

# STANDARD CABLES LIMITED

20th Annual Report

1997-1998

MD	✓		BKC	✓
CS	NA		D.Y.	NA
RO	✓		DI	NA
TRA	✓		AC	✓
AGM	✓	✓	SP	✓
YE	✓	✓		



**STANDARD CABLES LIMITED**

**STANDARD CABLES LIMITED**

**BOARD OF DIRECTORS**

SHRI FARROKH SORAB BROACHA  
SHRI NIRMAL SUCHANTI  
SHRI VISHWANATH TAPURIAH  
SHRI VIVEK TAPURIAH

**AUDITORS**

M/S SINGHVI, DEV & UNNI  
S.D.U. House, Madhavanagar,  
12, Race Course Road,  
Bangalore 560 001.

**REGISTERED OFFICE & WORKS**

51-A, Bommasandra Industrial Area,  
Hosur Road, Anekal Taluk,  
Bangalore 562 158.

**PRINCIPAL BANKERS**

STATE BANK OF MYSORE  
J.C. Road,  
Bangalore 560 002.

**HEAD OFFICE**

307, Regent Chambers,  
Nariman Point,  
Bombay 400 021.

**REGISTRARS & SHARE TRANSFER AGENTS**

DYNAMIC SUPERWAYS & EXPORTS LTD.,  
Rainbow Palace,  
I.C.Colony Cross Road No.5,  
Borivli (West),  
Mumbai 400 103.

**ANNUAL REPORT 1997-98****NOTICE**

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING of the Members of **STANDARD CABLES LIMITED** will be held at ESTATE CLUB CONFERENCE HALL, Huskur Road, Anekal Taluk, Bangalore 562 158 on Tuesday, the 29th December, 1998 at 11.00 A.M. to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider & adopt the Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account of the company for the year ended on that date and Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri F.S. Broacha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

Place **MUMBAI****BY ORDER OF THE BOARD**Date **24TH NOVEMBER, 1998**

(V.N.TAPURIAH)  
DIRECTOR

Regd. Office:  
51-A, Bommasandara Industrial Area,  
Hosur Road, Anekal Taluk, Bangalore 562 158

**NOTE :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Proxy, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 26th December, 1998 to Tuesday, the 29th December, 1998 (both days inclusive).
4. Members desirous of seeking any further information or clarification in respect of accounts and operations of the Company are requested to send their Queries in writing to the Company at the Registered Office so as to reach at least 10 days before the date of meeting so that the required information can be made available at the meeting.
5. Members are requested to bring their copy of the Annual Report and the Attendance Slip with them at the Meeting.

**STANDARD CABLES LIMITED****DIRECTORS' REPORT*****Dear Members,***

Your Directors have pleasure in presenting their Twentieth Annual Report on the Business and Operations of the Company alongwith the Audited Statement of Accounts for the year ended at 31st March, 1998.

**FINANCIAL RESULTS**

The Financial results of the company for the year under review are summarised hereunder:

	<b>Current Year Rs. In Lacs</b>	<b>Previous Year Rs. In Lacs</b>
Income	<b>92.51</b>	156.02
Expenditure	<b>178.17</b>	149.94
Profit before Depreciation & Taxation	<b>(85.66)</b>	6.08
Less/(Add) Depreciation	<b>(8.41)</b>	8.92
Provision for Taxation	<b>0.00</b>	0.00
Profit/(Loss) after Depreciation and Tax	<b>(94.07)</b>	(2.84)
Opening Balance of P & L a/c	<b>19.20</b>	22.04
Excess Provision for taxation	<b>0.26</b>	0.00
Balance carried to Balance Sheet	<b>(74.61)</b>	19.20

**OPERATIONS**

The Last few years have been difficult for Cable Industry in Southern India, especially in Karnataka. The Operations of your company were considerably affected because of low off-take of cables by Public & Private Sector Industrial Consumers and abnormal increase in electricity costs coupled with restricted power supply. The current year's prospects are equally gloomy.

**DIVIDEND**

Your Directors do not recommend any Dividend for the year under review.

**DEPOSITS**

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules framed thereunder:

**EMPLOYEES**

None of the Employees attracted the provisions of Section 217(2A) of Companies Act, 1956.

**AUDITORS**

M/s Singhvi, Dev & Unni, Chartered Accountants, Bangalore, retire and are eligible for re-appointment. As regards the auditors' observations in their report the relevant notes are self-explanatory.

**ANNUAL REPORT 1997-98****ACKNOWLEDGEMENTS**

Your Directors hereby appreciate the services rendered by the State Bank of Mysore and place on record their appreciation for the co-operation received from the employees at all levels during the year.

**ADDITIONAL INFORMATION**

In terms of Section 217(1) of the Companies Act, 1956, and the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 your Directors furnish hereunder the additional information as required:

**A. CONSERVATION OF ENERGY**

- a) the company has made efforts to reduce energy consumption to the utmost level;
- b) no additional investments or proposals were implemented for reduction or conservation of energy.
- c) In the Opinion of the Board, the provisions of disclosure of particulars in terms of Form A are not applicable to the company.

