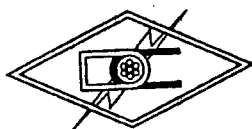


# DICABS



DIAMOND CABLES LTD.

## 5TH ANNUAL REPORT 1996-97

CERTIFIED TRUE COPY

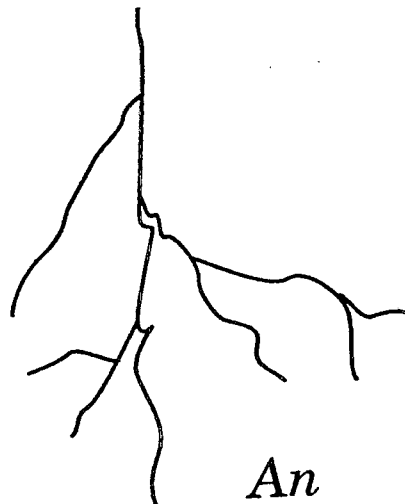
DIAMOND CABLES LTD.

Jt. Managing Director

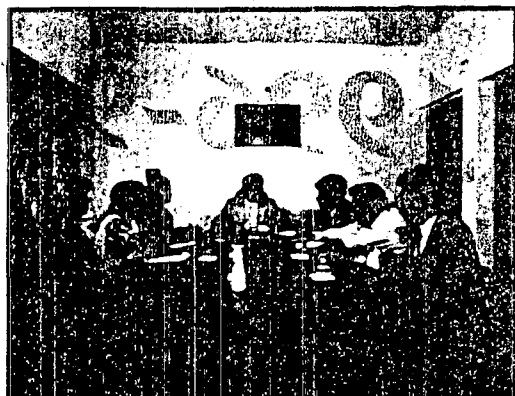
### DICABS®

Power Cables & Conductors

MD	✓	BKC	✓
CS	NA	DPY	✓
RO	✓	DIV	✓
TRA	✓	AC	✓
AGM	✓	SPI	✓
YE	✓		



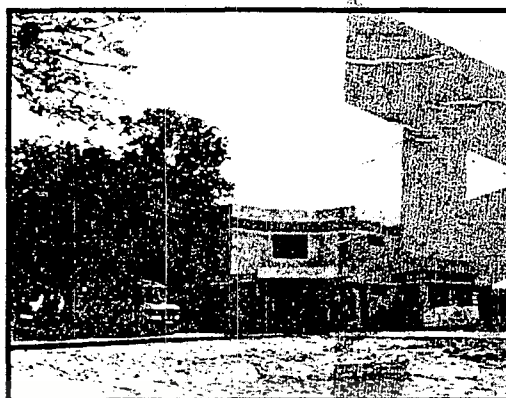
An  
*Electrifying*  
Year ...



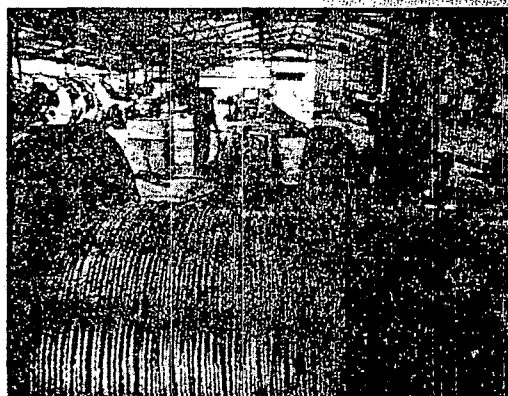
Meeting held in the Conference Room at the Corporate office

DICABS<sup>®</sup>  
Power Cables & Conductors

Registered office building at Vadadala



Shri S.N. Bhatnagar, CMD &  
Shri Amit Suresh, JMD on the shop floor



Ongoing winding process on  
wooden drums

DIAMOND CABLES LTD.

**5TH ANNUAL GENERAL MEETING**

Monday, 29th December 1997

at 10.00 am

at DCL Compound,

Village Vadadala, Tal. Savli, Dist. Baroda.

**BOARD OF DIRECTORS**Mr. S. N. Bhatnagar *Chairman & Managing Director*Mr. Amit Suresh *Joint Managing Director*Mr. Sumit Suresh *Joint Managing Director**(Operations)*

Dr. J. H. Shah

Mr. R. N. Bhatnagar

Mr. Ashish Bhatnagar

Mr. G. N. Verma

Mr. B. B. Aggarwal

Mr. Satish Singhal

**AUDITORS**

S. S. Iyengar &amp; Associates

95/96 Gayatri Chambers, R.C. Dutt Road, Alkapuri,  
Baroda.**ATTORNEYS**

Rashmi S. Desai

10 Daxa Society, Nizampura, Baroda

**BANKERS**

State Bank of India

Industrial Finance Branch, Baroda.

