

# ***Delton Cables Limited***

AN ISO 9002 COMPANY



**ANNUAL REPORT  
2003-2004**

**Delton Cables****BOARD OF DIRECTORS**

RAM KUMAR GUPTA  
(Chairman & Managing Director)

V.K. GUPTA  
(Managing Director)

VIJAY KUMAR GOEL

M.P. MEHROTRA

A. KARATI

B.B. CHADHA

L.B. RUNGTA

VIVEK GUPTA  
(Executive Director)

S.S. MALHOTRA  
(Whole Time Director)

**COMPANY SECRETARY**

DINESH GUPTA

**BANKERS**

CANARA BANK

PUNJAB NATIONAL BANK

STATE BANK OF BIKANER & JAIPUR

**AUDITORS**

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

**CONTENTS**

Notice	2
Directors' Report	3
Auditors' Report	5
Balance Sheet	7
Profit & Loss Account	8
Cash Flow Statement	9
Schedules	10
Notes to Accounts	16
Balance Sheet Abstract & Company's General Business Profile	21

**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

**BRANCH OFFICE****MUMBAI**

83-B, Dr. Annie Besant Road,  
Near Worli Naka  
Mumbai-400 018  
Tele Fax : 022-24936501  
Email : dclbby@bom4.vsnl.net.in

**KOLKATTA**

Flat No. 1, 6th Floor,  
'Shantiniketan',  
8, Camac Street,  
Kolkatta-700 017  
Phone : 033-22824388, 22824153  
Fax : 033-22824330, 22824153  
Email : dclcal@cal2.vsnl.net.in

**CHENNAI**

18-A, Montieh Road  
2nd Floor, 'Asha Mansion', Egmore,  
Chennai-600 008  
Phone : 044-28587702  
Fax : 044-28592608  
Email : dclmad@giasmd01.vsnl.net.in

**BANGALORE**

3rd Floor, Maruti Mansion,  
19/7, Cunningham Road,  
Bangalore-560052  
Phone : 080-22263934,  
Tele Fax : 080-22253933  
Email : dclblr@vsnl.com

**WORKS****FARIDABAD**

17/4, Mathura Road,  
Faridabad, Haryana,  
Phone : 91-2288222, 2288225 (Std Code 0129)  
Fax : 91-2223998  
Email : dclfbd@deltoncables.com

**NEW DELHI**

24, Shivaji Marg,  
New Delhi-110015  
Phones : 011-25928280  
Tele Fax : 011-25928037, 25928753  
Email : dclngr@deltoncables.com

**DHARUHERA**

70th Milestone,  
Delhi-Jaipur Highway,  
Village-Malpura, Dharuhera,  
District-Rewari, Haryana  
Phones : 01274-242229, 242296  
Fax : 01274-242294  
Email : dclchr@deltoncables.com

**Delton Cables Limited****NOTICE**

NOTICE IS HEREBY GIVEN that the Thirty Ninth Annual General Meeting of the Members of Delton Cables Limited will be held on Thursday, the 30th September, 2004 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 2004 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri M. P. Mehrotra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri L. B. Rungta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration for the said period.

M/s. S. R. Dinodia & Co, Chartered Accountants, the retiring Auditors, being eligible, offer themselves for re-appointment.

**SPECIAL BUSINESS**

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956, Sh. Ram Kumar Gupta, be and is hereby re-appointed as the Chairman & Managing Director of the company for a period of five years, w.e.f. 01.06.2004 on the following remuneration :

Basic Salary : Rs. 100,000/- (Rupees One Lac only) per month.

Rent-free accommodation : The Rent-free accommodation shall be provided by the company of which the rent shall not exceed a sum of Rs.16,500/- (Rupees Sixteen Thousand Five Hundred only) per month.

Perquisites : The perquisites shall be restricted to a sum of Rs. 102,000/- per annum, which includes Medical, LTA, Club Fees, Electricity & Gas.

Provident Fund : The employer's contribution to the provident fund @ 12% of the Basic salary.

"FURTHER RESOLVED THAT in case of loss or inadequacy of profits in any financial year, the remuneration will be paid in accordance with limits laid down in the schedule XIII of the Companies Act, 1956."

