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Delton Cables Limited

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ANNUAL REPORT
2008-2009

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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

POOJA SINGHAL

BANKERS

CANARA BANK

PUNJAB NATIONAL BANK

BARCLYAS BANK

AUDITORS

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

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REGISTERED & HEAD OFFICE

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

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NOTICE

NOTICE is hereby given that the 44th Annual General Meeting of the Members of Delton Cables Limited will be held on Wednesday, the 30th September, 2009 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 2009 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 2008-09.
3. To appoint a Director in place of Sh. M. P. Mehrotra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. B. B. Chadha, 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.

By Order of the Board

Place : New Delhi
Date : July 29, 2009

Pooja Singhal
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 will remain closed from Monday, 21st September 2009 to Saturday, 26th September 2009 (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 Saturday, the 19th September 2009. 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 Saturday, the 19th September 2009, furnished by the NSDL and CDSL.
3. Members whose shareholding is in Electronic mode are requested to direct change of address notifications and updating of Saving Bank Account details to their respective Depository Participants.
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.

By Order of the Board

Place : New Delhi
Date: July 29, 2009

Pooja Singhal
Company Secretary

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the 44th Annual Report together with the Audited Accounts for the year ended 31st March 2009.

Financial Results	(Rs. in Lacs) 2008-2009
Gross Sales	18151.61
Less : Excise	1731.52
Net Sales	16420.09
Other Income	264.82
Total Expenditure	16403.81
Profit / (Loss) Before Tax	281.11
Less : Provision for Income Tax	59.69
Less : Provision for Fringe Benefit Tax	22.00
Less : Provision for Deferred Tax	14.90
Less : Provision for Wealth Tax	0.23
Net Profit / (Loss)	174.98

Performance

During the year under review there has been generally a meltdown in economy which had adverse impact on Industry. Your Company comparatively performed better. The turnover of the Company has increased by 9.5% from Rs. 16577.27 lacs in the Financial Year 2007-08 to Rs. 18151.61 lacs in the Financial Year 2008-09. There is a decline in profit before tax (PBT)and net profit during the year as compared to previous year as the operating margin remain under pressure due to increase in interest cost, cost of raw-material and other inputs.

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 2008-09. Total dividend (including dividend tax) will absorb 33,69,456 out of the profits available for the year 2008-09.

Future Outlook

Despite the global slowdown, the Indian economy during the year 2008-09 is estimated to grow at around 6%.The measures announced by the Central Government in the stimulus packages are in the right direction. However, high volatility in the prices of key raw materials, weak demand of products and intense competition in the market place would pose a challenge to be met.

Your Company continues its focus on production of wires & cables to maintain its leadership in the said segment.

Human Resources

The employer-employee relations throughout the year remained cordial. Measures for training, development, safety of the employees and environmental awareness received the priority of the Management.

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 maintain excellence in providing all inputs and resources to achieve this goal.

Your company is certified for ISO9001:2000 in quality.

Directors

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

Directors' Responsibility Statement

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

i. in the preparation of the accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv. that the Directors have prepared the accounts for the financial year ended 31st March 2009 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' able High Court. In other matters, the Company has filed criminal complaints for recovery of amount of bounced cheque under Section 138 of Negotiable Instrument Act.

The Company received an amount of Rs. 19,25,500/-(Rupees Nineteen Lacs Twenty Five Thousand Five Hundred Only) as part amount during the current financial year also 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

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 2009-10. M/s. S.R. Dinodia & Co., have, under Section 224 (1-B) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment.

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

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

Listing of Shares

As per listing agreement the company declares that its equity shares are listed at Delhi Stock Exchange Association Limited (DSE) and Bombay Stock Exchange Ltd. (BSE). The listing fee in respect thereof, for the year 2009-10 has already been paid to the Stock Exchanges.

Acknowledgement

Your Directors wish to record their warm appreciation for the valuable co-operation and support received from all the customers and suppliers, various Financial Institutions, Banks, Central and State Government Bodies, Auditors and Legal Advisors for their continuous support. 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 officials at all levels.

For & on behalf of the Board of Directors

Place : New Delhi
Dated : July 29, 2009

V.K. Gupta
Chairman & Managing Director

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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.

3. Future plan of action:

The Company will take R & D / Engineering 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:

Development for further improvements and product up-grading is a continuous process. No fresh technology has been adopted.

2. Benefits derived as a result of the efforts:

Not Applicable

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) :	180.71
(ii)	Outgo by way of imports (a) CIF Value of imports :	289.83
	(b) Travelling :	9.08
	(c) Subscription :	1.21
	(d) Sales Promotion/ Exhibition Expenses :	7.65
	(e) Others :	1.02

For & on behalf of the Board of Directors

Place : New Delhi
Date : July 29, 2009

V. K. Gupta
Chairman & Managing Director

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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, 2009** 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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. 10,173,224 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, 2009;**

ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date; and

iii) in the case of cash flow statement, of the cash flow for the year ended on that date.

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

Place : New Delhi
Dated : June 30, 2009

(SANDEEP DINODIA)
Partner
M. No. 083689

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our audit report of even date)

i) (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, physical verification of major fixed assets has been conducted by the management at appropriate intervals. In our opinion, the program is reasonable having regard to the size of the company and the nature of the fixed assets. No material discrepancies were noticed on such verification as compared to book records.

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

ii) (a) On the basis of information and explanation provided by the management, Inventories have been physically verified by the management during the year except inventories lying with the third parties. In our opinion, frequency of verification is reasonable.

(b) In our opinion, procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion, the company is maintaining proper records of inventory. We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account.

iii) According to information and explanation given to us, the company has not granted/ taken any loans to/from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year. Therefore, the provision of clause 4 (iii) (a to g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to the purchase of inventory, fixed assets and for the sales of goods. Further, on the basis of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices, there is no continuing failure to correct the weaknesses in the aforesaid internal control systems.

v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

(b) The transactions made in pursuance of such contracts or arrangements have been made at prices, which are reasonable with regard to the prevailing market prices at the relevant times.

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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 (*Other than Rs. 2,439,032 outstanding for a period more than six months as at 31st March, 2009*), Wealth- tax, Service 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, 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
Income Tax Law	Income Tax	1,131,417	1997-98	ITAT (Appeal)
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-
		366,378	2003-04	-do-
		788,143	2005-06	-do-
Local Area Development Tax	LADT	1,210,778	2003-04	Joint Com. (Appeal)
		1,036,364	2004-05	-do-
		116,327	2005-06	-do-
		80,152	2006-07	-do-

x) The Company does not have any accumulative 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

Place : New Delhi
Dated : June 30, 2009

(SANDEEP DINODIA)
Partner
M. No. 083689

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