost in other cases) like but not limited to the benefit of Company's\hired accommodations (furnished/otherwise), gas, electricity, water, furnishing, club Fees, personal accident insurance, use of car and telephone, medical reimbursement, leave and leave travel concession, education benefits, provident fund, Superannuation fund and gratuity as per the rules of the Company but not exceeding an amount equal to 100% of the monthly salary.

In case accommodation is not provided, a house rent allowance upto a maximum of 60% of the monthly salary shall be provided.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year, the above said remuneration including perquisites shall be paid as minimum remuneration.

AND FURTHER RESOLVED THAT Board of Directors be and is hereby authorised to accept any modification and/or amendments made by the Central Government and/or any other authority(ies) and to alter, revise or modify from time to time, salary and perquisites within the overall ceiling of remuneration as above and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

9. (As 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 and subject to the approval of the Central Government and/or any other approval(s), approval of the Company be and is hereby accorded in supersession of earlier resolution passed by the Company for increase of remuneration of Shri V.K. Gupta, Managing Director for remaining period of his tenure w.e.f. 1.10.1999 as below:

Salary : Rs. 90,000 - 10,000 - 1,40,000 per month.

Perquisites: Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost in other cases) like but not limited to the benefit of Company's\hired accommodations (furnished/otherwise), gas, electricity, water, furnishing, club Fees, personal accident insurance, use of car and telephone, medical reimbursement, leave and leave travel concession, education benefits, provident fund, Superannuation fund and gratuity as per the rules of the Company but not exceeding an amount equal to 100% of the monthly salary.

In case accommodation is not provided, a house rent allowance upto a maximum of 60% of the monthly salary shall be provided.

Delton Cables Limited

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10. (As 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 and subject to the approval of the Central Government and/or any other approval(s), approval of the Company be and is hereby accorded in supersession of earlier resolution passed by the Company for increase of remuneration of Shri Vivek Gupta, Executive Director for remaining period of his tenure w.e.f. 1.10.1999 as below:

Salary : Rs. 80,000 – 10,000 – 1,30,000 per month.

Perquisites: Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost in other cases) like but not limited to the benefit of Company's\hired accomodations (furnished/otherwise), gas, electricity, water, furnishing, club Fees, personal accident insurance, use of car and telephone, medical reimbursement, leave and leave travel concession, education benefits, provident fund, Superannuation fund and gratuity as per the rules of the Company but not exceeding an amount equal to 100% of the monthly salary.

In case accommodation is not provided, a house rent allowance upto a maximum of 60% of the monthly salary shall be provided.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year, the above said remuneration including perquisites shall be paid as minimum remuneration.

AND FURTHER RESOLVED THAT Board of Directors be and is hereby authorised to accept any modification and/or amendments made by the Central Government and/or any other authority(ies) and to alter, revise or modify from time to time, salary and perquisites within the overall ceiling of remuneration as above and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective, must be received at the Registered office of the Company not less than 48 hours before the time of the meeting.

3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto and is a part of the notice.
4. Register of Members and Shares Transfer Books of the Company will remain closed from 27th August, 1999 to 31st August, 1999 (both days inclusive).
5. Dividend, if any, declared at the meeting will be payable to the Members whose names appear in Register of Members of the Company at the close of business hours on 31st August, 1999.
6. Members are requested to :
 - i) intimate the company regarding any change in the addresses or mandates.
 - ii) approach the company for consolidation of folios, if shares are held in multiple folios.
 - iii) furnish Bank Account details for avoidance of instance of fraudulent encashment of dividend warrants.
 - iv) bring their attendance slip alongwith copy of Annual Report at the Annual General Meeting.
 - v) send their queries, if any, relating to the Accounts of the company at least 10 days before the Annual General Meeting.
7. Pursuant to Section 205A of the Companies Act, 1956 unclaimed/unpaid dividend upto 31st March, 1994 have already been transferred to the General Revenue Account to the Central Government. Shareholders who have not encashed the dividend warrants for the said periods are requested to claim the amount from Registrar of Companies NCT of Delhi & Haryana, Paryavaran Bhawan, CGO Complex, New Delhi.
As per new Section 205C, the unclaimed/unpaid dividend for 1994-95 onwards will be deposited by the Company in the investor Education and Protection Fund upon elpse of seven years, as prescribed.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956

