

27th
Annual Report
1999-2000



EQUIPMENT CONDUCTORS & CABLES LTD.

BOARD OF DIRECTORS

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

AUDITORS

R. Khattar & Associates,
Chartered Accountants,
N-17, Annexe Flat,
Second Floor, Green Park Extension,
New Delhi-110016.

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SECRETARIAL AUDITORS

M/s. Rajeev Goel & Associates,
Company Secretaries,
S-547, School Block,
Shakar Pur,
Delhi-110092.

BANKERS

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

REGISTERED OFFICE

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

WORKS

14th Mile Stone,
Mathura Road,
Faridabad,
Harayana-121 003.



NOTICE

Notice is hereby given that the 27th Annual General Meeting of the shareholders of Equipment Conductors & Cables Limited will be held at 9.30 a.m. on Wednesday the 21st March, 2001 at MPCU Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-54, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2000 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 Shri Anil Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
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.

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 Mr. Yogesh Sharma, who was appointed as an additional director to hold office till the date of this Annual General Meeting, be and is hereby, appointed as director of the Company, whose office shall be liable to determination by rotation."

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 20.03.2001 to 21.03.2001 (both days inclusive).
4. The 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 : 09.01.2001
Place : New Delhi.

(Alok Sharma)
Managing Director

EXPLANATORY STATEMENT UNDER SECTION 173(2)

Mr. Yogesh Sharma was co-opted on the board of the company as additional Director to hold office till the date of this Annual General Meeting.

The Company has received a notice alongwith the requisite deposit proposing candidature of Mr. Yogesh Sharma for the office of Director. Your Directors recommend his appointment as Director of the Company.

None of the directors except Mr. Yogesh Sharma himself is concerned or interested in the proposed resolution.

For and on behalf of the Board

Date : 29.12.2000
Place : New Delhi

(Alok sharma)
Managing Director



DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report of the Company together with the audited accounts for the year ended 30th June, 2000.

PERFORMANCE AT A GLANCE

During the year under review, the Company achieved an aggregate turnover of Rs. 1937.32 lacs representing a decrease of 44% over the previous year. The highlight of the financial results for the financial year ended 30th June, 2000 are as under:

Particulars	1999-2000	1998-99
Turnover	1937.32	3454.66
Profit(Loss) before interest, Depreciation, Loss on sale of assets And Misc. Expenses	190.78	307.78
Less : Interest	167.80	259.08
Profit(loss) before depreciation, loss on sales of Assets and Misc. Expenses	22.98	48.70
Less : Depreciation, loss on sales of assets And Misc. Expenses	29.03	13.47
Profit(Loss) Before Tax	(6.05)	35.23
Less : Provision for Taxation	-	4.38
Profit (Loss) After Tax	(6.05)	30.85
Previous year Profit brought forward	132.53	102.82
Profit (Loss) available for appropriations	126.48	133.67
Appropriations		
Add: Provisions for Income Tax for earlier years	0.15	-
Less: Excise Duty for earlier Year	-	1.14
Balance Carried Forward to Balance sheet	126.63	132.53

Since becoming Public Limited Company in the year 1993, this is the first year when company has achieved reduced turnover, mainly attributed to low debt turnover ratio, credit squeeze and over all recession in the economy. The massive privatisation shall bring the much awaited relief to the conductor industry. Due to decreased

turnover, the company could not even achieved the break even point.

DIVIDEND FOR THE YEAR 1999-2000

In view of losses made by the company and decreased turnover, your directors do not consider it prudent to declare any dividend for the financial year 1999-2000

FIXED DEPOSITS

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

INDUSTRIAL RELATIONS

The company has harmonious relationship with its work force during the year.

(Rupees in lacs)

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

For better corporate governance, Shri Yogesh Sharma was appointed as additional director on the board of the company. His term of appointment shall expire at the conclusion of this Annual General Meeting. Your directors recommend the appointment of Shri

Yogesh Sharma on the Board of the Company.

Further Shri Anil Sharma retires by rotation, being eligible offers himself for reappointment, your Directors recommend the reappointment of Shri Anil Sharma.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information required under section 217(l)(e) of the Companies Act, 1956 read with Rules 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) or the notification No. GSR No. 1029 dt. Dec. 31, 1988. Further the report on foreign exchange earnings 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, non of the employee was in receipt of salary in excess of sums prescribed, hence no report is warranted.

DIRECTORS RESPONSIBILITY STATEMENT.

As required under sub section 2 AA of Section 217 of the Companies Act, 1956, the directors responsibility statement is as under:-

- In preparation of annual accounts the applicable accounting standards except accounting standard 2 of ICAI, has been followed. The company has complied with section 145A of the Income Tax Act 1961 & Could not comply to accounting standard -2 issued by the ICAI, to the extent it is contradictory to Sec. 145A of the Income Tax Act 1961.
- Your Directors have selected and applied, consistently, such accounting policies and have made judgments and estimates that are 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 period.

iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of company and for preventing and detecting fraud and other irregularities.

iv) The annual accounts have been prepared on a going concern basis.