**INSTITUTIONAL FINANCERS**

Industrial Development Bank of India

Neptune Towers, Ashram Road, Ahmedabad

**CORPORATE OFFICE**

ESSEN HOUSE

5/12, BIDC Gorwa, Baroda 390 016.

**REGD. OFFICE & WORKS**

Village Vadadala, Tal. Savli, Dist. Baroda.

**E. MAIL**

DICABS.BRD@smc.sprintrpg.ems.vsnl.net.in

**GRAM**

DICABS

**TRANSFER & INVESTOR SERVICE CENTRE**

DIAMOND CABLES LIMITED

Essen House, 5/12 BIDC Gorwa, Baroda 390 016

**NOTICE :**

Notice is hereby given that Fifth Annual General Meeting of the Shareholders of Diamond Cables Limited will be held on Monday, the 29th December, 1997 at 10.00 am at the Registered office of the Company at Village : Vadadala, Tal. Savli, Dist. Baroda to transact the following ordinary and special business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 30th June, 1997 and the Profit and Loss Accounts for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint Director in place of Mr. R. N. Bhatnagar, who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Mr. B. B. Agarwal, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

**SPECIAL BUSINESS :**

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"Resolved that the consent of the Company be and is hereby granted pursuant to Section 293 (1) (a) and all other applicable provisions of the Companies Act, 1956 to the Board to mortgage and/or charge in addition to mortgages/charges created/to be created by the company, in such form/manner/ranking/time/terms as the Board may determine, on all or any of the movable and/or immovable properties of the company, both present and future and the whole or any part of the undertaking(s) of the company together with the power to take over the management of the business and concern of the company in certain event of default in favour of the lender(s), agent(s) and trustee(s) for securing the borrowings of the company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or non convertible debentures, bonds or other debt instruments) issued/to be issued by the company from time to time subject to the limits approved under Section 293 (1) (a) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated compound interest, Liquidated damages, commitment charges, premia on prepayment, premium on redemption (if any), all

other costs, charges and expenses including any increase as a result of devaluation/revaluation/ fluctuation in rates of exchange and all other monies payable by the company in terms of the loan agreements/heads of agreement(s), debenture trust deed(s) or any other document, entered into/to be entered in to between the company and lender(s) agent(s)/trustee(s) in respect of said loans/borrowings/debentures in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the lender(s)/agent(s)/trustee(s)."

"Further resolved that for the purpose of giving effect to aforesaid resolution the Board be and is hereby authorised to finalise, settle and execute such documents/deed/writings/papers/agreements as may be required and to do all such act, deeds, things, matters which is incidental and necessary to settle any question/difficulty/doubt that may arise with regard to creation of aforesaid charges and to give effect to this resolution."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.

"Resolved that in supersession of the resolution passed at the 4th Annual General Meeting, the consent of the company be and is hereby accorded under section 293 (1) (d) of the Companies Act, 1956 to the Board of Directors of the company to borrow from time to time such sum or sums of money as they may deem fit for the purpose of business of the company notwithstanding that the monies to be borrowed together with moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital plus free reserves of the company ie. reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not exceed the sum of Rs. 120,00,00,000 (Rupees one hundred twenty crores only) at any one time.

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.

"Resolved that the authorised share capital of the company be increased from Rs. 10,00,00,000 (Rupees Ten Crores) dividend into 100,00,000 equity shares of Rs. 10 each to Rs. 15,00,00,000 (Rupees Fifteen crores) dividend into 150,00,000 equity shares of Rs. 10 each ranking parri passu with the existing equity shares in the company."

"Further resolved that paragraph V of the memorandum of Association of the company be altered accordingly."





8. To consider and if thought fit, to pass with or without modification(s) the following resolution as special resolution.

