



7th
ANNUAL REPORT
2000-2001

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Paramount Communications Limited
(An ISO 9001 Company)

Paramount Communications Limited

Board of Directors	: Shri. Sanjay Aggarwal Shri. Sandeep Aggarwal Shri. Satya Pal Shri. S. P. S. Dangi Shri. Vijay Bhushan	Managing Director Jt. Managing Director
Registered office	: M - 4 , " Bahubali ", 59/17, New Rohtak Road, New Delhi - 110 005.	
Works	: Unit 1, (Paramount Cable Corporation) SP 30A Khushkhera Industrial Area, Distt. Alwar, Rajasthan	
	: Unit 2, (Jelly Filled Telephone Cable Plant) Plot No. 37, Industrial Estate, Dharuhera, Haryana.	
Auditors	: M/s. Jagdish Chand & Co., Chartered Accountants, H-20, Green Park (Main), New Delhi-110 016.	
Bankers	: DENA BANK Karol Bagh Branch, New Delhi-110 005	
	: STATE BANK OF INDIA Industrial Finance Branch, Vijaya Building, 17, Barakhamba Road, New Delhi-110 001	
Share Transfer Agents	: M/s. In - House Shares Registry (A unit of A.O.K. In house Securities Pvt. Ltd.) 3, Community Centre, Naraina, Phase-I, Near Payal Cinema, New Delhi - 110 028. Phone No.: 579-2012(4 Lines) Fax No.: 579-2011.	
Chief Compliance Officer	: Shri Ratan Aggarwal	
Vice President (Finance) & Company Secretary	: Shri Ratan Aggarwal	
Sr. Vice - President (Dharuhera Unit)	: Shri D. S. Muchhal	
Vice President (Khushkhera Unit)	: Shri N. K. Sabharwal	
Vice President (Marketing)	: Shri Sanjeev Kumar	

Paramount Communications Limited

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Members of the Company will be held at **SHAH AUDITORIUM, SHRI DELHI GUJRATI SAMAJ MARG, NEAR INTERSTATE BUS TERMINAL, DELHI-110054** on Monday, the 3rd September, 2001 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS :

- 1 To consider and adopt the Balance Sheet as on March 31, 2001 and Profit and Loss account of the company for the year ended March 31, 2001 and the reports of the Board of Directors and Auditors thereon.
- 2 To declare dividend on equity shares.
- 3 To appoint a Director in place of Shri Sandeep Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.
- 4 To appoint a Director in place of Shri S. P. S. Dangi, who retires by rotation and being eligible, offers himself for re-appointment.
- 5 To appoint Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General meeting and fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT M/S JAGDISH CHAND & CO., Chartered Accountants, New Delhi be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:**6 Issue of Bonus Shares:**

To consider and if thought fit to pass, with or without modifications, the following resolutions as Special Resolutions:-

"RESOLVED THAT in accordance with the provisions of Memorandum and Articles of Association of the Company and subject to guidelines issued by the Securities and Exchange Board of India and subject to the approval of the Reserve Bank of India for allotment and issue of new equity shares to non-resident members and subject to such other approvals, as may be applicable, and also subject to such terms, conditions, alterations, modifications, changes and variations as may be specified while according such approval which the Board of Directors of the Company (hereinafter referred to as the "Board") be and is hereby authorised to accept, if it thinks fit, the consent be and is hereby accorded to the Company to capitalise a sum of Rs. 3,10,51,600/- (Rupees three crores ten lacs fifty one thousand six hundred only) out of share premium account and such sum be set free for distribution among the holders of existing fully paid equity shares of Rs.10/- each, whose names will appear in the register of members of the Company on a date to be decided by the Board (as record date), as an increase of the amount of share capital of the Company held by each such member, not as income or in lieu of dividend, credited as 31,05,160/- fully paid-up equity shares as bonus shares in the proportion of two new equity shares for every five existing fully paid equity shares held."