Auditors' Report

As required under Sub-Section 3 of Section 217 of the Companies Act, 1956, your Directors wish to reply, on the qualifications made by the Auditors, in their audit report as under:

i) In para 2 (d)(I) as explained by the auditors, The company has complied with section 145A of the Income Tax Act 1961 & Could not comply to

accounting standard -2 issued by the ICAI, to the extent it is contradictory to Sec. 145A of the Income Tax Act 1961.

(ii) In para 2(d)(ii) the gratuity liability of Rs.8.15 lacs and leave encashment is being accounted for on payment basis. This practice is being followed since inception.

(iii) Para 7(Annexure to Auditors Report)

The company has given advances to supplier of goods for procurement of raw material. The suppliers did not adhere to the terms of the purchase orders. Hence orders were cancelled and advances were called back. Which are being received back as per M.O. U's.

(iv) para 15(Annexure to Auditors Report).

In the financial year 1999-2000 due to non receipt of payments from buyers, resulting in exceeding in the

cash credit account with the Bank. The company could not deposit the provident fund dues, however, the same have been deposited subsequently.

AUDITORS

M/s. R. Khattar & Associates, Chartered Accountants, the statutory auditors of the Company retires at the conclusion of this Annual General meeting of the Company, being eligible, offers themselves for reappointment. The Board of Directors recommend their re-appointment as the statutory auditors of the company.

ACKNOWLEDGEMENTS

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 : 29.12.2000
Place : New Delhi

(Alok sharma)
Chairman





AUDITOR'S REPORT

TO THE MEMBERS OF EQUIPMENT CONDUCTORS AND CABLES LIMITED, NEW DELHI

We have examined the attached Balance Sheet of M/s EQUIPMENT CONDUCTORS AND CABLE LIMITED as at 30th June 2000 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4a) of the Companies Act, 1956 we enclose in the Annexure a statement on matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in Annexure referred to in paragraph '1' above, we state that:
 - a) 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.
 - b) In our opinion proper books of accounts as required by Law have been kept by the Company, so far as it appears from our examination of such books.
 - c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of Accounts.
 - d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub sec. (3C) of sec. 211 of the Act, except as regards the following:
 - i) Finished Goods, Raw Materials and Stores & Spare parts have been valued inclusive of duties and taxes, which are subsequently recoverable from the taxing authorities, to comply with the provisions of section 145A of Income Tax Act, 1961 which is contrary to the requirements of the Accounting Standard-2 given by the Institute of Chartered Accountants of India.
 - ii) Non-Provision of Gratuity liability (Rs.8.15 Lacs) and Leave Encashment as required by the Accounting Standard - 15 given by the Institute of Chartered Accountants of India.
 - e) In our opinion and to the best of our information and according to the explanations given to us the said accounts subject to, the valuation of finished goods as referred to in para d.1) herein above as well as under Note

1.B) of Notes to Accounts, as a result of which the profits of the company are reduced by Rs.12.22 lakhs and subject to non provision of Gratuity Liability and leave encashment as referred to in para d.ii) herein above as well as Note 3(a) & 3(c) of Notes to Accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.

- i) in the case of the Balance Sheet, of the state of affairs of the company as at 30th June, 2000 and
- ii) in the case of the Profit & Loss Account of the loss for the year ended on that date.

FOR R.KHATTAR & ASSOCIATES
Chartered Accountants

Date: 29.12.2000 R. Khattar
Place : New Delhi Partner.

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 of our report of even date:

1. The company for the current year has maintained proper records to show full particulars of fixed assets. The fixed assets have been physically verified by the management and no material discrepancies between book records and the physical record were noticed.
2. None of the Fixed Assets of the company have been revalued during the year.
3. As per the information given to us, the stocks of Finished Goods, Stores, Spare Parts and Raw Materials have been physically verified by the management at the year-end.
4. The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of the business.
5. The discrepancies noticed on verification of stocks as compared to book records, which in our opinion were not material, have been properly dealt with in the company's books.
6. In our opinion and on the basis of our examination the valuation of stock is fair and proper and also in accordance

with the accounting standard laid down by the Institute of chartered Accountants of India and is on the same basis as in the previous year subject to point 1.B) of Schedule R, of Notes forming part of the Balance Sheet as at 30th June 2000.

7. A sum of Rs. 80.85 lakhs is recoverable from the suppliers of Raw Materials as referred to at point no. 12 of the Notes to the Accounts.

Apart from the above, interest free loans have been provided to the staff members which are being recovered as stipulated.

8. In our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of the business for the purchase of stores, spares and materials including components, plant and machinery equipment and other assets and with regard to sale of goods.
9. In our opinion and according to the information and explanations given to us, the company has not entered into any transaction of purchase of goods and raw 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 during the year to Rs. 50,000 or more in respect of each party.
10. As explained to us, the company has a regular procedure for the determination and provision of damaged or unserviceable Raw materials and Finished goods and Store. Further provision for the loss wherever necessary has been made in the accounts.
11. In our opinion and according to the information and explanation given to us, the company has not accepted and deposits from public under section 58A of the Companies Act, 1975 and Deposit Rules, 1975.
12. As explained to us, the Company has no by-products. However, reasonable records have been maintained for the sale and disposal of realisable scrap.
13. As per information and explanations given to us, the company is not having an independent Internal Audit system. However, in our opinion the internal



controls are adequate and commensurate with the size and the nature of the business of the company.

