

Delton Cables Limited

AN ISO 9001 : 2008 COMPANY



WE CONNECT WE PROTECT FOR LIFE

**ANNUAL REPORT
2010 - 2011**

BOARD OF DIRECTORS

V.K. GUPTA
(Chairman & Managing Director)

VIVEK GUPTA
(Joint Managing Director)

VIJAY KUMAR GOEL

M. P. MEHROTRA

A. KARATI

B.B. CHADHA

MRS. RAKESH VERMA

COMPANY SECRETARY

B.K. JHA

BANKERS

CANARA BANK

PUNJAB NATIONAL BANK

BARCLAYS BANK

AUDITORS

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

CONTENTS

Notice	2
Directors' Report	4
Auditors' Report	7
Balance Sheet	9
Profit & Loss Account	10
Cash Flow Statement	11
Schedules	12
Notes to Accounts	17
Balance Sheet Abstract & Company's General Business Profile	26

REGISTERED & HEAD OFFICE

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

NOTICE

NOTICE is hereby given that the 46th Annual General Meeting of the Members of Delton Cables Limited will be held on Friday, the 30th September, 2011 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, 2011 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 2010-11.
3. To appoint a Director in place of Sh. Vijay Kumar Goel, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sh. M. P. Mehrotra, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. S. R. Dinodia & Co, Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Special Business

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

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and other sanctions and approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh. V. K. Gupta, as Chairman & Managing Director of the Company not liable to retire by rotation, for a period of five years w.e.f. 1st June 2011 on the following terms and conditions, 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. V. K. Gupta and/or to change his remuneration in accordance with the provisions of the Companies Act, 1956 or any statutory amendment, modification, re-enactment thereof or as approved by the Central Government as the case may be:-

1. Remuneration

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

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

2. Perquisites

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

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

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

Place: New Delhi,
Date : August 8, 2011

B.K. Jha
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. Relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of resolution set out under item Nos. 6 is appended below.

3. The Register of Members and Share Transfer Books will remain closed from 24th September, 2011 to 30th September, 2011 (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 23rd September, 2011. 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 23rd September, 2011 furnished by the NSDL and CDSL.
4. Members whose shareholding is in Electronic mode are requested to direct change of address notifications and updation of Saving Bank Account details to their respective Depository Participants.
5. Members are requested to address all correspondence including dividend matters, to the Registrar and Share Transfer Agent M/s. **Beetal Financial & Computer Services (P) Ltd.** at the following address:
Beetal House, IIIrd Floor,
99 Madangir, Behind Local Shopping Complex,
Near Dada Harsukh Das Mandir,
New Delhi – 110 062
6. 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.
7. Ministry of Corporate Affairs, Vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has taken a "Green Initiative" by allowing paperless compliances by the companies to serve the requisite documents to its members vide e-mode in pursuance to Section 53 of the Companies Act 1956. In connection with the same, Shareholders are requested to provide their latest/updated email address on which future communication/ correspondence/documents can be send.

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.

ANNEXURE TO NOTICE

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

ITEM NO. 6

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

His present tenure ended on 31st May, 2011. The Remuneration Committee and the Board of Directors have, at their Meetings, held on 30th May, 2011 re-appointed Sh. V.K. Gupta as Chairman & Managing Director of the Company for a further period of 5 years effective from 1st June, 2011.

Sh. Gupta is associated with the Company since last 43 years and has vide experience in Cable Industry. During his association with Company, the Company has achieved high growth in terms of turnover and profitability. Keeping in view the knowledge, experience, qualification and long association of Shri V.K. Gupta with the company the board recommends his re-appointment, on the terms stated in the body of Special Resolution.

As the total remuneration proposed to be paid to Mr. V. K. Gupta along with other directors will be in excess of remuneration permitted under the provisions of Schedule XIII of the Companies Act, 1956, the approvals of the shareholders and the Central Government are required. You are requested to kindly accord your approval.

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

This Explanatory Statement in respect of resolution at item No 6 together with the accompanying Notice may also be regarded as an Abstract and Memorandum under Section 302 of the Companies Act, 1956.

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

Place: New Delhi,
Date : August 8, 2011

B.K. Jha
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 46th Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

Financial Results**(Rs. in Lacs)****2010-2011**

Gross Sales	13435.76
Less : Excise	988.26
Net Sales	12447.50
Other Income	153.48
Total Expenditure	12447.99
Profit / (Loss) Before Tax	152.99
Less : Provision for Income Tax	55.80
Less : Deferred Tax Asset Charge/(Release)	(3.95)
Less : Provision for Wealth Tax	0.58
Less : Adjustment of taxes for earlier years	3.13
Net Profit / (Loss)	97.43

Performance

During the year under review, your company has achieved a turnover of Rs. 13435.76 lacs as against Rs. 15096.56 lacs in the previous year. The Net Profit before taxation is Rs. 152.99 lacs as against Rs. 281.78 lacs in the previous year. The performance for the year has been effected due to market condition for the industry.