"Resolved that pursuant to the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 and subject to any necessary consents, approvals, permissions and sanctions of the Central Government, Reserve Bank of India, Securities and Exchange Board of India, Financial Institutions, Bankers and any other statutory authorities and subject to such conditions as may be agreed by the Board of Directors of the company, the consent of the company be and is hereby accorded to the Board of Directors to issue, offer and allot equity shares (including offer on preferential base)/Preference shares and/or securities convertible into equity shares at the option of the company and/or at the option of the holder of security and/or securities linked to equity shares or any instrument or securities representing either equity shares or convertible securities such as foreign currency, convertible bonds or warrants convertible to or representing equity shares to be subscribed in Foreign currencies/Rupees by Foreign Investors/Non Resident Indians/Indian Institutions, Banks, body corporate any individual resident in India whether such persons are members of the company or not, out of the authorised capital of the company, as the Board may consider think fit on the following terms and conditions :

- that such equity shares shall rank in all respects parri passu with the existing equity shares in the company save and except that the said equity shares shall be entitled to such dividend as may be declared at any time after allotment thereof on the amount paid up thereon on prorata basis.
- such of the shares as are not subscribed may be disposed off by the directors in such manner as the Director may deem fit.
- that Board is empowered to make reservations in such manner to such persons out of above as may be beneficial to the company.
- that Board is empowered to decide about time, value, quantum and to revise any of the terms and conditions in its absolute discretion think fit."

"Further resolved that for the purpose of giving effect to this resolution, the Board of Directors of the company or any Committee thereof which the Board may constitute for this purpose, be and are hereby authorised to do all the acts, deeds, matters, and things and to take all steps and to give such directions as may be necessary and to settle all questions or difficulties that may arise in such manner as the Board in its absolute discretion deem fit.

9. The company has received special notice in writing pursuant to provision of Section 257 of the Companies

Act, 1956 along with a deposit of Rs, 500 from a member signifying his intention to propose Mr. Satish Singhal as candidate for the office of Director. In view of this to consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.

**Resolved that** pursuant to provisions of Section 257 of the Companies Act, 1956 Mr. Satish Singhal be and is hereby appointed as Director of the company liable to retire by rotation.

For and on behalf of the Board

**S.N. Bhatnagar**

Chairman & Managing Director

Place : Baroda

Date : 30.10.1997

Regd. Office : Vill. Vadadala, Tal. Savli, Dist. Baroda

#### Notes :

- 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 the proxy need not be a member of the company. An instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.**
- An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business is enclosed.
- The Register of Members and Share transfer Books of the Company will remain closed from 20.12.97 to 29.12.97 (both days inclusive)
- Members desiring any information as regards accounts are requested to write to the Company atleast 7 days before the date of the meeting, to enable the management to keep the information ready.
- As required under the companies unpaid Dividend (transfer to General Revenue Accounts of the Central Govt.) (Amendment rules 1988), unpaid/unclaimed dividend paid for the financial year 1993-94 will be transferred to the General Revenue Account of the Central Govt.

#### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

##### Item No 5

Generally borrowing of the company are required to be secured by mortgage/charge on all or any of the movable or immovable properties of the company in such form



and manner and ranking as may be determined by the Board from time to time in consultation with the lender(s).

The mortgage/charge by the company of its movable/immovable properties or the whole or part of the undertaking(s) of the company in favour of the lender(s) with a power to take over the management of the business and concern of the company in certain event of defaults by the company, may be regarded as disposal of the company's undertaking(s) within the meaning of 293 (1) (a) of the Companies Act, 1956. Hence it is necessary for the members to pass a resolution under the said section.

None of the Directors of the Company is in any way, concerned or interested in the resolution.

The Directors recommend this resolution for members approval.

#### Item No. 6

At the Fourth Annual General Meeting of the Company held on 23rd December, 1996, the shareholders had authorised the Directors of the Company to borrow monies not exceeding in the aggregate Rs. 30 crores over and above the paid up capital and free reserves. To meet the capital needs, it may be necessary for the company to obtain additional borrowings. Shareholders approval is being sought pursuant to Section 293 (1) (d) of the Companies Act, 1956 to increase the borrowing limit to Rs. 120 crores (Rupees one hundred twenty crores only) in addition to the paid up capital and free reserves.

None of the Directors of the Company may be considered to be concerned or interested in passing this resolution.

The Directors recommend this resolution for members approval.

#### Item No. 7

As members are aware that the existing Authorised capital of the Company is Rs. 10,00,00,000 (Rupees Ten crores only). In order to give effect to the company's proposed expansion plan and its future activities, it is considered advisable to increase the Authorised capital of the company for broadening the equity base of the company.

Consequent upon increase in Authorised capital the paragraph V of the memorandum of Association of the company will also be altered accordingly.

The Director recommend this resolution for approval.

None of the Directors of the Company is in any way, concerned or interested in the resolution.

