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DICABS

6TH ANNUAL REPORT

1997-98

MD	✓			BKC	✓
CS	NA			DPY	N/A
RO	✓			DEV	NA
TRA	✓			AC	✓
AGM	✓	✓		SH	✓
YE	✓	✓			

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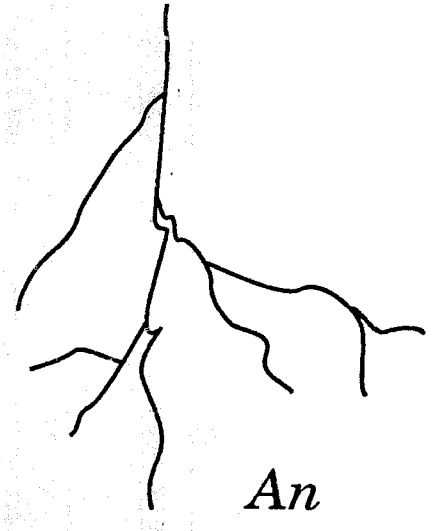

An Electrifying Year ...

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6TH ANNUAL GENERAL MEETING
Thursday, 31st December, 1998
at 11.00 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. Ashish Bhatnagar	
Mr. G. N. Verma	
Mr. Satish Singhal	

AUDITORS
S. S. Iyengar & Associates
95/96 Gayatri Chambers, R.C. Dutt Road, Alkapuri, Baroda.

ATTORNEYS
Mrs. Rashmi S. Desai
10 Daxa Society, Nizampura, Baroda.

BANKERS
State Bank of India
Industrial Finance Branch, Baroda.
Central Bank of India.
Corporate Finance Branch, Baroda.

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INSTITUTIONAL FINANCIERS
Industrial Development Bank of India
Neptune Towers, Ashram Road, Ahmedabad

CORPORATE OFFICE
ESSEN HOUSE
5/12, BIDC Gorwa, Baroda. Ph./Fax : 0265-380528

REGD. OFFICE & WORKS
Village Vadadala, Tal. Savli, Dist. Baroda.

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

GRAM
DICABS

SHARE TRANSFER & INVESTOR SERVICE CENTRE
DIAMOND CABLES LIMITED
Essen House, 5/12 BIDC Gorwa, Baroda.

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NOTICE :

NOTICE IS HEREBY GIVEN THAT Sixth Annual General Meeting of the Shareholders of Diamond Cables Limited will be held on Thursday, the 31st December, 1998 at 11.00 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, 1998 and the Profit and Loss Accounts for the year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To appoint Director in place of Dr. J. H. Shah, who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To appoint Director in place of Mr. G. N. Verma, 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 pursuant to the provisions of Section 198, 269, 309.310 read with Schedule XIII and all other applicable provisions if any of the Companies Act, 1956 (Including any statutory modification or re-enactment thereon) and subject to such sanctions as may be necessary, the company hereby accord its approval and consent to the appointment of Mr. S. N. Bhatnagar as Chairman & Managing DIrector of the Company for a period of 5 years from 1-2-1998 to 31-1-2003 at a remuneration and upon the terms and conditions set out in the explanatory statement which is annexed to the notice convening this Annual General Meeting is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the remuneration, the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in schedule XIII to the Companies Act, 1956 or any amendment or modifications that may hereafter be made thereto by the Central Government without any further reference to the company in General Meeting and as may be agreed to between the Board and Mr. S. N. Bhatnagar.

   FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary 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 pursuant to the provisions of Sections 198, 269, 309.310 read with schedule XIII and all other applicable provisions. If any, of the Companies Act, 1956 (Including any statutory modification or re-enactment thereon) and subject to such sanctions as may be necessary, the Company hereby accord its approval and consent to the appointment of Mr. Amit Suresh as Joint Managing Director of the company for a period of 5 years from 1-2-1998 to 31-1-2003 at a remuneration and upon the terms & conditions set out in the explanatory statement which is annexed to the notice convening this Annual General Meeting is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the remuneration, the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment or modifications that may hereafter be made thereto by the Central Government without any further reference to the Company in General Meeting and as may be agreed to between the Board and Mr. Amit Suresh.

   Further Resolved that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution.

For and on behalf of the Board

S. N. Bhatnagar
Chairman & Managing Director

Place : Baroda Date : 30.11.1998
Regd. Office : Vill. Vadadala, Tal. Savli, Dist. Baroda

Note :

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 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.**

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2. An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business is enclosed.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 25.12.98 to 31.12.98. (both days inclusive)

4. 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.

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

Item No 5

Mr. S. N. Bhatnagar is appointed as Chairman & Managing Director of the Company subject to approval of members at the General Meeting for a period of 5 years with effect from 1-2-1998 to 31-1-2003 by the Board of Directors of the Company at its meeting held on 26-2-1998. The said appointment requires approval of members of the Company.

The agreement to be entered into between the Company and Mr. S. N. Bhatnagar contains the following particular terms and conditions.

A. Salary : Rs. 50,000/- (Rupees Fifty thousands only) per month.

B. Perquisities : Perquisites shall be allowed in addition to salary as under.

The Managing Director shall be entitled to House rent allowance subject to 50% of the aforesaid salary.

I. The expenditure incurred by the company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 5% of the salary of the Managing Director.

II. Medical Reimbursement : Expenses incurred for the Managing Director and his family subject to a ceiling of one month's salary in a year.

III. Leave Travel Concession : For the Managing Director and his family once in a year incurred in accordance with the rules specified by the Company but in no case more that Rs. 60,000/- per annum will be availed.