**B. TECHNOLOGY ABSORPTION****RESEARCH AND DEVELOPMENT**

1. The company has not carried out any Research and Development activities during the year.
2. As no activity of Research and Development has been carried the question of benefits arising out of the same does not arise.
3. The Company has no plans to setup any Research and Development Cell.

**TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION**

The Company has adapted suitably to indigenous technology and the same has been cost-effective.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- |                              |         |
|------------------------------|---------|
| a) Foreign Exchange Earnings | Rs. Nil |
| b) Foreign Exchange outgo    | Rs. Nil |

FOR AND ON BEHALF OF THE BOARD

Place : Mumbai  
Date : 24-11-1998

**Nirmal Suchanti**  
Director

**V.N Tapuriah**  
Director

**STANDARD CABLES LIMITED****AUDITORS' REPORT**

To the Members of **Standard Cables Ltd**, Bangalore.

We have audited the attached Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date annexed thereto of Standard Cables Ltd, and report that, in our opinion and as per the information and explanations given to us and the books and records examined by us in the normal course of audit: -

- i) the Company has maintained proper records showing full particulars including quantitative details and situations of its fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification;
- ii) none of the fixed assets were revalued during the year;
- iii) physical verification has been conducted by the management at reasonable intervals, in respect of finished goods, stores, spare parts and raw materials;
- iv) the procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- v) the discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of account;
- vi) the valuation of stock needs considerable improvement to make it fair and proper in accordance with the normally accepted accounting principles. As explained to us, it is on the same basis as in the previous year;
- vii) the Company has not taken any loans, secured or unsecured, from parties listed in the register maintained under section 301 of the Companies Act 1956. According to the information and explanations given to us, there are no Companies under the same management as defined under sub-section (1-B) of section 370 of the Companies Act, 1956.
- viii) the Company has granted unsecured loans to companies listed in the register maintained under section 301 of the Companies Act 1956. Attention is invited to note 1 below. Consequently, the terms and conditions are *prima facie* prejudicial to the interests of the Company.
- ix) except in the case of interest free staff advances which are recovered periodically, no terms and conditions have been stipulated in the case of inter-corporate loans and advances in the nature of loans. Some of the parties have repaid the loans. Attention is invited to note 1 below. As these loans are considered recoverable in the opinion of the management, no provision has been created in respect of the principal amounts, in the accounts for the year.
- x) the internal control procedures with regard to purchase of stores, raw materials, plant and machinery, equipment and other assets and for the sale of goods are adequate and commensurate with the size of the Company and the nature of its business;
- xi) there were no transactions of the purchase of goods and materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating to Rs.50,000/- or more in respect of each party,
- xii) the determination of unserviceable or damaged stores, raw material and finished goods needs improvement; no provision has been created in the accounts for the same.
- xiii) the Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act, 1956 and the Rules framed thereunder;
- xiv) reasonable records have been maintained by the Company for the sale and disposal of realisable scrap; and we are informed that, the operations of the company do not generate any by-products;
- xv) the Company has an internal audit system which needs to be improved to make it commensurate with the size of the Company and the nature of its business;
- xvi) the Central Government has not prescribed the maintenance of cost records for any of the products of the Company under section 209(1)(d) of the Companies Act, 1956;
- xvii) the Company is generally regular in depositing Employees' State Insurance and Provident fund dues with the appropriate authorities.

**ANNUAL REPORT 1997-98**

- xviii) apart from Rs.886/- of sales tax, there were no undisputed amounts payable in respect of income tax, wealth tax, customs duty and excise duty outstanding as at the last day of the financial year for a period of more than six months from the date they became payable;
- xix) no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice;
- xx) the Company is not a sick industrial Company within the meaning of clause (O) of sub-section (1) of Section 3 of The Sick Industrial Companies (Special Provisions) Act, 1985;

In terms of, subject to and further to the above we report that:

1. Interest was charged on loans made to various companies at varying rates till the financial year 1996-97. However, the same were not completely recovered. During the current year the Company has not accounted for the interest accrued. Further, a provision has been created to the extent of interest outstanding for earlier years amounting to Rs.70,36,344.26. However, no provision has been created in respect of the principal amounts due. Had interest been considered at the rates adopted in the earlier year, the income for the current year would have been higher by Rs.29,97,690/-.
2. An amount of Rs. 37,50,000, due on sale of shares during the preceding year, has been included under Advances recoverable in cash or kind for value to be received in schedule 9 to the accounts. No provision has been created towards the amount, as the same is considered recoverable by the management.
3. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
4. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books of account.
5. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
6. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit and Loss Account read together with the notes thereon, subject to the foregoing and subject to the following notes in schedule 22 :
  - i. 5, regarding non availability of certificates in respect of investments,
  - ii. 7, regarding non confirmation of debtors, creditors and balances in advance accounts,
  - iii. 8, regarding non conformity with the provisions of section 370,
  - iv. 9, regarding non provision of gratuity liability,
  - v. 10, regarding non confirmation of Bank balances ,
  - vi. 20, regarding accounting for interest on margin money deposits net of tax deducted at source

give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :

  - a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 1998; and
  - b) in the case of the Profit and Loss Account, of the loss for the year ended on that date.

For **SINGHVI, DEV & UNNI**  
Chartered Accountants

Place: Bangalore  
Date : 26-11-1998

**R.RAMARAO**  
Partner.