

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

25th Annual Report 1997-98

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EQUIPMENT CONDUCTORS & CABLES LTD.

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BOARD OF DIRECTORS

Sh. M.K. Sambamurti	— Chairman
Sh. Prakash Sharma	— Vice Chairman
Sh. C.S. Chauhan	— Director
Sh. Pankaj Bhargava	— Director
Sh. Anil Sharma	— Director
Sh. Alok Sharma	— Managing Director

MANAGERS

Sh. K.J. Joseph	— Works
Sh. Janardhanan P.	— Sales
Sh. Vijay Prakash Singh	— Finance
Sh. Harjeet Singh	— Legal

CONTENTS	PAGE NO.
Notice	1
Director's Report	2
Auditor's Report	3-4
Balance Sheet	5
Profit & Loss Account	6
Schedules 'A' to 'R'	7-13
Balance Sheet Abstract	14
Cash Flow Statement	15
Attendance Slip & Proxy Form	16

AUDITORS

M/s. D.P. Kapoor & Co.
N-52, Connaught Circus
New Delhi-110 001

SECRETARIAL AUDITORS

M/s. Rajeev Goel & Associates
Company Secretaries
S-547, School Block
Shakar Pur
Delhi-110 092

BANKERS

Dena Bank
1st Floor, Goverdhan Building
53-54, Nehru Place
New Delhi-110 019.

REGISTERED OFFICE

605, Eros Apartment
56, Nehru Place
New Delhi-110 019.

WORKS

14th Mile Stone
Mathura Road
Faridabad
Haryana-121 003



NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of Equipment Conductors & Cables Limited will be held at 9.30 a.m. on Thursday, the 11th day of March, 1999 at Shah Auditorium, 2, Raj Niwas Marg, Delhi, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 1998 and Profit & Loss Account for the year ended on that date and the reports of Auditors & Directors thereon.
2. To appoint a Director in place of Sh. C.S. Chauhan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. Prakash Sharma, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT PURSUANT to section 269 & Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, sanction be and is hereby accorded for the appointment and remuneration payable to Sh. Alok Sharma, Managing Director of the Company with effect from 17.06.98 for a further period of five years on the terms and conditions contained hereinbelow."

Terms & Conditions

1. The general Management and affairs of the Company shall be vested in the Managing Director, subject to superintendence, direction and control of the Board of Directors of the Company.
2. **Remuneration**
 - i. **Salary** : Rs. 25,000/- per month or Rs. 3,00,000/- per annum (w.e.f. 1.4.98)
 - ii. **Housing** : Free furnished residential accommodation with all amenities including gas, electricity, water etc. The rent payable shall be Rs. 9,900 w.e.f. 01.04.98 plus 10% increase per year.
 - iii. **Medical Exp.** : Medical expenses incurred by the Managing Director for self and family including dependent mother and father subject to a ceiling of one months salary in a year or three months

salary in a block of three years.

- iv. **Club Fee** : Subject to a maximum of two clubs will be allowed.
 - v. **Personal Accident Insurance** : The annual premium of which shall not exceed Rs. 5,000/-.
 - vi. **Car** : Free use of car with Driver for Company's business.
 - vii. **Telephone** : Free telephone facility at residence, personal long distance calls to be billed by the Company.
3. **Perquisites**
In addition to remuneration, Shri Alok Sharma shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified above :
- a. Contribution to Provident Fund, Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b. Gratuity payable at a rate, not exceeding half a months salary for each completed year of service and
 - c. Encashment of leave at the end of tenure.

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND THE PROXY NEED NOT BE A MEMBER
2. Proxies duly completed, in order to be effective, must be received by the Company not less than forty eight hours before the Annual General Meeting.
3. The register of members and share transfer books of the Company shall remain closed from 09.03.99 to 11.03.99 (both days inclusive)
4. Members are requested to :
 - a. Bring with them attendance slip and hand it over at the entrance, duly signed.
 - b. Bring their copies of Annual Report to the meeting.
 - c. Intimate the change, if any, in their registered address.
 - d. Quote ledger folio number in their future correspondence.
 - e. Note that no duplicate attendance slip will be issued at the venue of the meeting.
5. The relevant explanatory statement pursuant to section 173(2) of the Companies Act, 1956, in respect of Special Business set out above is annexed hereto.

For and on behalf of the Board

Dated : 28.01.99 (Alok Sharma)
Place : New Delhi Managing Director

EXPLANATORY STATEMENT UNDER SECTION 173 (2) ANNEXURE TO THE NOTICE

Item 5

Sh. Alok Sharma has been associated with the company from 1982. He is looking after the entire promotion & development of the Company. He is the President of the Cable & Conductor Manufacturers Association of India and he is also a nominated member to the Federation of Indian Chamber of Commerce & Industry.

There is no pending litigation, dispute, defaults, non payment of statutory dues or any proceedings initiated for economic offences against him.

During his last tenure Sh. Alok Sharma has satisfactorily discharged his responsibilities, therefore, the reappointment of Sh. Alok Sharma shall be in the interest of the Company.

Further under the able guidance and hard working nature of Sh. Alok Sharma, the Company has achieved all time high turnover during the current financial year and it is expected that increase in turnover shall continue in the years to come.

The tenure of Sh. Alok Sharma as Managing Director expired on 16.06.98. The Board of Directors has reappointed Sh. Alok Sharma as the Managing Director of the Company, in their meeting held on 29.06.98 for a further period of five years on the terms and conditions contained in the resolution passed in the same meeting. The resolution passed by the Board is lying at the registered office of the Company for the inspection. The members may inspect the said resolution during business hours on any working day.