Registered Office  
'Delton House'  
4801, Bharat Ram Road,  
24, Daryaganj, New Delhi-110 002  
Dated : August 31, 2004

By Order of the Board

**DINESH GUPTA**  
Company Secretary

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. 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. The Register of Members and Share Transfer Books of the company shall remain closed from September 28, 2004 to September 30, 2004 (both days inclusive).
4. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 31st March, 1997 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far for the financial year ended 31st March 1997 or any subsequent financial years are requested to make their claim to Ms. Madhu Gupta, Delton Cables Limited, 4801, Bharat Ram Road, 24 Daryaganj, New Delhi-110 002. It may also be noted that once the unclaimed dividend is transferred to the Investor Education & Protection Fund, as above, no claim shall lie in respect thereof.
5. 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. Bring their attendance slip alongwith copy of Annual Report at the Annual General Meeting.
  - iv. Send their queries, if any relating to the Accounts of the company at least 10 days before the Annual General Meeting.

**ANNEXURE TO NOTICE****Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.****ITEM NO. 5**

Shri Ram Kumar Gupta was re-appointed as Chairman & Managing Director of the Company by the Board of Directors, for a period of five years w.e.f. 1st June 2004, at the Board Meeting held on 28th April 2004. The re-appointment is made on the same terms and conditions of his previous appointment that were duly approved at the Thirty Fourth Annual General Meeting of the Members. The terms & conditions of the re-appointment are set out in the resolution given in the notice of this annual general meeting. The remuneration mentioned in the resolution is within the limit as laid down in the Schedule XIII to the Companies Act, 1956.

Since age of Shri Ram Kumar Gupta is 85 years, resolutions for his re-appointment are commend for shareholders' approval by way of Special Resolution. Keeping in view the knowledge, experience, qualification and long association of Shri Ram Kumar Gupta with the company, your Directors propose the resolution for your approval.

Except Shri Ram Kumar Gupta, 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.

The resolution given in the notice may be treated as the abstract of the terms of appointment of Shri Ram Kumar Gupta as the Chairman & Managing Director of the company, under Section 302 of the Companies Act, 1956.

Registered Office  
'Delton House'  
4801, Bharat Ram Road,  
24, Daryaganj, New Delhi-110 002  
Dated : 31st August, 2004

By Order of the Board

**DINESH GUPTA**  
Company Secretary

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

Your Directors have pleasure in presenting their Thirty Ninth Annual Report together with the Audited Accounts for the year ended 31st March 2004.

**FINANCIAL HIGHLIGHTS**

The working results for the year ended 31st March 2004 are as under:

	(Rs. in Lacs)
Profit/(Loss) before Depreciation	(72.63)
Less: Depreciation	84.07
Profit/ (Loss) for the year before Taxation	(156.70)
Less : Provision for Taxation	
Deferred Tax (Assets)	(53.66)
Wealth Tax	0.19
Profit/ ((Loss) for the year after Taxation	(103.23)
Add: Excess Provision written back	5.45
Less: Prior Period Expenses/Income	(1.09)
Balance carried to Balance Sheet	(98.87)

**PERFORMANCE**

During the year under review, your company has achieved a gross sales of Rs. 4417.81 Lacs as against gross sales of Rs. 4144.80 Lacs in the previous year. The loss of Rs. 156.70 Lacs was incurred during the year as against the loss of Rs. 333.92 Lacs in the previous year. Performance during the year could have been better, if there were not the steep hike in the price of Copper. But still with improvement in market conditions vis-à-vis increase in net sales realization and cost control efforts, your company able to reduce its losses.

Your company will vigorously continue this thrust on the cost control measures during the current year as well.

**DIVIDEND**

As the company is having no profits in the current year, the Board of Directors has not proposed any dividend for the year ending 31st March 2004.

**INDUSTRIAL RELATIONS**

Industrial relations remained cordial during the year.

**DIRECTORS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- That in the preparation of the accounts for the financial year ended 31st March 2004, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- That the Directors have 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 profit or loss of the Company for the year under review;

iii. That 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.

iv. That the Directors have prepared the accounts for the financial year ended 31st March 2004 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.

**PERSONNEL**

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

**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 2004-05. 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.

**REPLY TO THE QUALIFICATION IN THE AUDITORS REPORT**

As mentioned in clause (g) of the Auditors' Report your Directors want to clarify that the Hon'ble High Court of Delhi has appointed a sole arbitrator and the case is pending before him at the argument stage. Your Directors are of the opinion that there are good chances for the recovery of the amount from the party.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

**LISTING AGREEMENT COMPLIANCE**

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

The Company confirms that it has paid Annual Listing Fees due to the above Stock Exchanges for the year 2004-2005.

**ACKNOWLEDGEMENT**

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, suppliers, and shareholders.