#### Item No. 8

The Special Resolution set as Item No. 8 of this notice relates to a proposal by the company to issue equity

shares and/or Convertible securities and/or other securities by way of offer to Foreign investors, Banks, Body Corporate, Individual. The purpose of offer is to raise funds to part finance E. H. V. Conductors & Alloy Wire Rod Project and existing expansion plan of the company. Shares issued pursuant to this offer will not exceed 75% of the increased Authorised share capital, pricing of the offer and number of securities etc. can not be decided except at a later stage, it is not possible to state the detail and hence an enabling resolution in wide term is proposed to give discretion and flexibility to Board. The said offer may be at premium, discount or market price will be determined in accordance with the then prevailing market conditions. The offered Securities may be listed at one or more Stock Exchanges. Pursuant to section 81 of the Companies Act, 1956, inter alia, it is provided that the company should offer shares and debentures on prorata basis to its existing share holders unless shareholders in General Meeting decide otherwise by Special Resolution. The said resolution will, if passed, enable the Board to issue and allot securities otherwise then on prorata basis to the existing and non existing share holders of the company.

The Board believes that proposed offer will be in the best interest of the company and Directors, therefore, recommends, for your approval.

None of the Directors of the Company, is in any way concerned or interested in the resolution.

#### Item No. 9

The company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs. 500 signifying his intention to propose the appointment of Mr. Satish Singhal as Director of the Company. His appointment will be subject to retirement by rotation.

Mr. Satish Singhal is a Law graduate. He has wide experience of 25 years in the field of selling cables. He is one of the leading cable distributors in India and also dealer of reputed companies. His knowledge and experience will be of immense benefit to the company.

Accordingly, the Board recommends the resolution for your approval

None of the Directors of the Company, is in any way concerned or interested in the resolution.

For and on behalf of the Board

S.N. Bhatnagar

Chairman & Managing Director

Place : Baroda

Date : 30.10.1997

Regd. Office : Vill. Vadadala, Tal. Savli, Dist. Baroda



## DIRECTORS' REPORT

It is my privilege to place before you the Fifth Annual Report along with the audited statement of accounts for the financial year ending June 1997. The salient performance indicators for the above said period are as under:

Particulars	(Rs. in Lacs)	
	Current Year	Previous Year
	30.6.97	30.6.96
Domestic Sales	2736.51	1801.15
Export Sales	287.40	Nil
Less Expenditure	2626.55	1583.15
Profit for the Year before depreciation and Interest	362.40	218.00
Interest	152.77	142.55
Depreciation	50.75	46.15
Net Profit	148.13	29.30
Share Capital	900.80	900.40
Reserves	412.86	236.07

## OPERATIONS

The Cables Industry in Specific and the Capital Goods sector on a Whole is passing through a Severe Recession in India, inspite of which your company has reported an Impressive Performance during the year under review. The turnover is Rs.3023.91 lacs (Rs 1801.5 lacs in the last year) has grown about 68%. Net Profit in the Current year is Rs.148.13 lacs (Rs.29.30 lacs in the last financial year) has grown by 409%, Due to which the Reserves of the company have grown from Rs.236.07 lacs to Rs.412.86 lacs an increase of about 75%.

Your Company has a very healthy Order book position with the domestic market for Alloy Conductors continuing to occupy a predominant Share of the company's business in terms of Turnover and Profitability contributions. The Order book position in the current financial year stand at Rs.27.45 Crores from Institutional buyers in addition to the Industrial and Dealers sales which shall accrue during the course of the financial year.

With a view to improve the operating efficiency and thereby enhancing the company's image and product market share the company is in the process of carrying out a massive backward integration cum expansion in production capacity by installing a Mill to manufacture Aluminum Rods. The Company's various divisions are expected to get a ISO 9002 by Nov.'97.

## FIXED DEPOSITS

The Company has not accepted any Public deposits

during the year under review to which provisions of section 58A of the Companies Act, 1956 read with the companies (Acceptance of Deposits) rules, 1975 as amended are applicable.

## INSURANCE

Building, plant and machinery, stock in trade and other properties of the company have been adequately insured.

## DIRECTORS

In accordance with the provisions of the Company's Articles of Association, Mr. R. N. Bhatnagar and Mr. B.B. Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

## AUDITORS

Members are requested to appoint Auditors for the current year. M/s. S. S. Iyengar & Associates the retiring Auditors are eligible for re-appointment. The appointment if made, will be in accordance with the limits specified in section 224 (1B) of the Companies Act, 1956.

