

**26th
Annual Report
1998-99**

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EQUIPMENT CONDUCTORS & CABLES LTD.

**BOARD OF DIRECTORS**

Sh. Alok Sharma — Managing Director
 Sh. Pankaj Bhargava — Director
 Sh. Anil Sharma — Director

AUDITORS

M/s. D.P. Kapoor & Co.
 N-52, Connaught Circus
 New Delhi-110001

SECRETARIAL AUDITORS

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

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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 26th Annual General Meeting of the shareholders of Equipment Conductors & Cables Limited will be held at 9.30 a.m. on Monday, the 28th day of February, 2000 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, 1999 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. Pankaj Bhargava, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

M/s. D.P. Kapoor & Co., Chartered Accountants, the outgoing Auditors of the Company, does not offer themselves for re-appointment. The Board recommends the name of M/s. R. Khatter & Associates, Chartered Accountants for appointment.

SPECIAL BUSINESS

4. 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 and is hereby increased from Rs. 500 lacs to Rs. 700 lacs by creation of 20,00,000 preference shares of Rs. 10/- each.

"RESOLVED that the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

"V. the authorised capital of the Company is Rs. 7,00,00,000 divided into 5000000 equity shares of Rs. 10/- each and 2000000 preference shares of Rs. 10/- each with power to increase, divide, sub divide into various classes of shares and attach thereto such preferential, deferred, special rights/privileges/conditions as may be determined by the company in accordance with its regulations.

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 Section 31 of the Companies Act 1956 the Memorandum and Article of Association be and is hereby altered in the following manner".

The authorised share capital of the Company shall be as is mentioned in the clause V of the

Memorandum of the Company with power of subdivide, consolidate and increase or decrease and with power, from time to time, to issue any share of the original capital or any new capital with and subject to any preferential, qualified or special rights privileges or conditions as may be thought fit and upon the sub-division of a share to apportion the right to participate on profit in any manner as between the shares resulting from sub-division. The rights attached to the preference shares shall be such as may be determined by the Company at the time of issue thereof.

6. 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 contained in Section 81 and all other applicable provisions, if any, of the Companies, Act, 1956 (Including any amendment or re-enactment thereof), the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents. Permissions and sanctions as may be necessary from the appropriate authorities or bodies and subject to such conditions as may be prescribed by them while granting such approvals, consents, permissions and sanctions and subject to such terms, conditions and alterations which the Board of Directors (hereinafter referred Board) of the Company be and is hereby authorised to accept, if it thinks fit in the interest of the Company, the Board be and is hereby authorised to issue and allot preference shares of the value of Rs. 10/- (Rupees ten) each of an aggregate nominal value not exceeding Rs. 200 lacs exclusive of such premium, if any, as may be determined by the Board, in one or more private offerings including private placements in Indian markets to Indians/Foreign Investors (whether institutions/Banks and/or Corporate bodies (including companies) and/or any other body corporate and/or trusts and/or mutual funds and/or local bodies and/or any combination thereof) and whether or not such investors are members of the Company, on such terms and conditions and in such tranches as may be decided by the Board in its absolute discretion.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to determine as to when the said preference shares are to be issued, the type or types of the preference shares are to be issued, the type and classes of Investors to whom the preference shares are to be offered, the number and value of the preference shares to be issued in each tranche, utilisation of the issue proceeds the terms or combination of terms subject to which the preference

shares are to be issued (including combination of terms for preference shares issued at various points of time) including but not limited to terms relating to rate of dividend, period of redemption, manner of redemption (including by conversion to Equity, if possible in law) or premature or early redemption at the option of the Company and/or the Investors, terms for cumulation or otherwise of dividends and all such terms as are provided in offering of like nature.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds documents, instruments and writings as it may in its absolute discretion deem necessary or desirable and pay fees and commission and incur expenditure in relation thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Managing Director or Whole Time Director or Directors or any other officer or offices of the Company to give effect to the aforesaid resolutions".