For & on behalf of the Board of Directors

Place : New Delhi  
Dated: 31st August, 2004

**R.K. GUPTA**  
Chairman & Managing Director

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

- a) Energy Conservation measures taken:  
Greater emphasis has been laid on creating awareness amongst all employees for the optimal utilisation of Power and to prevent misuse of energy at all levels.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:  
No major investments proposed during the year.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:  
Not applicable.
- d) Total energy consumption and energy consumption per unit of production in respect of industries specified in the Schedule thereto :  
Not applicable.

**B. Technology Absorption**

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

**Research & Development (R & D)**

1. Specific areas in which R & D efforts have been put in by the Company are:  
Development of LT, XLPE Power Cable.
2. Benefits derived as a result of the above R & D:  
The items mentioned above have been taken in production and are being introduced in the market.
3. Future plan of action:  
The company is having an ongoing process of research & development to develop new types of cables for special use at Nuclear/Thermal Power Plants & for Telecommunications use.
4. Expenditure on R & D : NIL

**Technology Absorption, Adaptation and Innovation**

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

**C. Foreign Exchange Earnings and Outgo :**

- a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services, and export plans: The company is targetting 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)	187.32
(ii) Outgo by way of imports	
(a) CIF Value of imports	30.16
(b) Travelling	2.10
(c) Interest	43.59
(d) Others	2.71

For & on behalf of the Board of Directors

Place : New Delhi  
Dated: 31st August, 2004

**R.K. GUPTA**  
Chairman & Managing Director



**Delton Cables Limited****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, 2004** and also the Profit & Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period 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 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 and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account 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, 2004 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2004 from being appointed as director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In the absence of any notification in the official gazette by the Central Government, no cess is payable under section 441A of the Companies Act, 1956 for the year ended 31st March 2004.
- g) **We are unable to express an opinion on the recoverability or otherwise and the consequential effect if any, on the profit & loss account in respect of old outstanding aggregating to Rs. 91.12 lacs due from a customer 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 '19').**

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, 2004**;
- ii) in the case of the Profit & Loss Account, of the Loss for the year ended on that date; and
- iii) in the case of cash flow statement, of the cash flow for the year ended on that date.

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

**(PRADEEP DINODIA)**  
Partner  
M. No. 80617

Place : New Delhi  
Dated : 31st August, 2004

**ANNEXURE TO THE AUDITORS' REPORT**

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

- i)
  - (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, physical verification of major fixed assets has been conducted by the management at appropriate intervals. In our opinion, the program is reasonable having regard to the size of the company and the nature of the fixed assets. No material discrepancies were noticed on such verification as compared to book records.
  - (c) No substantial part of fixed assets has been disposed off during the year.
- ii)
  - (a) On the basis of information and explanation provided by the management, Inventories have been physically verified by the management during the year except inventories lying with the third parties. In our opinion, frequency of verification is reasonable.
  - (b) In our opinion, procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion, the company is maintaining proper records of inventory. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii) According to information and explanation given to us, the company has not granted or 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.

**Delton Cables Limited**

- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control procedure 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.
- v) (a) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of opinion that the transactions that need to be entered into a register maintained under section 301 of the Companies Act, 1956 are being so entered.  
(b) Based on the audit procedures applied by us and according to the information and explanations given to us, during the year no transactions exceeding the value of Rs. five lacs were made in pursuance of contracts and arrangements entered in the register maintained under section 301.
- vi) The company has not accepted deposits from the public as defined in section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) rules, 1975.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) On the basis of records produced, we are of opinion that prima facie, the cost records and accounts prescribed by the Central Government under section 209 (1)(d) of the Companies Act, 1956 has been maintained by the company, but, we were not required to carry out and have not carried out any detailed examination of such records and accounts.
- 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, Custom Duty, Excise Duty, cess and any other statutory dues with the Appropriate Authorities.  
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.  
c) According to information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth 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	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 -

- x) Company do not have accumulated losses at the end of the financial year. However, the company has incurred cash losses in the current financial year and in the financial year immediately preceding the 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) On the basis of records available and information and explanation given to us, during the year the company has not taken any term loan. Thus, provision of clause 4(xvi) of the Companies (Auditor Report) Order, 2003 are not applicable to the company.
- xvii) On the basis of information and explanation given to us and an overall examination of the balance sheet, we report that no funds raised on short-term basis have been used for long-term investments. During the year, the company has not taken any long term loan.
- 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) According to information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

**(PRADEEP DINODIA)**  
Partner  
M. No. 80617

Place : New Delhi  
Dated: 31st August, 2004