Item No. 7

Shri Ram Kumar Gupta, Chairman and Managing Director, was re-appointed w.e.f. 1.6.99 at the Board Meeting held on 24.4.99. However, since, age of Shri Ram Kumar Gupta is 80 years, resolution for his re-appointment on following terms and conditions are commend for shareholders approval by way of special resolution as per Schedule XIII :

Name & Designation: Shri Ram Kumar Gupta, Chairman & Managing Director.

Period : From 1st June, 1999 to 31st May, 2004.

Remuneration:

1. Salary : Rs. 50,000/- per month.
2. Perquisites: Classified into three Categories A, B & C.

Category A

a) Housing:

Expenditure on hiring unfurnished rented accommodation in Delhi.

The expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per the Income-Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of Shri Ram Kumar Gupta.

b) Medical Reimbursement :

Medical expenses incurred for self and his family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

c) Leave Travel Concession :

For self and his family once in a year incurred in accordance with the rules of the Company.

d) Club Fees :

Fee of clubs, subject to a maximum of two clubs, not including admission and life membership fees.

e) Personal Accident Insurance :

Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 4000/-.

Category B

Company's contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent not taxable under the Income-Tax Act, 1961.

Gratuity payable shall not be exceed half a month's salary for each completed year of service.

Category C

The Company shall provide a car with driver, and telephone at the residence of Shri Ram Kumar Gupta. Provisions of a car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to Shri Ram Kumar Gupta.

OTHER TERMS

- i. Shri Ram Kumar Gupta shall be entitled to reimbursement of all actual expenses, including entertainment and travelling, incurred in the course of the Company's business.
- ii. Shri Ram Kumar Gupta shall be entitled to fully paid leave of 30 days for every eleven months completed service.

The terms and conditions of appointment as set out in the draft agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, in its discretion deem fit, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), or any amendments made thereto. Copy of Draft Agreement is available for inspection at the Registered Office of the Company between 10.00 AM to 1.00 PM on working days. This may be treated as notice u/s 302 of the Companies Act, 1956.

Except Shri Ram Kumar Gupta, himself and Shri V.K. Gupta and Shri Vivek Gupta being relatives of Shri Ram Kumar Gupta, no other Director is interested in or concerned with the proposed resolution.

Item Nos. 8, 9 & 10

Sh. Ram Kumar Gupta, Chairman & Managing Director, Shri V.K. Gupta, Managing Director and Shri Vivek Gupta, Executive Director were re-appointed for a period of five years w.e.f. 1.6.1999, 1.6.1996 and 1.8.1995 respectively. Keeping in view, their contribution to the growth of the Company, the Board of Directors recommend revision of their remuneration including perquisites for their remaining terms of services w.e.f. 1.10.1999.

The remuneration proposed for above managerial personnels are set out below :

Salary :

Sh. Ram Kumar Gupta, Chairman & Managing Director : from Rs. 50,000 per month to Rs. 100,000 - 10,000 - 150,000 per month

Sh. V.K. Gupta, Managing Director : from Rs. 40,000 per month to Rs. 90,000 - 10,000 - 1,40,000 per month.

Sh. Vivek Gupta, Executive Director : from Rs. 30,000 per month to Rs. 80,000 - 10,000 - 1,30,000 per month

Perquisites: Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost in other cases) like but not limited to the benefit of Company's hired accommodations (furnished/otherwise), gas, electricity, water, furnishing, club Fees, personal accident insurance, use of car and telephone, medical reimbursement, leave and leave travel concession, education benefits, provident fund, Superannuation fund and gratuity as per the rules of the Company but not exceeding an amount equal to 100% of the monthly salary.