If re-appointed the appointment of Sh. Alok Sharma shall be within the provisions of sections 198, 269, 309 and schedule XIII of the Companies Act, 1956 read with Articles of Association of the Company.

The Board of Directors recommend re-appointment of Sh. Alok Sharma as the Managing Director in the larger interest of the Company.

Sh. Alok Sharma is deemed to be concerned or interested in the resolution. Further Sh. Prakash Sharma & Sh. Anil Sharma being relative of Sh. Alok Sharma are also deemed to be concerned or interested in the resolution.

None of other directors are in any way concerned or interested in the resolution.



DIRECTOR'S REPORT

To,
The Members

The Directors have pleasure in presenting the Twenty Fifth Annual Report of the Company together with the audited accounts for the year ended 30th June, 1998.

FINANCIAL HIGHLIGHTS

During the year under review, the Company achieved an aggregate turnover of Rs. 2,713.57 lacs representing an increase of 33% over the previous year. The Highlight of the financial results for the financial year ended 30th June, 1998 are as under :

(Rupees in lacs)		
Particulars	1997-98	1996-97
Turnover	2,713.57	2,032.57
Profit Before Interest, Depreciation And Miscellaneous Expenditure	269.45	227.51
Less : Interest	233.17	193.38
Profit Before Depreciation	36.28	34.13
Less : Depreciation & Miscellaneous Expenditure Written Off	11.45	10.21
Profit Before Tax	24.83	23.92
Less : Provision for Taxation (A/Y 1998-99)	3.20	3.75
Profit After Tax	21.63	20.17
Add : Previous Year Profit Brought Forward	83.67	63.50
Profit Available for Appropriations	105.30	83.67
Appropriations		
Provisions for Income Tax for Earlier Years	2.48	—
Balance Carried Forward to Balance Sheet	102.82	83.67

The Company's performance should be gauged against the backdrop of overall sluggishness in the market and industrial recession. Despite higher production and turnover, the bottom line suffered on account of poor product prices and higher interest rates on credits. The Company's profitability was adversely affected by abnormal escalation in input prices primarily of power, transportation and higher interest cost, while the market situation did not allow for matching increase in output prices to neutralise the adverse impact.

OPERATIONS

The Company, during the year, achieved an all time high production and turnover. (Refer Profit & Loss Account and Schedule "R" of Balance Sheet.)

EXPANSION PROGRAMMES

The Company is implementing an expansion project for increasing the Conductor manufacturing capacity from existing 3,000 MTs per annum to 3,500 MTs per annum.

The Company has already placed orders for purchase of High Speed Tubular Machine, Wire Drawing Machine and Generating Set. The overall cost of the expansion project is estimated at Rs. 50 lacs. The management expects that the new unit shall commence production by the end of February 1999.

GLOBAL PARTICIPATION

The management has decided to enter into global market, for the purpose of making Company's product globally acceptable. We all know, in present era, the product must meet the standards set by the world trade organisation. Your Company has become an ISO 9002 Company w.e.f. 22.1.99.

DIVIDEND FOR THE YEAR 1997-98

In view of expansion project and need of increased working capital your directors do not consider it prudent to recommend dividend for the financial year 1997-98.

FIXED DEPOSITS

The Company has not accepted any fixed deposits from public during the financial year under review in terms of section 58 A of the Companies Act, 1956.

INDUSTRIAL RELATIONS

The Company had harmonious relationship with its workforce during the year.

AUDITORS REPORT

The notes referred to by Auditors in their report are self explanatory and hence do not require any explanation.

INSURANCE

All the properties and insurable interest of the Company including plant and machinery and stocks, wherever necessary and to the extent required have been adequately insured.

OUTLOOK FOR THE CURRENT YEAR

In the present liberalised era the future of the Company is secured and healthy. The positive impact of expansion project shall have upward bearing on the profitability of the Company in the years to come.

DIRECTORS

Sh. Prakash Sharma, Vice Chairman of the

Company, and Sh. C.S., Chauhan, Director of the Company retire by rotation being eligible offer themselves for re-appointment. Further the tenure of Sh. Alok Sharma as Managing Director expired on 16.06.98. The Board of Directors reappointed Sh. Alok Sharma as Managing Director for a further period of five years w.e.f. 17.06.98, subject to the approval of members in the ensuing Annual General Meeting.

Your Directors recommend their 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 Rule 2 of the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 as amended from time to time is as under:

In view of meagre consumption no specific steps had been taken for conservation of energy. However energy is used prudently without any wastage. The Company is not covered under the list of industries which are required to furnish information in Form A u/r 2A (d) of the notification No. GSR No. 1029 dt. Dec. 31, 1988. Further the report on foreign exchange earning and outgo during the year under review is annexed to full Annual Report.

PARTICULARS OF EMPLOYEES

The particulars of employees as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed to the full Annual Report.

AUDITORS

The Company's Auditors M/s. D.P. Kapoor & Company, Chartered Accountants retire at the Conclusion of ensuing General Meeting. They being eligible have given their consent to act as Auditors of the Company, if reappointed. The Members are requested to consider their reappointment as Auditors of the Company.

ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation of the valuable support given by State Electricity Boards, Financial Institutions, Banks as well as Shareholders and employees for their sustained support.

For and on behalf of the Board

Place : New Delhi (M.K. Sambamurti)
Dated : 28.01.99 Chairman