"RESOLVED FURTHER THAT wherever issue of Bonus Share results in any member entitled to fraction of new equity shares to be allotted as bonus shares, the company shall not issue any certificate or coupon in respect of such fractional shares and the total number of new equity shares representing such fractions shall be allotted by the Board of Directors of the company to a nominee who, on behalf of existing shareholders, shall have the right to be allotted such fractional shares and the company shall issue in favour of the nominee such equity share certificate or certificates after consolidating all the fractional shares into a marketable lot and thereafter such equity shares shall be sold by the nominee at the prevailing market rates and the net sale proceeds of such shares shall be distributed amongst all the members who are entitled to such fractional bonus shares in proportion to their respective holding and allotment of fractional bonus shares."

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"RESOLVED FURTHER THAT the new equity shares shall rank pari-passu in all respects with and carry the same rights as the existing fully paid-up equity shares of the company and notwithstanding the date or dates of allotment thereof shall be entitled to participate in full in any dividend to be declared in respect of the financial year in which the allotment of the new equity shares pursuant to this Resolution is made."

"FURTHER RESOLVED THAT to give effect to the above resolutions, the Board of Directors, of the company be and is hereby authorised to do all such acts, matters and things whatsoever including settling of any question, doubt or difficulty that may arise with regard to or in relations to the issue and allotment of the Bonus Shares."

- 7 To consider and if deemed fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED that in accordance with the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, in partial modification of the Resolution No. 7 passed by the Shareholders at the 5th Annual General Meeting held on 17th August, 1999, the remuneration payable to Shri Sanjay Aggarwal, Managing Director of the company be and is hereby revised as setout below for the remaining period of his tenure of office w.e.f. 1st October, 2001."

REMUNERATION :

- | | | |
|-----------------|---|--|
| i) Salary | : | Rs. 1,00,000/- per month. |
| ii) Perquisites | : | Restricted to Rs. 5 Lacs per annum. |
| iii) Commission | : | 5% of the net profit less remuneration payable under point No. i) & ii) above. |

"RESOLVED further that the minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during his tenure of office shall be as per Schedule XIII of the Companies Act, 1956."

"RESOLVED further that all other terms and conditions of his appointment embodied in resolution No. 7 passed by the shareholders at the 5th Annual General Meeting held on 17th August, 1999 remain unaltered."

- 8 To consider and if deemed fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED that in accordance with the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such other approvals as may be necessary, in partial modification of the Resolution No. 8 passed by the Shareholders at the 5th Annual General Meeting held on 17th August, 1999, the remuneration payable to Shri Sandeep Aggarwal, Jt. Managing Director of the company be and is hereby revised as setout below for the remaining period of his tenure of office w.e.f. 1st October, 2001."

REMUNERATION :

- | | | |
|-----------------|---|--|
| i) Salary | : | Rs. 1,00,000/- per month. |
| ii) Perquisites | : | Restricted to Rs. 5 Lacs per annum. |
| iii) Commission | : | 5% of the net profit less remuneration payable under point No. i) & ii) above. |

"RESOLVED further that the minimum remuneration and perquisites to be paid in the event of loss or inadequacy of profit in any financial year during his tenure of office shall be as per Schedule XIII of the Companies Act, 1956."

"RESOLVED further that all other terms and conditions of his appointment embodied in resolution No. 8 passed by the shareholders at the 5th Annual General Meeting held on 17th August, 1999 remain unaltered."



