

CRYSTAL CABLES

REPORT AND ACCOUNTS 2002



CRYSTAL CABLE INDUSTRIES LTD.

CRYSTAL CABLES

BOARD OF DIRECTORS

SHRI N. L. GUPTA
Vice Chairman & Managing Director

SHRI V.K. GUPTA
Managing Director

SHRI J. GUPTA
Jt. Managing Director

SHRI D. CHAKRABORTY
Nominee of IDBI

SHRI M. SOOD
Director

SHRI A.C. CHAKRABORTY
Director

SHRI G.C. MOOKHERJEE
Director

AUDITORS

GHOSH & BASU
Chartered Accountants

BANKERS

BANK OF BARODA
STATE BANK OF BIKANER & JAIPUR
STATE BANK OF INDIA

SHARE TRANSFER AGENT

Computech International Ltd.
77/2A, Hazra Road
Kolkata - 700 029
Ph. No. : (033) 476 7350/54

WORKS

ANDUL ROAD, P.O. New Kolorah, Alampur, Howrah - 711 302
Ph. No. : (033) 669 0720/1596/3530/2590
Fax No. : (033) 6690419

REGISTERED OFFICE

32, GANESH CHANDRA AVENUE
3RD FLOOR, KOLKATA - 700 013
Ph. No. : (033) 236 5190/91/92/237 7628
Fax : (033) 2259841/2365192
E-mail : crystalcable@vsnl.com

CRYSTAL CABLES

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that **ANNUAL GENERAL MEETING** of **CRYSTAL CABLE INDUSTRIES LTD.**, will be held at its Registered office : 32, Ganesh Chandra Avenue, 3rd floor, Kolkata - 700 013 on Tuesday, the 31st December 2002 at 3.00 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2002 and the Balance Sheet as at that date and the report of Directors and Auditors thereof.
2. To appoint a Director in place of Mr. V.K. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modification(s), the following resolutions :

"Resolved That Shri A.C. Chakraborty an Additional Director of the Company who holds office upto the date of Annual General Meeting under Article 94 of the Company's Articles of Association, be and is hereby reappointed as Director of the Company, liable to retire by rotation."

Report  junction.com

By Order of the Board

Registered Office :

32, Ganesh Chandra Avenue
3rd Floor
Kolkata - 700 013
Dated : October 28, 2002.

N.L. GUPTA

Vice Chairman & Managing Director

CRYSTAL CABLES

NOTES :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not to be a member of the Company.
2. The instrument appointing a proxy must be deposited with the Company at its registered office not less than 48 hours before the time for holding the meeting.
3. **MEMBERS ARE REQUESTED TO :**
 - a) Bring their copies of the Annual Report at the time of attending the Annual General Meeting.
 - b) Send their questions 7 days in advance before the Annual General Meeting about any further information in accounts so as to enable the Company to answer their question.
4. Members are requested to immediately notify change of address if any, to the shares transfer agent of the Company, M/s. Computech International Ltd. 77/2A, Hazra Road, Kolkata - 700 029.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd December 2002 to 31st December 2002.

Report  junction.com

CRYSTAL CABLES

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM OF SPECIAL BUSINESS

Shri A.C. Chakraborty was appointed as an Additional Director on the Board of the Company with effect from 11th September, 2001 in terms of Section 260 of the Companies Act, 1956 and Article 94 of the Company's Articles of Association. Mr. A.C. Chakraborty hold office as Director upto the date of ensuing Annual General Meeting but he is eligible for re-appointment. A notice has been received from a Member signifying his intention to propose his candidature for the office of the Director.

Mr. Chakraborty is a practising Chartered Engineer and his association with the Company as a member of the Board will be in the interest of the Company.

Except Shri. A.C. Chakraborty, none of the Directors of the Company is concerned or interested in the resolution.

The Directors recommend the Ordinary Resolution for your approval.

Report  junction.com

CRYSTAL CABLES**DIRECTOR REPORT AND MANAGEMENT DISCUSSION ANALYSIS**

To
The Members
CRYSTAL CABLE INDUSTRIES LIMITED
Kolkata.

Your Directors present herewith their Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2002.

The Financial Results are state hereunder :

Loss before interest & depreciation	(4882808)
Add Financial Charges	(44872918)
	(49755726)
Add Depreciation	(16581741)
	(66337467)

REVIEW OF PERFORMANCE

During the year under review the entire power cable industry continued to reel under low demand with stiff competition & increase in input costs resulting in further squeeze in already depleted margins. In such a situation your company sometimes was forced to execute even unremunerative orders in order to keep the concern going with the expectation that the Company would reap the advantage as soon as the Cable Industry would be out of recession.

However, during the year the Company has been able to step up the sale of XLPE Insulated Cable which has given better contribution even though sales have declined marginally.