14. According to information and explanation given to us, maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 have not been prescribed for the company.

15. The Company is not regular in depositing provident fund dues with the appropriate authorities. Such Provident Fund Dues outstanding as on 30th June 2000 amounting to Rs.2,42,186/- has been subsequently deposited. However in respect of Employees State Insurance dues the company is generally regular in making

deposits with the appropriate authorities.

16. According to information and explanation given to us there was no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty which have remained outstanding as at 30th June 2000 for a period of more than six months from the date they become payable.

17. According to information and explanation given to us and as certified by the management, no personal expenses have been charged to the revenue account by the company other than those payable under contractual

obligation or in accordance with generally accepted business practices have been charged to the revenue accounts.

18. The company is not a Sick industrial company within the meaning of clause (0) of Sub-Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1956.

FOR R.KHATTAR & ASSOCIATES
Chartered Accounts

Dated : 29.12.2000
Place : New Delhi

(R. Khattar)
Partner





BALANCE SHEET AS AT 30TH JUNE, 2000

PARTICULARS	SCHEDULE	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
SOURCES OF FUNDS			
Shareholders Fund			
Share Capital	(A)	43,439,000	43,439,000
Reserves & Surplus	(B)	22,663,471	23,253,904
Loans Funds			
Secured Loans	(C)	79,941,100	31,906,802
Unsecured Loans			
		146,043,571	98,599,706
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	(D)	21,531,517	25,727,965
Less: Depreciation		3,696,097	5,098,159
Net Block		17,835,420	20,629,806
Investments at cost (Market value Rs.214590/-) (Previous year Rs.410592/-)		591,000	591,000
Current Assets, Loan & Advances			
Inventories	(E)	96,755,589	92,978,472
Sundry debtors	(F)	46,110,458	41,368,000
Cash and Bank Balances	(G)	9,260,428	14,954,341
Loans & Advances	(H)	16,267,635	15,584,709
Less: Current Liabilities & provisions		168,394,109	164,885,522
Liabilities	(I)	43,432,641	89,269,253
Provisions	(J)	1,133,000	2,308,000
Net Current Assets		123,828,468	73,308,269
Miscellaneous Expenditure (to the extent not written off):			
Preliminary Expenses		3,788,683	4,070,631
TOTAL		146,043,571	98,599,706

NOTES TO THE ACCOUNTS AS PER REPORT OF EVEN DATE (R)

FOR R. KHATTAR & ASSOCIATES
Chartered Accountants

FOR EQUIPMENT CONDUCTORS & CABLES LIMITED

(R.KHATTAR)
PARTNER

(ALOK SHARMA)
MANAGING DIRECTOR

(YOGESH SHARMA)
DIRECTOR

PLACE : NEW DELHI
DATE : 29.12.2000



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2000

PARTICULARS	SCHEDULE	CURRENT YEAR (Rs.)	PREVIOUS YEAR (Rs.)
INCOME			
Sales		166,529,463	280,868,960
Works contract & other income	(K)	20,362,449	15,112,511
Taxes and Duties on R&M Consumed		14,818,244	38,579,438
Increase/(Decrease)in stock	(L)	(7,977,974)	10,905,413
		<u>193,732,182</u>	<u>345,466,322</u>
EXPENDITURE			
Raw Material Consumed	(M)	143,527,649	243,976,190
Excise Duty		12,450,383	38,144,247
Sales Tax paid		3,861,200	10,720,712
Manufacturing Expenses	(N)	5,054,737	9,771,996
Payments to & Provisions for employees	(O)	5,384,358	5,050,583
Administration and other expenses	(P)	4,375,843	7,024,531
Financial Charges	(Q)	16,780,617	25,907,554
Depreciation		1,153,759	1,065,065
Loss on sale of Assets		1,466,727	-
Preliminary Expenses Written off		281,948	281,948
		<u>194,337,221</u>	<u>341,942,826</u>
Profit/(loss) before tax		(605,039)	3,523,496
Provision for tax		-	438,000
Profit/(loss) after tax		(605,039)	3,085,496
Add : Income Tax Provision for earlier years		14,606	-
Less : Excise Duty for earlier years		-	114,032
Profit/(loss) available for appropriation		(590,433)	2,971,464
Balance B/D from Balance sheet		13,253,904	10,282,440
Surplus Carried to Balance Sheet		12,663,471	13,253,904