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- 9 To consider and if thought fit, to pass, with or without modification (s), the following resolution as a "Special Resolution":

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the companies Act, 1956, the existing Article 96 of the Articles of Association of the Company be altered and substituted by new Article 96 which is as follows:

ARTICLE 96

REMUNERATION TO DIRECTORS:

Subject to the provisions of Sections 198, 309 and 311 of the Act, the remuneration payable to the directors of Company may be as hereinafter provided. The remuneration of each director for attending the meeting of the Board or Committee thereof shall be such sum as may be decided by the Board from time to time subject to such limit as may be prescribed by the Act or the Central Govt. from time to time. Subject to the provisions of the Act and rules made there under the directors shall be paid such further remuneration (if any) as the Company in General Meeting shall, from time to time, determine and such additional remuneration shall be divided among the directors in such proportion and manner as the Board may, from time to time, determine and, in default of such determination shall be divided among the directors equally.

By Order of the Board

Place : New Delhi
Dated : 27-07-2001

(Ratan Aggarwal)
Company Secretary

NOTES:

- 1 The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act 1956 in respect of business under item No. 6,7,8 & 9 is annexed hereto.
- 2 The 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. The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. Proxy Form is attached herewith.
- 3 The Register of Members and Transfer Book of the company shall remain close from Friday 31st August, 2001 to Monday 3rd September, 2001 (both days inclusive) for the purpose of entitlement of dividend. The dividend in respect of equity shares held in electronic form will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.
- 4 The Bonus Shares, if approved by the members in the AGM, shall be issued to the existing fully paid equity shares holders whose names appear in the register of members of the Company on a date to be decided by the Board as record date.
- 5 Members/proxies should bring the attendance slip duly filled in for attending the meeting.
- 6 Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the meeting.
- 7 Members are requested to note that all correspondence relating to share transfer should be addressed to its Registrars and Transfer Agents, M/s In-house Share Registry (A unit of A.O.K. In house Securities Pvt Ltd.), 3 Community Centre, Naraina, Phase-I, Near Payal Cinema, New Delhi-110028.
- 8 Documents referred to in the Notice and the explanatory Statement are open for inspection at the Registered Office of the company during office hours on all working days except Sunday and Holidays between 10:30 A.M. and 1:00 P.M. upto the date of Annual General Meeting.
- 9 Shareholders are requested to bring their copy of Annual Report at the meeting.

Paramount Communications Limited**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT IN TERMS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956****Item No. 6**

The present paid up share capital of the Company is Rs. 776.29 Lacs. The free reserves as on 31st March, 2001 were Rs. 2189.32 Lacs. The Board of Directors thought that it would be advantageous to capitalise a portion of the reserves. After the increase in capital due to Bonus Issue the company will also be eligible for applying to National Stock Exchange for listing which will provide more liquidity to the shareholders. Hence your Directors have proposed the issue of bonus shares through capitalisation of a sum of Rs. 3,10,51,600/- from share premium as per the audited accounts of the Company for the financial year ended 31st March, 2001 and the same is proposed to be applied in full by issuing 31,05,160 equity shares of Rs. 10/- each at par. The said shares shall be distributed as fully paid bonus shares to and amongst the members of the company whose names will appear on the Register of Members on a date to be decided by the Board as record date in proportion of two bonus shares for every five existing equity shares held.

The proposed issue of Bonus Shares will be made in line with the guidelines issued by the Securities & Exchange Board of India (SEBI) in this respect. The allotment of bonus shares to the non-resident members, if any, will however be subject to the approval of the Reserve Bank of India. Applications will be made to the Mumbai, Delhi, Calcutta, Jaipur, Ahmedabad Stock Exchanges, where the existing shares of the Company are already listed, for permission to deal in the said bonus shares.

The Directors, therefore, recommend the Special Resolutions. The Directors of the Company may be deemed to be interested in these resolutions to the extent of their respective holding in the Company.

Item No. 7 & 8.

The remuneration of Shri Sanjay Aggarwal, Managing Director and Shri Sandeep Aggarwal, Jt. Managing Director was last reviewed on 01-11-1999. The emerging competitive environment has added additional responsibilities on the Managing Director and Jt. Managing Director. It is appropriate that the remuneration payable to them during remaining period of their term of office be enhanced w.e.f. 1st October, 2001 as set out in the resolution.