Dividend

In spite of lower profit, 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 2010-11. Total dividend (including dividend tax) will absorb Rs. 33,47,208/- out of the profits available for the year 2010-11.

Future Outlook

The world economy is gradually coming out of the global recession. During 2010-11, the Indian economy saw acceleration in the pace of its growth due to a rebound in rural income with increase in agricultural production and a good industrial and service sector growth. The GDP growth projection for 2011-2012 is in excess of 8%.

Indian Wire and Cable industry will be on growing track in financial year 2011-12. However intense competition in market place and high volatility in the prices of key raw material will be the challenges to be met. Your Company has huge experience in manufacturing of wires and cables and ready to face the challenges. The Company is making endeavour to explore new customers in infrastructure, power and communication sectors and expect better results in ensuing year.

Human Resources

Your Company recognizes that people are its principal assets and that its continued growth is dependent upon the Company's ability to attract and retain quality people.

Management places great emphasis on training, development, safety of the employees and environmental awareness. Employer-employee relations throughout the year remained cordial.

Quality Policy / Certification

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

Your company is certified for ISO9001:2008 in quality.

Directors

Shri Vijay Kumar Goel, Director of the Company, retiring by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for re-appointment.

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

The five years term of Shri V.K. Gupta, Chairman & Managing Director has expired on 31st May, 2011. The Board of Directors has approved his re-appointment for a period of five years w.e.f. 1st June, 2011, in their meeting held on 30th May 2011, Subject to approval of shareholders in their ensuing General Meeting and the Central Government.

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 2011, 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 profit 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 2011 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

With respect to the Auditors observation in para 'f' of their report dated 30th May 2011, it is submitted that 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.

During the year ended 31st March 2011 total remuneration allowable to Sh. V.K. Gupta, Chairman and Managing Director of the Company was Rs 43,94,227, being Rs. 6,38,227 as normal remuneration for the period from 01.04.2010 to 30.06.2010 and Rs 37,56,000 being the remuneration as approved by the Central Government for the period from 01.07.2010 to 31.03.2011.

During the year ended 31st March 2011 total remuneration allowable to Sh. Vivek Gupta, Joint Managing Director of the Company was Rs. 33,51,233, being Rs. 8,00,566 as normal remuneration for the period from 01.04.2010 to 31.07.2010 and Rs. 25,50,667 being the remuneration as approved by the Central Government for the Period from 01.08.2010 to 31.03.2011.

The total remuneration during the year ended 31st March 2011 was paid, Rs. 25,52,908 to Sh. V.K. Gupta, Chairman and Managing Director of the Company and Rs. 24,01,700 to Sh Vivek Gupta, Joint Managing Director of the Company.

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 2011-12. 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 SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004, Clause 49 of the Listing Agreement in 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 2011-12 has already been paid to the Stock Exchanges.

Acknowledgement

Your Directors wish to record their warm appreciation for the valuable co-operation and support received from all the customers and suppliers, various Banks, Central and State Government Bodies, Auditors and Legal Advisors for their co operation and to all the persons who reposed faith and trust in us. We would also like to express thanks to our Shareholders for their confidence and understanding.

Last but not the least, we wish to place on record our appreciation for the sincere services rendered by the employees and our colleagues at all levels.

For & on behalf of the Board of Directors

Place : New Delhi

Date : August 8, 2011

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) | : 74.71 |
| (ii) Outgo by way of imports | |
| (a) CIF Value of imports | : 1057.20 |
| (b) Travelling | : 6.05 |
| (c) Foreign bank Charges | : 0.12 |
| (d) Interest on LC and Buyer Credit | : 9.48 |
| (e) Others | : 0.09 |

For & on behalf of the Board of Directors

Place : New Delhi
Date : August 8, 2011

V.K. GUPTA
Chairman & Managing Director

AUDITORS' REPORT

To the Share Holders of **M/S DELTON CABLES LIMITED.**

We have audited the attached Balance sheet of M/S DELTON CABLES LIMITED, as at 31st March, 2011 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, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) **We are unable to express an opinion on the recoverability or otherwise and the consequential effect if any, on the profit & loss account in respect of old outstandings aggregating to Rs. 10,173,725 due from the customers and included under the head sundry debtors over six months unsecured and considered good in Schedule '8' (Refer to Note No. B-2 of Schedule '17').**

Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- 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,
Regn. No. 01478N

(SANDEEP DINODIA)
Partner
M.NO. 083689

Place : NEW DELHI
Dated : May 30, 2011

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 (Auditors' 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.

Delton Cables Limited

- 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.
- (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-
		987,820	2004-05	-do-
		6,240,276	2005-06	-do-
		572,128	2007-08	Excise & Taxation Comm. (Appeal)
		755,411	2007-08	Addl. Com. Trade & Tax (Delhi)
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,
Regn. No. 01478N

(SANDEEP DINODIA)
Partner
M.NO. 083689

Place : NEW DELHI
Dated : May 30, 2011