In case accommodation is not provided, a house rent allowance upto a maximum of 60% of the monthly salary shall be provided.

Company's contribution to Provident Fund, Superannuation, gratuity and leave travel concession, shall not be included in computation of perquisites, as per Schedule XIII.

Managerial personnels shall not be eligible for sitting fees.

The above may be treated as an abstract of the agreement between the Company and Sh. Ram Kumar Gupta, Sh. V.K. Gupta and Sh. Vivek Gupta, respectively pursuant to Section 302 of the Company Act, 1956 and draft agreements are available for inspection at the Registered Office of the Company between 10.00 AM to 1.00 PM on working days.

Except Sh. Ram Kumar Gupta, Sh. V.K. Gupta and Sh. Vivek Gupta, no other Director is interested in or concerned with the proposed resolutions.

Your Directors commend the resolutions set out at Item No. 8, 9 & 10 of the notice for your approval by way of Special Resolutions.

Registered Office
'Delton House', 4801,
Bharat Ram Road,
24, Daryanganj,
New Delhi - 110 002
Dated : August 11, 1999

By Order of the Board
(VINAY SHUKLA)
COMPANY SECRETARY

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

Your Directors have pleasure in presenting their Thirty Fourth Annual Report togetherwith the Audited Accounts for the year ended 31st March, 1999.

FINANCIAL HIGHLIGHTS

The working results for the year ended 31st March, 1999 are as under :

	(Rs. in Lacs)
Profit before Depreciation	237.41
Less : Depreciation	39.23
Profit before taxation	198.18
Less : Provision for Taxation	36.11
Profit after Income Tax & Wealth Tax	162.07
Less : Provision for earlier year	0.46
Profit during the year	161.61
Add : Balance brought forward from the previous year	447.49
Profit available for appropriations	609.10

APPROPRIATIONS

Transfer to General Reserve	20.00
Proposed Dividend	43.20
Tax on Proposed Dividend	4.32
Balance Carried Forward	541.58

DIVIDEND

Your Board of Directors are pleased to recommend dividend of Rs. 1.50 per share for the year ended 31st March, 1999 on 28,80,000 equity shares of Rs. 10/- each.

PERFORMANCE

Turnover during the year was Rs. 5835 Lacs with a marginal increase over previous years' turnover of Rs. 5814 Lacs. However, profit during the year was Rs. 161.61 Lacs as compared to Rs. 58.46 Lacs showing an increase of 177 percent over previous year.

YEAR 2000 PREPAREDNESS STATUS

Your Company has taken necessary steps to ensure Y2K compliance through its regular upgradation, repair and renewal of Computer Hardware and Software. No separate cost is involved in the process.

LISTING AGREEMENT COMPLIANCE

As per listing agreement the Company declares that its equity shares are listed at Delhi and Mumbai Stock Exchanges.

INDUSTRIAL RELATION

Industrial relation remained cordial during the year.

DIRECTORS

Shri Bhushan Kumar Gupta, Shri L.B. Rungta and Shri Ravinder Narain, Directors are retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Shri R.K. Gupta Chairman & Managing Director was re-appointed w.e.f. 1.6.1999 subject to the shareholders approval by way of special resolution at ensuing Annual General Meeting.

AUDITORS

M/s. S.R. Dinodia & Company, Chartered Accountants, New Delhi, the retiring Auditors, are eligible for appointment and hence their appointment has been recommended at the ensuing Annual General Meeting.

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

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

EMPLOYEES

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

ACKNOWLEDGMENT

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

For & on behalf of the
Board of Directors

New Delhi - 110 002

R.K. GUPTA

Dated : 11th August, 1999 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**

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

B. Technology Absorption

- v. 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