NOTES TO THE ACCOUNTS (R)
AS PER REPORT OF EVEN DATE

FOR R. KHATTAR & ASSOCIATES
Chartered Accountants

(R.KHATTAR)
PARTNER

FOR EQUIPMENT CONDUCTORS & CABLES LIMITED

(ALOK SHARMA)
MANAGING DIRECTOR

(YOGESH SHARMA)
DIRECTOR

PLACE : NEW DELHI
DATE : 29.12.2000



SCHEDULES

SCHEDULE A TO R ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2000

SCHEDULE 'A' - SHARE CAPITAL

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
AUTHORISED		
50,00,000 Equity Shares of Rs.10/-each	50,000,000	50,000,000
ISSUED, SUBSCRIBED AND PAID UP		
43,50,900 Equity Shares of Rs. 10/-each	43,509,000	43,509,000
Less: Calls in Arrear	70,000	70,000
TOTAL	43,439,000	43,439,000

** Note : The above shareholding includes 1,50,000 Bonus Shares in the ration of 3:4 amounting to Rs.15,00,000.00 issued vide Special resolution passed by the share holders in the Extra ordinary General meeting held on 24.12.92 to rank pari Passu with the existing share capital

SCHEDULE 'B' - RESERVE AND SURPLUS

PARTICULARS	CURRENT YEAR (RS)	PREVIOUS YEAR (RS.)
GENERAL RESERVE	10,000,000	10,000,000
SURPLUS/LOSS	12,663,471	13,253,904
TOTAL	22,663,471	23,253,904

SCHEDULE 'C' - SECURED LOANS

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
1. WORKING CAPITAL FACILITIES FROM DENA BANK		
i) C C Hypothecation cum book debts	69,344,065	27,659,860
ii) Demand Loan	7579719	—
<p>Note: Secured by Hypothecation of Raw material work in progress, finished goods stores, book debts and also against confirmed orders, documentary bills and export incentive receivables and collaterally secured by a charge on the plant & machinery, building and other assets and guaranteed by personal guarantee of promoter Directors</p>		
2. Hire Purchase Loan of Assets (Secured against Hypothecation of Vehicles and Advance/deposit)	2,873,316	3,907,942
3. Haryana Financial Corporation (Secured against Hypothecation of Machineries & personal Guarantee of promoter Directors)	144,000	339,000
TOTAL	79,941,100	31,906,802



SCHEDULE 'D' FIXED ASSETS

Particular	Gross block				Depreciation Block				Net Block		
	Rate %	As on 01.07.99	Addition during year	Sales	As on 30.06.2000	Upto 01.07.99	For the year	adjust ment	upto 30.06.2000	As on 30.06.2000	As on 30.06.99
BUILDING	3.34	4857318	-	-	4857318	626024	162234	-	788258	4069060	4231294
PLANT & MACHINERY (GENERAL)	4.75	13359982	15000	3992880	9382102	2968958	497345	2244253	1222050	8160052	10391024
GENERATING SET	4.75	2960386	72000	-	3032386	124103	142805	-	266808	2765478	2836283
CRANE	4.75	458200	-	-	458200	104200	21764	-	125964	332236	354000
TESTING EQUIPMENTS	4.75	51508	-	48300	3208	51215	152	48300	3067	141	293
FURNITURE & FIXTURE	6.33	280342	-	1340	279002	168497	17661	1340	184818	94184	111845
OFFICE EQUIPMENTS	4.75	364681	17500	3620	378561	53583	17838	3620	67801	310760	311098
VEHICLE	9.5	2695507	-	5171	2690336	551314	255582	5171	801725	1888611	2144193
AIR CONDITIONERS	4.75	290671	-	20187	270484	153049	12848	20187	145710	124774	137622
COMPUTER	16.21	377750	3500	232950	148300	288245	24028	232950	79323	68977	89505
TUBE WELL	4.75	31620	-	-	31620	8971	1502	-	10473	21147	22649
Current Year		25727965	108000	4304448	21531517	5098159	1153759	2555821	3896097	17835420	20629806
Previous Year		20078097	6245656	595788	25727965	4539528	1085065	506434	5098159	20629806	15538669

Fixed Assets include, assets amounting to gross value Rs. 6674687/- purchased on Hire Purchase basis

SCHEDULE 'E' INVENTORIES

(As taken, valued & certified by the management)

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Finished Goods	50,157,642	58,135,616
Raw material	46,081,302	33,335,094
Stores	516,644	1,507,762
TOTAL	96,755,588	92,978,472

SCHEDULE 'F' SUNDRY DEBTORS

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
A. Debtors outstanding for a period exceeding six months		
Unsecured considered good	5,652,074	481,570
Unsecured considered doubtful	<u>10,032,546</u>	<u>9,808,110</u>
	15,684,620	10,289,680
B. Other Debts		
Unsecured considered good	30,425,838	31,078,320
Unsecured considered doubtful	<u>-</u>	<u>-</u>
	30,425,838	31,078,320
TOTAL	46,110,458	41,368,000

SCHEDULE 'G' CASH AND BANK BALANCES

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
a) Cash Balance in Hand	232,943	1,464,280
b) BANK BALANCE WITH SCHEDULE BANK		
c) Current Account with Scheduled bank (Collection Accounts)	95,093	2,717,698
d) Fixed Deposit	8,240,935	9,825,036
Add:- Interest Accrued but not due	<u>691,457</u>	<u>882,327</u>
	8,932,392	10,647,363
e) Earnest Money		125,000
TOTAL	<u>9,260,428</u>	<u>14,954,341</u>

Note: i) The fixed DEPOSIT with Dena Bank has been lodged with the Bank as Security for Bank Guarantee and letter of credit.