The changes in terms of appointment of Shri Sanjay Aggarwal and Shri Sandeep Aggarwal as the company's Managing Director and Jt. Managing Director respectively requires, the approval of the members of the Company in General Meeting in terms of Part III of schedule XIII to the Companies Act, 1956 ('the Act') and the remuneration payable also requires the approval of the Company in General Meeting under Section 309 of the Act.

The Board considers that the remuneration payable to Shri Sanjay Aggarwal and Shri Sandeep Aggarwal is commensurate with their duties and responsibilities as the Managing Director and Jt. Managing Director respectively of the Company.

The resolution set out in the convening Notice has to be considered accordingly and the Board recommends its acceptance. Shri Sanjay Aggarwal, Managing Director and Shri Sandeep Aggarwal, Jt. Managing Director are concerned or interested in the said items in their personal capacity and also being related to each other. No other Director of the company is concerned or interested in the proposed revision of remuneration to the Managing Director and Jt. Managing Director. This may also be regarded as an abstract of Shri Sanjay Aggarwal's and Shri Sandeep Aggarwal's terms of remuneration payable as Managing Director and Jt. Managing Director respectively of the Company and Memorandum of interest under section 302 of the Act.

Item No. 9

The existing Article 96 places restriction on payment of meeting fees to the Directors by restricting it between minimum Rs. 250/- to maximum Rs. 1000/-. These scales of fee have been liberalised by subsequent amendments issued by the Central Govt. from time to time. Considering the increased business activities of the Company, the directors have to put more attention and efforts for smooth functioning of operations of the Company. The proposed amendment is to include an enabling provision in the Articles of Association of the Company empowering the Board of Directors to increase/decrease the sitting fee subject to the limits prescribed by the Companies Act, 1956 or the Central Govt.

Pursuant to Section 31 of the Companies Act, 1956 alteration in the Articles of Association of the Company requires approval of the members by Special Resolution.

The Directors recommend adoption of the Resolution set out at Item No. 9 of the notice.

The Directors may be treated as concerned or interested to the extent their entitlement for sitting fees.

By Order of the Board

Place : New Delhi
Dated : 27-07-2001

(Ratan Aggarwal)
Company Secretary

Paramount Communications Limited



DIRECTORS' REPORT

Yours Directors have pleasure in presenting the **Seventh Annual Report** and Audited Accounts of the Company for the year ended **31st March, 2001**.

1. FINANCIAL RESULTS:

	For the year ended 31.03.2001 (Rs. in lacs)	For the year ended 31.03.2000 (Rs. in lacs)
Turnover and Other Income	16303.18	12969.85
Profits before Interest, Depreciation and Tax	1315.24	1054.73
Interest (Net)	324.60	254.47
Depreciation	198.17	165.08
Profit before Tax	792.47	635.18
Provision for Taxation	300.00	205.00
Profit after Tax	492.47	430.18
Profit Available for Appropriations	976.26	652.54

Appropriations:

Proposed Dividend (Equity)	105.59	—
Interim Dividend (Equity)	—	105.01
Provision for taxation on proposed dividend	10.77	11.55
General Reserve	50.00	50.00
Surplus carried to Balance Sheet	809.90	485.98

2. PERFORMANCE:

The company achieved total turnover of Rs. 16301.88 Lacs and Net Profit after tax of Rs. 492.47 Lacs for the year 2000-2001 as compared to Rs. 12963.77 Lacs and Rs. 430.18 Lacs for the previous year 1999-2000 which shows a growth of 25.75% and 14.48 % respectively. Growth in Net Profits after Tax is reduced due to higher provision for taxation made for the year 2000-2001.

In view of the Supreme Court orders for shifting of industrial units of Delhi functioning in non-conforming areas, the manufacturing unit of the company at Prahladpur had to be relocated to RIICO Industrial Area, Khushkhera, District Alwar, Rajasthan. Due to relocation, this unit of the company had to suffer production loss and delay in supply of material for a period of about 6 months. However, the overall results of the company for the year 2000-2001 have shown good growth due to excellent performance of the Dharuhera unit.