The Company is trying to expand its market in order to improve its contribution & sale to navigate the low demand factor in the power industry. As part of its strategic planning the Company is trying to increase the Sale of its PVC Insulated Cable which has a low debtor turnover ratio, eventhough contribution are lower, in order to smoothen its cash flow & reduce the interest burden.

In sustaining its business & expansion, the major threat is paucity of working Capital, which we hope will gradually improve in its availability. This hampers the steps for taking up aggressive maketing efforts & infrastructural facilities.

ENERGY CONSERVATION ETC.

Particulars of conservation of energy, technology absorption, foreign exchange earnings & outgo as required under Section 217(1)(e) of the Companies act, 1956 are mentioned in the Annexure A to this report.

CORPORATE GOVERNANCE CODE

The Corporate Governance code as contained in the listing agreement with the stock exchange has become applicable to the Company. Necessary Steps are being taken for ensuring the compliance of the code. A sepaerate report on Corporate Governance is annexed & forms an integral part of this report.

DIRECTORS

Shri K.K. Dutt, Shri M. Bandhopadhyay & Shri A.K. Roy resigned from the directorship of the Company during the year. The Board of Directors place on record their sincere appreciation for the valuable contribution made by the outgoing directors during their association with the Company.

Shri A.C. Chakraborty was appointed as additional director effective from 1st Sept. '2001 and will hold office till the next Annual General Meeting. Notice pursuant to section 257 of the Companies Act, 1956 have been received from a Member proposing the canditure of Shri A.C. Chakraborty as directors as the ensuring Annual General Meeting.

In accordance with the provision of the Companies Act, 1956. Shri V.K. Gupta retire by rotation & being eligible for reappointment. Following the opinion received by the Company, the application of section 274(l)(g) of the Companies Act, 1956, does not prohibit the existing Directors from being re-appointed.

CRYSTAL CABLES**AUDITORS**

M/s. Ghosh & Basu, Statutory Auditors of the Company will retire at the ensuing Annual General Meeting & are eligible for re-appointment. You are requested to re-appoint the Auditors and to fix their remuneration.

AUDITORS REPORT

The Board is already conscious about the certain comments observed by the Auditor in their report. The Board is taking necessary steps to ratify the same.

INTERNAL CONTROL SYSTEM

The Company is constantly endeavouring to improve the standards of internal control in various areas. The existing set up of the internal control system is commensurate with the size of the Company's operations & nature of its business. However, realising the significance of the contribution that sound internal control systems can make to any organisation. The Company is taking steps to further strengthen the internal control system.

In this context your director further states that :

- i) that in the preparation of the accounts, the applicable accounting standards, subject to remarks made in the Annexed Auditors' Report, have been followed along with proper explanation relating to material departures wherever necessary as have been embodied in Schedule XV of the Accounts to hereto.
- ii) that such accounting policies subject to above, made have been selected and applied consistently and judgements made and estimates done that are felt to be reasonable and prudent under the given circumstances so as to give a true and fair view of the state of affairs of the Company at the end of the period under review and of loss of the Company for that period.
- iii) that proper and sufficient care have been taken or are in the process of being taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities thereof to the extent possible.
- iv) that the accounts have been prepared on a going concern basis.

BIFR

The company is still awaiting the hearing of BIFR. The Company intends to file a suitable rehabilitation package to nurse back the Company into healthy position.

EMPLOYEES

There are no employees falling under provisions of Section 217(2A) of the Companies Act, 1956.

Your Directors express their thanks to employees at all levels, who have extended their continued co-operation to the management during the year under review.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their grateful appreciation of all individual & institutes associates with the Company.

By Order of the Board

N.L. GUPTA

*Vice Chairman &
Managing Director*

Place : Kolkata

Dated : October 28, 2002.

CRYSTAL CABLES**ANNEXURE - 'A'**

INFORMATION AS PER SECTION 217(1)(E) READ WITH COMPANIES (Disclosure of Particulars in the Report of Board of Directors) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002.

1. CONSERVATION OF ENERGY**a) Energy Conservation measures taken :**

Improvement of power factor through Capacitor Bank and using synchronising relays and change over switches to improve the efficiency of Gen-Sets.

Arrangement of using natural sunlight in the shop floor during day shift and thereby conservatin of power during day shifts. Besides, rearrangement of lighting loads and elimination of redundant light and fan loads.

Installation of some energy saving devices like electronic ballasts, alternators etc.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

Proposals are under consideration for installation of capacitor at user point i.e. with individual drive at the machine.

Rearrangement in distribution system for getting more efficiency from Captive Generating Sets.

c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on cost of production of goods :-

As a result of corrective measures already taken, energy consumption has been kept within control.