SCHEDULE 'H' ADVANCE RECOVERABLE IN CASH OR KIND OR FOR VALUE TO BE RECEIVED OR ADJUSTED

(Unsecured considered Good)

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Security Deposit with Govt. Agencies.	2,892,645	1,783,693
Income Tax Paid	1,390,645	2,062,898
Excise Duty	1,985,274	9,796
Sales Tax -Penalty (under Appeal)	173,199	338,199
Security Lease Factory	2,200,000	2,200,000
Advance for Services & others	12,240	15,000
Prepaid Expenses	98,711	378,265
Advance for expenses (Note-1 below)	426,631	985,916
Advance to Staff & Directors	128,081	205,133
Balances with Persons, firms & companies under		
Section 372 A or Companies Act	6,825,209	5,756,637
Other receivables	135,000	1,849,170
TOTAL	<u>16,267,635</u>	<u>15,584,709</u>

Note:- 1. Out of above Rs.50812/- (Previous Year Rs.34995/-) were due from Directors, maximum amount outstanding during the year Rs. 50812/- (Previous year Rs. 125924/-)

2. Out of Security deposit balance amounting Rs. 61310/- (Previous year Rs. 93310/-) is considered doubtful of recovery.



SCHEDULE 'I' CURRENT LIABILITIES

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Sundry Creditors	23,123,168	69,342,771
Expenses payable	1,621,234	1,015,353
Interest accrued but not due	-	1,437,096
Statutory Liabilities Payable	3,463,221	2,983,460
Advance from customers & others	154,331	43,851
Creditors for expenses	1,299,415	1,458,524
Modvat Credit Adjustment	5,979,304	4,342,162
Sales Tax Adjustment	873,673	627,329
Excise Duty Payable	6,918,295	8,018,707
TOTAL	43,432,641	89,269,253

SCHEDULE 'J' PROVISION

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Provision for Taxation	1,133,000	1,870,000
Addition	-	438,000
TOTAL	1,133,000	2,308,000

SCHEDULE 'K' WORKS CONTRACT & OTHER INCOMES

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Miscellaneous Income	14,411,955	-
Amount written off/Back	12,330	13,696
Profit on sale of Assets	-	10646
Dividend Income	31,032	29,355
Works Contract	5,907,132	15058814
TOTAL	20,362,449	15,112,511

SCHEDULE 'L' INCREASE / (DECREASE) IN STOCK

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Closing Stock	50,157,642.00	58,135,616.00
Less : Opening Stock	58,135,616.00	47,230,203.00
TOTAL	(7,977,974.00)	10,905,413.00

SCHEDULE 'M' RAW MATERIAL CONSUMED

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Opening Stock (As taken, valued and certified by the management) (Refer Note No. IB or notes to account)	33,335,094	42,480,260
Add. Purchases during the year	156,273,857	234,831,024
	189,608,951	277,311,284
Less: Closing Stock (As taken, valued and certified by the management)	46,081,302	33,335,094
TOTAL	143,527,649	243,976,190

SCHEDULE 'N' MANUFACTURING EXPENSES

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Consumption of stores and spare parts	2,872,637	5,983,773
Power & Fuel	1,571,775	3,026,438
Repair & Maintenance-plant & Machinery	112,326	338,621
Carriage Inward	386,762	423,164
Job-work	111,237	-
TOTAL	5,054,737	9,771,996

SCHEDULE 'O' PAYMENT TO AND PROVISIONS FOR EMPLOYEES

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Salaries, Wages, Bonus, Free accommodation & other benefits (Includes paid to Directors Rs.431600/- (Previous year Rs. 520800/-)	4,281,840	4,330,959
Contribution to Provident Fund and other fund (including Directors Rs. 42000/- (Previous year Rs. 50400/-)	549,305	551,458
Staff Welfare	179,335	128,506
Gratuity	373,878	39,660
TOTAL	5,384,358	5,050,583

SCHEDULE 'P' ADMINISTRATION AND OTHER EXPENSES

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Rent-Office	141,860	284,660
Rates & Taxes	109,651	1,370
Electricity & Water	161,892	189,053
Repair & Maintenance- Office	74,247	207,259
Travelling & Conveyance	827,354	671,185
Vehicle Upkeep	77,700	129,161
postage, Telegram, Telex & Telephone	584,124	614,520
Printing & Stationary	109,124	195,476
Fees & Subscription	166,316	194,404
Legal & Professional Charges	280,045	338,545
Payment to Auditors and Audit fee	47,250	47,250
Director's Sitting fees & AGM Expenses	48,122	45,388
General Charges	60,287	69,944
Charity & Donation	27,566	6,773
Advertisement & Publicity	21,740	218,687
publicity & Sales promotion	198,531	243,774
Commission	16,322	177,798
Insurance Premium	132,394	110,876
Fight Outward	1,291,318	3,278,408
TOTAL	4,375,843	7,024,531

SCHEDULE 'Q' FINANCIAL CHARGES

PARTICULARS	CURRENT YEAR (RS.)	PREVIOUS YEAR (RS.)
Interest	16,691,668	25,527,691
Finance Charges	2,130,833	2,636,165
	18,822,501	28,163,856
II) Interest Received During The Year	2,041,884	2,256,302
TOTAL	16,780,617	25,907,554



SCHEDULE-R

OF CONTINGENT LIABILITIES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE 2000 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.