## PARTICULARS OF EMPLOYEES

The Statement of Particulars of employees under section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rule 1975 as amended, is given in the annexure forming part of the Directors' report.

## CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS/OUTGO

The information required under section 217(1) (e) of the companies (Disclosure of particulars in report of the Board of Directors) Rules, 1988, is given in the annexure forming part of the Directors' report.

## ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the devoted service of the employees at all levels and co-operation extended by the Bankers, Financial Institutions and Gujarat Electricity Board.

For and on behalf of the Board

S.N. Bhatnagar  
Chairman & Managing Director

Place : Baroda  
Date : 30.10.1997



**ANNEXURE I TO THE DIRECTORS' REPORT**

Information as per section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors Report for the year ended on 30th June, 1997.

Name : Mr. S.N. Bhatnagar  
 Qualification : B. E. (Mech.)  
 Designation : Chairman & Managing Director  
 Remuneration : Rs. 4,32,000  
 Experience : 29 Years  
 Dt. of Employment : 01.02.93  
 Particulars of Previous Employment : Kamani Engg. Co. Ltd.,  
 Last Post held and nature of Employment: Chief Executive

**NOTES**

- The conditions of employment are contractual and terminable by three months notice.
- Gross remuneration as above includes salary, Bonus, Company's contribution to provident fund and superannuation scheme, Holiday Travel Benefits and Leave Encashment. The money value of perquisites is calculated in accordance with the provisions of the Income Tax Act, 1961 and Rules made thereunder.

**ANNEXURE II TO THE DIRECTORS' REPORT**

Statement regarding conservation of Energy Technology absorption and Foreign Exchange earnings and outgo as required under Section 217 (1) (e) of the Companies Act, 1956 which forming part of the Directors' Report For the period ended 30th June, 1997.

Item	Particulars	Comments
A.	<b>Conservation of Energy</b>	
	a. Measures taken	
	b. Additional investment and proposals if any, being implemented for reduction of energy consumption	N/A
	c. Impact of the measures (a) & (b) above and consequent impact on cost of production	
	d. Total energy consumption per unit of production	
B.	<b>Technology Absorption</b>	
	e. Efforts made in Technology absorption	
	(i) research and Development	
	(ii) Technology absorption, adaption and innovation	
C.	<b>Foreign Exchange Earning &amp; Outgo</b>	
	f. Activities relating to exports initiative taken to increase exports, development of new Export market product and services and Export plans	
	g. Foreign Exchange used and earned	

**FORM-A**

Form for disclosure of particulars with respect to conservation of energy.

	Current Year 96-97	Previous Year 95-96
(1) Power & Fuel Consumption		
(1) Electricity		
(a) Purchased Unit [KWH] Lacs	5.50	5.34
Rate / Unit (Rs. Lacs)	3.63	3.63
Total Amount (Rs. Lacs)	19.99	19.41
(b) Own Generation		
1. Through Diesel Generator unit per Ltr. of Diesel Oil cost/unit	N/A	N/A
2. Through Steam Turbine/Generator Unit	N/A	N/A
Unit per Ltr. of Fuel Oil/Gas Cost / Unit		
(2) Coal (Specify Quality & where used:	N/A	N/A
Qty. (Tonnes)		
Total Cost (Rs. in Lacs)		
Average Rate (Rs./Tonnes)		
(3) Furnace Oil	N/A	N/A
Qty. (K. Ltrs)		
Total Amount		
(4) Others/Internal Generation (Please give details)	N/A	N/A
Qty.		
Total Cost		N/A
Rate / Unit		

D. Consumption Per	Standard (if any)	Current Year	Previous Year
Products with details unit		N/A	N/A
Electricity		N/A	N/A
Furnace Oil		N/A	N/A
Coal (Specify quality)		N/A	N/A
Slack coal grade 'C'		N/A	N/A
Other (Specify)		N/A	N/A
Higher consumption due to poor quality of coal.			

**FORM - B**

Form for Disclosure of particulars with respect to absorption Research and Development

- Specific areas in which R & D carried out by the company - N/A
- Benefits derived as a results of the above R & D - N/A
- Future plan of action - N/A
- Expenditure on R & D - N/A
  - Capital
  - Recurring
  - Total Cost
  - Total R & D expenditure as a percentage of total turnover

Technology absorption, adaption and innovation:

- Efforts in brief made towards technology, absorption, adaption and innovation. - N/A
- Benefits derived as a result of the above efforts e.g. product improvement, cost reduction production development, import substitution etc., - N/A