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 14.03.2000 to 15.03.2000 (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 : 17.01.2000 (Alok Sharma)
Place : New Delhi Managing Director



EXPLANATORY STATEMENT UNDER SECTION 173 (2)

ANNEXURE TO THE NOTICE

Items 4, 5 and 6

The Company with a view to augment resources for its projects, ongoing capital expenditure and other general corporate purposes, proposes to raise finance through the issue of preference shares upto an aggregate nominal value of Rs.200 lacs in one or more tranches. Detailed terms and conditions including the issue price, rate of dividend, premium & redemption period etc. will be determined by the Board of Directors of the Company in consultation with Managers/Advisors/Consultants and/or depending on the then prevailing market

conditions. The proposed issue as aforesaid will, if required, be subject to the approval(s) of the Government of India, Reserve Bank of India and other relevant authorities,

In order to enable the Company to issue preference shares upto the nominal value of Rs. 200/- lacs as and when deemed fit, it is proposed to create the authorised preference capital of Rs. 200/- lacs and increase the total share capital from Rs. 500 lacs to Rs. 700 lacs and consequently to alter clause V of the Memorandum of Association and Article 4 of the Articles of Associations.

A copy of the memorandum and Article of Association is available, for inspection during

business hours on any working day, at the registered office of the Company, upto the date of the meeting. The Board of Directors recommend adoption of ordinary resolution set out in item no. 4 and 5 and special resolution set out in item no. 6 of the notice. None of the Directors, is concerned or interested in the proposed resolution except to the extent of any preference shares of the Company that may be offered or allotted to them.

For and on behalf of the Board

Dated : 17.01.2000

(Alok Sharma)

Place : New Delhi

Managing Director

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DIRECTOR'S REPORT

To,
The Members

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company together with the audited accounts for the year ended 30th June, 1999.

PERFORMANCE AT A GLANCE

During the year under review, the Company achieved an aggregate turnover of Rs. 3,541.18 lacs representing an increase of 13% over the previous year. The Highlight of the financial results for the financial year ended 30th June, 1999 are as under :

| (Rupees in lacs) | | |
|--|---------|---------|
| Particulars | 1998-99 | 1997-98 |
| Turnover | 3514.18 | 3124.26 |
| Profit Before Interest, Depreciation And Miscellaneous Expenditure | 307.78 | 269.45 |
| Less : Interest | 259.08 | 233.17 |
| Profit Before Depreciation (Misc. Ecl.) | 48.70 | 36.28 |
| Less : Depreciation & Miscellaneous Expenditure Written Off | 13.47 | 11.45 |
| Profit Before Tax | 35.23 | 24.83 |
| Less : Provision for Taxation (A/Y 1998-99) | 4.38 | 3.20 |
| Profit After Tax | 30.85 | 21.63 |
| Add : Previous Year, Profit Brought Forward | 102.82 | 83.67 |
| Profit Available for Appropriations | 133.67 | 105.30 |
| Appropriations | | |
| Provisions for Income Tax for Earlier Years | - | 2.48 |
| Excise Duty for Earlier Year | 1.14 | - |
| Balance Carried Forward to Balance Sheet | 132.53 | 102.82 |

Although the Company has achieved increased turnover during the financial year ended 30.06.99 but the bottom line continued to suffer in view of higher interest rate and low debt turnover ratio. Your Company is making efforts to reduce the financial cost and improve in debt collection period. Hopefully privatisation of power sector shall help your Company to improve on both the counts. Further the expansion project, which was originally slated to come into commercial production in the month of February, 1999 actually come into commercial production in the month of May 1999 (23.05.99). Therefore the impact of improved turnover and profitability shall be experienced in the coming years.

In addition to above, raising funds through preference capital shall also contribute in reduction of finance cost to a great deal.

OPERATIONS

The upward trend in turnover continued in this year as well.

DIVIDEND FOR THE YEAR 1998-99

In view of expansion project and need of increased working capital your directors donot consider it prudent to recommend dividend for the financial year 1998-99.

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.

DIRECTORS

During the year Sh. M.K. Sambamurti, Chairman, Sh. Prakash Sharma, Vice Chairman and Sh. C.S. Chauhan, Director resigned due to personal reasons.

Further Sh. Pankaj Bhargava retires by rotation being eligible for re-appointment

offers himself for re-appointment. Your Directors recommend his re-appointment on the board.

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

M/s. D.P. Kapoor & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the conclusion of this Annual General Meeting of the Company and they do not offer themselves for re-appointment. The Board in the overall interest of the Company recommends the name of M/s. R. Khatter & Associates, Chartered Accountants for the appointment. A certificate under Section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed appointment has already been obtained from them.

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

Dated : 17.01.2000
Place : New Delhi

(Alok Sharma)
Chairman