1. SIGNIFICANT ACCOUNTING POLICIES

A. FIXED ASSETS AND DEPRECIATION

Fixed asset are stated at cost of acquisition or construction less depreciation. Depreciation on Fixed Assets is provided on straight/line method in the following manner:

- i) Upto 31-3-97 at the rates determined in the year of acquisition u/s 205 (a) (b) of the Companies Act, 1956.
- ii) From 1-4-87 in accordance with Schedule XIV to the Companies Act, 1956

B. VALUATION OF INVENTORIES

Inventories of Finished Goods have been valued at selling price (Including Taxes & Duties) Loose Tools and Stores and Spare Parts at estimated cost (including Taxes & Duties) which is consistent with the basis followed in the preceeding years except for reduction of operating margin on the finished goods so as to comply with AS-2 Issued by the Institute of Chartered Accountants of India.

C. EXCISE DUTY

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared as also provision made for goods lying in bonded warehouse.

D. Sales

Sales are inclusive of excise duty and sales tax.

E. Gratuity

The liability for gratuity is being accounted for on payment basis.

F. Additional demand of Taxes

Payment of additional demand of Excise Duty, Sales Tax and Income Tax are accounted on payment basis. Similarly, refund of these are accounted for on 'As and when Received' basis.

G. Sundry Creditors are shown as net of Advance to suppliers

2. CONTINGENT LIABILITIES IN RESPECT OF :

- a) Letter of Credit outstanding Rs. 71.98 Lakhs (Prev. 44.12 Lakhs)
- b) Bank Guarantee outstanding Rs. 212.67 Lakhs (Previous Year Rs. 305.55 Lakhs)

3. PROVISIONS HAVE NOT BEEN MADE FOR :

- a) The future Gratuity liability of the company as certified by approved actuary valuer is Rs. 815473/- (Previous year Rs. 914934/-). The Gratuity will be charged to the accounts in the year of payment.
 - b) Debts considered doubtful of recovery amounting to Rs. 100.32 Lakhs.
 - c) No provision has been made for leave encashment.
4. Sundry Creditors include the liability that has arisen out of material received under Letter of Credit amounting to Rs. 350.93 lakhs (Previous year Rs. 712.59 lakhs) which is secured by personal guarantee of the Managing Director.
 5. In the opinion of the management, current assets, loans & advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.
 6. The Company has entered into an agreement to sell on 31-3-93 being an agreement in which Directors are interested, for purchase of existing Land & Building for which a sum of Rs. 22 lakhs has been paid as advance. However subsequently the company has entered into a lease agreement whereby the above deposit would be treated as interest free security for lease rent.
 7. Confirmations were not available for the amounts of Sundry Debtors, Loans & Advances, Security Deposits and Sundry Creditors as on 30-6-2000.
 8. Previous Year figures have been regrouped and rearranged wherever necessary in order to make them comparable with the current year figures.
 9. The Company was selling finished goods as well as procuring raw materials through NSIC the balance in the books of accounts is the net balance and is pending reconciliation in the absence of statement of accounts from NSIC Ltd.
 10. The Management has decided to amortise the Preliminary Expenses over a period of twenty years, as approved by the Board of Directors in their meeting on 22-11-97, Consequently the balance of Rs. 5075071/- outstanding on 1-4-96 has been equally spread over the balance period at the rate of Rs. 281948/-.
 11. The Company has invested in the shares of Dena Bank amounting to Rs. 5,70,000/- which it intends to hold as long term investment consequently fluctuations in the Market value of investments have been accounted for as required by Accounting Standard XIII issued by the Institute of Chartered Accountants of India.
 12. The Company had advanced Rs. 113.00 lakhs for supply of raw materials the parties have started repayment and present outstanding as on 30-6-2000 is Rs. 80.85 lakhs in terms of M.O.U.s with the respective parties.
 - 12A. The Company does not have a Company Secretary within the meaning of section 383 A of the Companies Act, 1956 and is taking the necessary steps in this regard.