3. ISSUE OF FRESH EQUITY SHARE CAPITAL:

During the year the company has issued 12,00,000 equity shares on preferential basis at the rate of Rs. 58/- per share i.e. Rs. 10/- per share as nominal value and Rs. 48/- per share as share premium. These shares are entitled to pro-rata dividend.

4. DIVIDEND:

The Directors are pleased to recommend dividend of 16% on equity capital for the year 2000-2001. If approved, the dividend pay out will be Rs. 105.58 Lacs and taxation on proposed dividend will be Rs. 10.77 Lacs.

5. EXPANSION & DIVERSIFICATION PLANS:

The company acquired Category "A" National Internet Service Provider license during the year 1999-2000. The company could not commence ISP services during the financial year under review. The Company is taking all necessary steps to launch ISP services during the financial year 2001-2002.

The company, in addition to shifting the Prahladpur, Delhi unit to RIICO Industrial Area, Khushkhera, also added 14.47 LCKM capacity of manufacturing Jelly Filled Telecom Cables in Khushkhera unit. This unit is expected to start commercial production by June, 2001.

The capacity of the Dharuhera unit has since been increased from 35.62 LCKM earlier to 38.52 LCKM per annum by adding certain balancing equipment in May, 2001.



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6. LISTING OF SHARES :

The Company's equity shares at Delhi, Mumbai, Calcutta, Ahmedabad and Jaipur Stocks Exchanges. Listing fee has been paid up to date.

The company has appointed M/s In-house Share Registry (A division of A.O.K. In-House Securities Pvt. Ltd.), 3 Community Centre, Naraina Phase-I, Near Payal Cinema, New Delhi-110 028 as registrar and share transfer agent for dematerialised shares also in place of M/s IIT Corporate Services Ltd., New Delhi.

7. CORPORATE GOVERNANCE :

Pursuant to clause 49 of the listing agreement, compliance with Corporate Governance is to be made during the financial year 2001-2002. However, the Company has already formed Audit Committee, Shareholders Committee and Remuneration Committee. Following are the members of these three Committees:

a) Audit Committee:

Shri S. P. S. Dangi, Director - Chairman of the Committee
 Shri Satya Pal, Director
 Shri Vijay Bhushan, Director
 Shri Ratan Aggarwal, Secretary of the Committee

The terms of reference as specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement.

b) Shareholders/Investors Grievance Committee:

Shri Vijay Bhushan, Director - Chairman of the Committee
 Shri Sanjay Aggarwal, Managing Director
 Shri Sandeep Aggarwal, Jt. Managing Director
 Shri Ratan Aggarwal, Secretary of the Committee

c) Remuneration Committee:

Shri Satya Pal, Director - Chairman of the Committee
 Shri S. P. S. Dangi Director
 Shri Vijay Bhushan, Director
 Shri Ratan Aggarwal, Secretary of the Committee

The Company is taking all further steps to ensure compliance of Corporate Governance during the current financial year.

8. ISO 9001 CERTIFICATION:

Your company has achieved ISO 9001 certification for its both manufacturing units. This certification has been issued on upgradation of the existing ISO 9002 certification.

9. DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles and Association, Shri Sandeep Aggarwal and Shri S. P. S. Dangi retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their re-appointment as Directors on the Board of the company in this Annual General Meeting.

10. 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:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed;
- (ii) that 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 or loss of the Company for the year under review;
- (iii) that the Directors had 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;



Paramount Communications Limited

(iv) that the Directors had prepared the accounts for the financial year ended 31st March, 2001 on 'going concern' basis.