A. POWER AND FUEL CONSUMPTION	2001-02	2000-01
1. Electricity :		
a) Purchased Unit (in thousands)	401.03	394.34
Total Amount (Rs. in lakhs)	20.20	21.34
Rate / Unit (Rs.)	5.04	5.41
b) Own Generation		
i) Through Diesel Generator unit (in thousand)	859.25	625.41
Unit per Ltr. of Diesel Oil	3.24	2.67
Cost per Unit (Rs.)	6.48	6.03
ii) Through Steam Turbine / Generator Unit	-	-
Unit per Ltr. of Fuel Oil Gas	-	-
Cost per Unit (Rs.)	-	-
2. Coal (Steam used for generation of steam in boiler)		
Qty (Tonnes)	-	-
Total cost (Rs. in lakhs)	-	-
Avg. Rate (Rs.)	-	-
3. Light Diesel Oil		
Qty. (K. Ltr)	-	-
Total amount (Rs. in lakhs)	-	-
Avg. Rate (Rs.)	-	-

CRYSTAL CABLES

	2001-02	2000-01
4. Others / Internal Generation (HSD Oil)		
Qty. (K ltr.)	324.35	233.60
Total cost (Rs. in lakhs)	55.67	37.65
Rate / Ltr. (Rs.)	17.17	16.11

B. Consumption per unit of production

Product (Cable)

Electricity (Units / Kmtr.)

N.A.

N.A.

Furnace Oil Lit

-

-

Coal (Steam) Kgs

-

-

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

1. Research & Development (R & D)

a) Specific areas in which R & D carried out by the Company

-

-

b) Benefits derived as a result of the above R & D

-

-

c) Future plan of action

-

-

d) Expenditure of R & D (Rs. in lacs)

-

-

2. Technology absorption, adaptation & innovation :

a) Efforts in brief made towards technology absorption adaptation and innovation

-

-

b) Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product substitution etc.

-

-

c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year)

-

-

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

a) Total foreign exchange earned (Rs. in lacs)

Nil

8.44

b) Total foreign exchange used (Rs. in lacs)

122.46

48.85

By Order of the Board

Place : Kolkata
Dated : October 28, 2002N.L. GUPTA
(Vice Chairman & Managing Director)

CRYSTAL CABLES**CORPORATE GOVERNANCE****1. PHILOSOPHY :**

The Company's philosophy on Corporate Governance envisages the attainment of the high level of transparency & accountability in the functioning of the Company & the conduct of its business internally & externally.

The Company believes that its systems & action are aimed at enhanced corporate performance.

2. BOARD OF DIRECTORS

The Board Comprises of Executive & non-executives Directors. The present strength of the Board of Directors is Seven. The Vice Chairman & Managing Director, Managing Director & Joint Managing Director are Executive Directors & remaining four are non Executives Independent Directors.

Within the year 31st March, 2002, Five Meeting of Board of Director were held on 20th June 2001, 3rd August 2001, 11th September 2001, 22nd October 2001 & 21st January 2002. The Annual General Meeting was held on 3rd August 2001.

The composition of Board attendance at the Board Meeting & at the last Annual General Meeting. No of Directorship & Membership / Chairmanship in Committees of public Cos. (Including the Company) are given as under.

Sl no.	Name of the Directors	Category of Directors	Fy 2001-02 Attendance		As on 31st March '2002		
			Board Meetings	Last AGM	No. of Directorship	Committee Member	positions Chairman
1.	Mr. N.L. Gupta	Vice Chairman & Managing Director	5	Yes	-	-	-
2.	Mr. V.K. Gupta	Managing Director	5	Yes	-	-	-
3.	Mr. J. Gupta	Jt. Managing Director	3	No	-	-	-
4.	Mr. M. Sood	Independent Non-Executive	2	No	-	-	-
5.	Mr. D. Chakraborty	Nominee IDBI	-	-	-	-	-
6.	Mr. G.C. Mukherjee	Independent Non-Executive	5	Yes	-	-	-
7.	Mr. A.C. Chakraborty	-do-	2	No	-	-	-

REAPPOINTMENT OF DIRECTOR

At the ensuing Annual General Meeting Mr. V.K. Gupta retire by rotation & being eligible offer himself for re-appointment. On the basis of opinion obtained by the Company, the application of section 274(l)(g) of the Companies Act, 1956, does not prohibit from being re-appointed.

3. COMMITTEES OF THE BOARD

The Audit Committee, Remuneration Committee & Share holders Investors Grievance Committee could not be constituted as number of independent directors were not there.

The Company is in lookout for competent independent directors in order to form the necessary committees. The Board invites member to nominate person on the board so that the compliance can be made.

4. GENERAL BODY MEETING

The details of Annual General Meetings held in the last three years are given below :

AGM no.	Date & Time	Venue
34th	28th Feb. 2000 at 3.00 pm	32, G.C. Avenue Kolkata - 13
35th	30th March, 2001 at 3.30 pm	32, G.C. Avenue Kolkata - 13
36th	3rd Aug. 2001 at 3.00 pm	DBS Corporate Club 8, AJC Bose Road Kolkata - 17