13. ADDITIONAL INFORMATION AS REQUIRED BY PART -II OF SCHEDULE VI OF COMPANIES ACT, 1956.

Particulars	current year (Rs.)	previous year (Rs.)
A. Payment to Auditors		
a. Statutory Audit & Tax Audit Free	47250	47250
b. Fee for Taxation Matters	-	38200
c. For other Matters	-	15000

14. RAW MATERIAL CONSUMED (AS TAKEN, VALUED AND CERTIFIED BY THE MANAGING DIRECTOR)

S.No.	Particulars	Qty(mts.)	CURRENT YEAR			PREVIOUS YEAR		
			Amount/Rs.	%age	Qty(mts.)	Amount	%age	
A.	<u>ALLUMINIUM</u>							
	INDIGENOUS	865.943	142092976	100	2578.737	243976190	100	
	IMPORTED	NIL	NIL	-	NIL	NIL	-	
B.	<u>STEEL</u>							
	INDIGENOUS	47.400	1434673	100	NIL	NIL	-	
	IMPORTED	NIL	NIL	-	NIL	NIL	-	
	TOTAL		<u>143527649</u>			<u>243976190</u>		

15. STORES CONSUMED

(As taken, valued & certified by the Managing Director)

	Qty. (MT)	CURRENT YEAR			PREVIOUS YEAR		
		Value (Rs.)	%age	Qty. (MT)	Value (Rs.)	%Age	
Indigenous	Assorted	2872637	100	Assorted	5983773	100	
Imported	NIL	NIL	-	NIL	NIL	-	
		<u>2872637</u>			<u>5983773</u>		

16. PRODUCTION OF FINISHED GOODS

	LICENSED CAPACITY	CURRENT YEAR			PREVIOUS YEAR		
		INSTALLED CAPACITY	ACTUAL PRODUCTION	LICENSED CAPACITY	INSTALLED CAPACITY	ACTUAL PRODUCTION	
ALUMINIUM WIRE	N.A.	N.A.	26.314 Mts.	N.A.	N.A.	16.723 Mts.	
ASCR	N.A.	1200 (Mts.)	116.760 Kms	N.A.	1200 Mts.	NIL	
AAAC	N.A.	4200 (Mts.)	9585.715 kms	N.A.	4200 Mts.	17674.162 Kms.	
SCRAP	N.A.	N.A.	11.703 Mts.	N.A.	N.A.	17.955 Mts.	

(Licenced & installed capacities are assessed by the Management but not verified by Auditors being technical matters)

17. SALES /TURNOVER

	CURRENT YEAR			PREVIOUS YEAR		
	QTY	Value	QTY	QTY	Value	QTY
ASCR	93.322 kms	7886723	Nil	Nil	Nil	Nil
AAAC	9048.600 kms	97561060	17291.216 Kms.	278140192		
Aluminium Wire	26.314 Mts.	3117446	16.723 Mts.	1977114		
IC	Assorted	57409625	-	-		
Scrap	11.703 Mts.	554609	22.955 Mts.	751654		
Total		<u>166529463</u>		<u>280868960</u>		

18. OPENING AND CLOSING STOCK OF FINISHED GOODS

(As taken valued & certified by the Management)

	OPENING STOCK				CLOSING STOCK			
	CURRENT YEAR		PREVIOUS YEAR		CURRENT YEAR		PREVIOUS YEAR	
	QTY	Amount	Qty	Amount	Qty	Amount	Qty	Amount
ASCR/AAA conductor	4000.000 kms	58135616	3617.000 kms.	40869742	4560.553kms.	50157642	4000.000 kms.	58135616
Scrap	Nil	Nil	5.000 mts.	200000	Nil	Nil	Nil	Nil
Total		<u>58135616</u>		<u>41069742</u>		<u>50157642</u>		<u>58135616</u>

FOR R. KHATTAR & ASSOCIATES
CHARTERED ACCOUNTANTS
(R. KHATTAR)
PARTNER

FOR EQUIPMENT CONDUCTORS & CABLES LIMITED
(ALOK SHARMA)
MANAGING DIRECTOR

(YOGESH SHARMA)
DIRECTOR

PLACE : NEW DELHI
DATE : 29.12.2000



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.

0 0 6 7 8 4

State Code

5 5

Balance Sheet Date

3 0 0 6 9 9

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities

1 4 6 0 4 4

Total Assets

1 4 6 0 4 4

Sources of Funds

Paid-up Capital

4 3 4 3 9

Reserves & Surplus

2 2 6 6 3

Secured Loans

7 9 9 4 1

Unsecured Loans

N I L

Application of Funds

Net fixed Assts

1 7 8 3 5

Investments

5 9 1

Net Current Assets

1 2 3 8 2 8

Misc. Expenditure

3 7 8 9

Accumulated Losses

N I L

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover

1 8 6 8 9 1

Total Expenditure

1 8 7 4 9 6

Profit/Loss before tax

- 6 0 5

Profit/Loss after tax

- 6 0 5

Earnings per share in Rs.

0 . 1 4

Dividend rate%

N I L

V. Generic names of three principal products/services of company (As per monetary terms)

Item Code No.
(ITC Code)

7 6 1 4 1 0 - 0 0

Product Description

A C S R C O N D U C T O R S

Item Code No.