11. AUDITORS :

You are requested to appoint the Auditors for the current year and fix their remuneration. M/s Jagdish Chand and Co., Chartered Accountants, New Delhi, the Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have given a certificate to the effect that their appointment, if made, will be within the prescribed limit specified in Section 224 (IB) of the Companies Act, 1956.

12. SUBSIDIARY COMPANY :

During the financial year 2000-2001, the company has invested Rs. 112.0 Lacs in the equity share capital by way of 1120000 equity shares of Rs. 10/- each of its subsidiary company M/s Paramount Wires & Cables Ltd. to part finance its expansion plan. The subsidiary company has successfully implemented its expansion project and was able to enhance its assessed capacity as certified by Telecom Engineering Center, Department of Telecommunication to 28.89 LCKM per annum in April, 2001 from the earlier assessed capacity of 9.25 LCKM per annum.

Particulars relating to Subsidiary Company, as required under Section 212 of the Companies Act, 1956 are annexed to the Director's report.

13. PARTICULARS OF CONSERVATION OF THE ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The information as regards conservation of energy, technology absorption and outgo required under Section 217(1),(2) of the Companies Act, 1956 read with the Companies (Disclosure of Directors) Rules, 1988 is annexed hereto and forms an integral part of the report.

14. PARTICULARS OF EMPLOYEES :

There are no employees whose particulars are required to be given under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

15. INSURANCE :

All the insurable interests of the Company including inventories, buildings, plant & machinery and liabilities under legislative enactments are adequately insured.

16. FIXED DEPOSITS :

There are no fixed deposits from public outstanding as on 31st March, 2001.

17. ACKNOWLEDGMENT :

Your Directors place on the record their appreciation of the assistance and support extended by all Government Authorities, Financial Institutions, Banks, Shareholders of the Company. Your Directors express their appreciation for the services rendered by the employees of the Company, who are primarily responsible for its continued growth.

For and on behalf of the Board,

Date : 30.05.2001
Place : New Delhi

(Sanjay Aggarwal)
Managing Director

(Sandeep Aggarwal)
Joint Managing Director



Paramount Communications Limited

ANNEXURE I TO THE DIRECTOR'S REPORT
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Particulars with respect to conservation of energy etc. as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Director's Reports for the year ended 31st March, 2001.

1. CONSERVATION OF ENERGY :

All necessary care has been taken to minimize energy costs. Required capacitors and other control equipment are duly installed to achieve the optimum power factor. No major new investment is envisaged. However, at Dharuhera, all the required equipments i.e. Electrical Control Panels, Capacitors, Electric CT/PT unit etc. have been installed to ensure the optimum power factor. Energy cost is quite insignificant in comparison to the total cost of production and hence the energy conservation measures shall not have any major impact on costs.

2. TECHNOLOGY ABSORPTION :**A. RESEARCH AND DEVELOPMENT :**

- i) It has been continuous endeavour of your Company to develop new designs for cables, keeping in view the Customer's requirements as also to upgrade the products on regular basis.
- ii) The Company has been continuously upgrading and adding to its R&D equipment from time to time in tune with the latest trends in Cable Technology.

B. TECHNOLOGY ABSORPTION :

Your Company, with its long experience in the Cable Industry, has been a leader in Cable Technology. The Company has gained confidence in the quality of its products by being able to successfully compete with the world majors in the field in International Market.

3. FOREIGN EXCHANGE EARNINGS :

- A.** Although there is very little scope for exports of cables due to much higher cost of raw materials and finance in India, as also due to low element of labour in the total manufacturing cost, the Company has been successful in the export of cables to a limited extent. With the sound reputation that is gradually being built in the international markets, the Company hopes for better export performance in the coming years.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information of foreign exchange earning and outgo are contained in Schedule W 10 (F, G & H).

For and on behalf of the Board

Date : 30.05.2001
Place : New Delhi

(Sanjay Aggarwal)
 Managing Director

(Sandeep Aggarwal)
 Joint Managing Director