IV. Club Fee : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

V. Personal Accident Insurance : Premium not to exceed Rs. 5,000/- per month.

Other terms and conditions :

i) The Managing Director will be entitled to one month leave with full pay and allowances for every eleven months of services. Such leave may be accumulated in accordance with the Company's rules & practice in force from time to time. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

ii) The total remuneration paid to the Managing Director is subject to the overall ceiling laid down in Schedule XIII to the Companies Act, 1956.

iii) The remuneration, terms and conditions of the said appointment of the Managing Director may be varied from time to time subject to the conditions of Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof as may be agreed to between the Board and Mr. S. N. Bhatnagar.

The draft of agreement to be entered into between the Company and Mr. S. N. Bhatnagar is available for inspection by the members at the Registered Office of the Company on any working day during business hours at the Company up to the date of Annual General Meeting.

The Board recommend the resolution for your approval.

The above may be treated as an abstract of the terms of contract/appointment between the Company and Mr. S. N. Bhatnagar pursuant to Section 302 of the Companies Act, 1956 when executed.

Except Mr. Amit Suresh and Mr. Sumit Suresh, none of the directors of the Company is in any way concerned / interested in the resolution.

Item No. 6

Mr. Amit Suresh is appointed as Joint Managing Director of the Company subject to approval of members at the General Meeting for a period of 5 years with effect from 1-2-1998 to 31-1-2003 by the Board of Directors of the Company at its meeting held on 26-2-1998. The said appointment requires approval of members of the Company.

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The agreement to be entered into between the Company and Mr. Amit Suresh contains the following particular terms and conditions.

Salary : Rs. 40,000/- (Rs. Forty thousand only) per month.

Perquisites : Perquisites shall be allowed in addition to salary as under.

The Joint Managing Director shall be entitled to House rent allowance subject to 50% of the aforesaid salary.

I. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however, be subject to a ceiling of 5% of the salary of the Joint Managing Director.

II. Medical Reimbursement : Expenses incurred for the Joint Managing Director and his family subject to a ceiling of one month salary in a year.

III. Leave Travel Concession : For the Joint Managing Director and his family once in a year incurred in accordance with the rules specified by the Company but in no case more than Rs. 60,000/- per annum will be availed.

IV. Club Fee : Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

V. Personal Accident Insurance : Premium not to exceed Rs. 5,000/- per annuam.

Other terms and conditions :

I. The Joint Managing Director will be entitled to one month leave with full pay and allowances for every eleven months of service. Such leave may be accumulated in accordance with the Company's rules and practice in force from time to time. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

II. The total remuneration paid to the Joint Managing Director is subject to the overall ceiling laid down in Schedule XIII to the Companies Act, 1956.

III. The remuneration terms and conditions of the said appointment of the Joint Managing Director may be varied from time to time subject to the conditions of Schedule XIII to the Companies Act, 1956 or any statutory modifications or re-enactment thereof as may be agreed to between the Board and Mr. Amit Suresh.

The draft of agreement to be executed into between the Company and Mr. Amit Suresh is available for inspections by the members at the Registered Office of the Company on any working day during business hours of the Company up to the date of Annual General Meeting.

The Board recommend the resolution for your approval.

The above may be treated as an abstract of the terms of contract / appointment between the Company and Mr. Amit Suresh pursuant to Section 302 of the Companies Act, 1956 when executed.

Except Mr. S. N. Bhatnagar and Sumit Suresh, none of the directors of the Company is any way concerned / interested in the resolution.

For and on behalf of the Board

S. N. Bhatnagar
Chairman & Managing Director

Place : Baroda Date : 30.11.1998
Regd. Office : Vill. Vadadala, Tal. Savli, Dist. Baroda

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DIRECTORS' REPORT :

It is my privilege to place before you the Sixth Annual Report along with the audited statement of accounts for the financial year ending on 30th June, 1998. The salient performance indicators for this period are as under :

(Rs. in Lacs)

Particulars	Current Year 30.6.98	Previous Year 30.6.97
Domestic Sales	3386.31	2736.51
Export Sales	8.35	287.40
Less Expenditure	3072.66	2626.55
Profit for the Year before depreciation and Interest	393.50	362.40
Interest	144.80	152.77
Depreciation	65.58	50.75
Net Profit	177.82	148.13
Share Capital	901.92	900.80
Reserves	594.81	412.86

OPERATIONS :

The Sales turnover of the Company has increased from Rs. 3023.91/- Lacs to Rs. 3466.00 Lacs in the current year, registering an increase of 15%. Net profit has also jumped to Rs. 177.82 Lacs from Rs. 148.13/- Lacs, which shows an increase of 20%.

Inspite of very keen competition in the market, Your Company has a very good order booking position in the current year. Looking to this, Your Directors are optimistic of a bright future of the Company.

As reported last year expansion of the project to manufacture Aluminium Rods is under fast progress. Most of the Plant and Machineries are installed and project is planned to complete by mid of 1999.

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, Dr. J. H. Shah and Mr. G. N. Verma retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

During the year under review Mr. R. N. Bhatnagar, director of the Company resigned and Board accepted his resignation. The Board appreciates his contribution and long association with the Company.

Mr. B. B. Agarwal, director of the Company, who retired at Fifth Annual General Meeting, could not get re-appointment. The Board also appreciated contribution and association with the Company.

AUDITORS :

Members are requested to appoint Auditors for the current year. M/S. S. S. Iyengar & Associates, Chartered Accountants, 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 :

Statement of particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 as amended is given in the annexure.

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 Director's Report.

ACKNOWLEDGEMENT :

Director 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 : 30.11.1998

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