7 6 1 4 9 0 - 0 0

Product Description

A A A C O N D U C T O R S

(Alok Sharma)
Managing Director

(Yogesh Sharma)
Director

For. R. Khattar & Associates
Chartered Accountants

Place : NEW DELHI
Dated : 29/12/2000

(R. Khattar)
Partner



CASH FLOW STATEMENT FOR THE PERIOD ENDING 30TH JUNE 2000

PARTICULARS	CURRENT YEAR AMOUNT (RS.)	PREVIOUS YEAR AMOUNT (RS.)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax	(605,039)	3,523,496
Less : Extra Ordinary Items		
1. Balance written Back (Operating)	12,330	13,696
2. Interest & Dividend Received (Non Operating)	31,032	29,355
3. Profit on Sale of Assets	NIL	10,646
	<u>43,362</u>	<u>53,697</u>
	(648,401)	3,469,799
Adjustment for :		
Add		
1. Depreciation and Preliminary Expenses written of	1,435,707	1,347,013
2. Interest	16,780,617	25,907,554
3. Loss on Sale of Assets	1,466,727	NIL
	<u>19,683,051</u>	<u>27,254,567</u>
	19,034,650	30,724,366
Adjustment for :		
Add		
Trade and Other Receivables	(6,097,637)	31,601,028
Inventories	(3,777,116)	(13,774,876)
Trade and Other Payable	(45,836,612)	(5,994,915)
	<u>(55,711,365)</u>	<u>11,831,237</u>
Cash Generated From Operations	(36,676,715)	42,555,603
Less :		
Interest Paid	(16,780,617)	(25,907,554)
Income Tax Paid	(502,747)	(414,369)
	<u>(17,283,364)</u>	<u>(26,321,923)</u>
Cash Flow Before Extra Ordinary Items	(53,960,079)	16,233,680
Extra Ordinary Items		
Add		
Excise Duty/Income Tax Paid/ Payable for earlier Year	14,606	(114,032)
Balance Written Back	12,330	13,696
	<u>26,936</u>	<u>(100,336)</u>
Net Cash From Operating Activities Total (A)	<u>(53,933,143)</u>	<u>16,133,344</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/Investment in Fixed Assets	(108,000)	(6,245,656)
Sale of Fixed Assets	281,900	100,000
Interest/Dividend Received	31,032	29,355
	<u>204,932</u>	<u>(6,116,301)</u>
Net Cash From Investing Activities Total (B)	204,932	(6,116,301)
C) CASH FLOW FROM FINANCE ACTIVITIES		
Proceeds from long term Borrowings	48,034,298	(4,706,281)
Cash used in financing Activities Total (C)	<u>48,034,298</u>	<u>(4,706,281)</u>
Net increase/Decrease in Cash (A+B+C) And Cash Equivalents	<u>(5,693,913)</u>	<u>5,310,762</u>
Cash and Cash Equivalents as on 01.07.99 (Opening Balance)	14,954,341	9,643,579
Cash and cash equivalents as on 30.06.00 (Closing Balance)	9,260,428	14,954,341
Net Increase/Decrease in Cash and Cash Equivalents	<u>(5,693,913)</u>	<u>5,310,762</u>

Place : New Delhi
Date : 29-12-2000

For and on behalf of Board
(Alok Sharma)
Managing Director

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Equipment Conductors & Cables Ltd., for the year ended 30th June, 2000, the statement has been prepared by the Company in accordance with the requirements of the listing agreements of the various Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and the Balance Sheet of the Company covered by our report of even date to the members of the Company.

Place : New Delhi
Date : 29-12-2000

For **R. Khattar & Associates**
Chartered Accountants

R. Khattar
Partner



EQUIPMENT CONDUCTORS & CABLES LTD.

Registered Office : 605, Eros Apartment, 56, Nehru Place, New Delhi - 110019

ATTENDANCE SLIP

Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting. Please complete this Attendance Slip and hand it over at the Entrance of the Hall. Only members or their proxies are entitled to be present at the Meeting.

Name and Address of the Member	Folio No.
	No. of Shares Held

I hereby record my presence at the 27th Annual General Meeting held at MPCU Shah Auditorium, Shri Delhi Gujarati Samaj Marg, Civil Lines, Delhi-54 on 21.03.2001.

Signature of the member/proxy*

*Strike out whichever is not applicable.

EQUIPMENT CONDUCTORS & CABLES LTD.

Registered Office : 605, Eros Apartment, 56, Nehru Place, New Delhi-110019

Proxy Form

I/We.....of.....in the district of.....being a Member/Members of the above mentioned Company hereby appoint Mr./Mrs./Miss.....of.....in the district of or failing him/her Mr./Mrs./Miss.of.....in the district ofas my/our Proxy and to vote for me/us on my/our behalf at the 27th Annual General Meeting.

of the Company to be held on 21-03-2001

Signed this ----- day of----- 2001.

Signature -----

Folio-----

No. of Share Held-----

Note : 1. A member entitled to attend and vote at the Meeting is entitled to attend and vote either in person or by proxy and the proxy need not be a Member.

2. Proxies, in order to be effective, must be received by the Company, not less 48 hours before the Meeting, at its registered Office : 605, Eros Apartment, 56, Nehru Place, New Delhi-110 019

BOOK-POST



If undelivered, please return to :
EQUIPMENT CONDUCTORS & CABLES LTD.
605, Eros Apartments
56, Nehru Place
New Delhi - 110 019