

EIGHTH ANNUAL REPORT
2000 - 2001

Q-FLEX CABLES & SOFTWARES LTD.

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Q-FLEX CABLES AND SOFTWARES LTD.

BOARD OF DIRECTORS	Mr.P.A.JOYKUTTY <i>Chairman & Managing Director</i>
	Mr. Thomas P. Joy <i>Executive Director</i>
	Mr.George P. Joy <i>Director – Information Systems</i>
	Mr. N. Karuppiah <i>Director (Finance)</i>
	Mr. V. Nagarajan <i>Director (Technical)</i>
	Mr. A.K.S. Nair <i>Director (Marketing)</i>
MANAGEMENT TEAM	Mr.P.A.JOYKUTTY <i>Chairman & Managing Director</i>
	Mr. Thomas P. Joy <i>Executive Director</i>
	Mr.George P. Joy <i>Director – Information Systems</i>
	Mr. N. Karuppiah <i>Director (Finance)</i>
	Mr. V. Nagarajan <i>Director (Technical)</i>
	Mr. A.K.S. Nair <i>Director (Marketing)</i>
	Mr.P.D.Krishna Prasad <i>Company Secretary</i>
AUDITORS	M/s. M.R. RAMACHANDRAN & CO., <i>Chartered Accountants</i> 9/1, Lynwood Avenue, Mahalingapuram, Chennai - 600 034.
BANKERS	Catholic Syrian Bank Ltd., <i>Industrial Finance Branch,</i> Mount Road, Chennai - 600 002.
MARKETING OFFICE	44, New Avadi Road, Kilpauk, Chennai - 600 010.
REGISTERED OFFICE	138, SIDCO Industrial Estate, Ambattur, Chennai - 600 098.
FACTORY	Vengadamangalam Road, Kandigai, Melakottaiyur, Chennai - 600 048.

G-FLEX CABLES AND SOFTWARES LTD.**NOTICE FOR THE EIGHTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **Eighth Annual General Meeting** of the Company will be held at the Company's Factory at VENGADAMANGALAM ROAD, KANDIGAI, MELAKOTTAIYUR, CHENNAI - 600 048 on Thursday, the 27th September, 2001 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2001 and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. George P. Joy, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. A.K.S. Nair, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors and to fix their remuneration :

Messrs. M.R. Ramachandran & Company, Chartered Accountants, Chennai, retire and are eligible for re-appointment.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 314 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. N. KARUPPIAH, be re-appointed as Wholetime Director designated as Director - Finance for a period of five years with effect from 1st June, 2001 on the terms and conditions including remuneration as set out hereunder :

(a) **Salary** : Rs.20,000/- per month including Dearness and all other allowances.

(b) Perquisites :

- I Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to the ceiling of Rs.2,000/-per annum.
- II Provident Fund : Company's contribution towards provident fund as per the rules of the Company but subject to statutory limits.
- III Leave Travel Concession : Entitled for Leave Travel Concession for self and family subject to the ceiling of Rs.2,000/- per annum.
- IV Provision for Car and Telephone : Entitled for Car and Telephone at residence and the same will not be considered as perquisites. The personal long distance calls on telephone and use of Car for private purpose will be billed by the Company.
- V In the event of the loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of Salary and Perquisites as specified above.

6. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 314 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. V. NAGARAJAN, be re-appointed as Wholetime Director designated as Director - Technical for a period of five years with effect from 1st June, 2001 on the terms and conditions including remuneration as set out hereunder :

Q-FLEX CABLES AND SOFTWARES LTD.

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| <p>(a) Salary : Rs.21,000/- per month including Dearness and all other allowances.</p> <p>(b) Perquisites :</p> <p>I Medical Reimbursement: Reimbursement of expenses incurred for self and family subject to the ceiling of Rs.2,000/-per annum.</p> <p>II Provident Fund : Company's contribution towards provident fund as per the rules of the Company but subject to statutory limits.</p> <p>III Leave Travel Concession : Entitled for Leave Travel Concession for self and family subject to the ceiling of Rs.2,000/- per annum.</p> <p>IV Provision for Car and Telephone: Entitled for Car and Telephone at residence and the same will not be considered as perquisites. The personal long distance calls on telephone and use of Car for</p> | <p>private purpose will be billed by the Company.</p> <p>V In the event of the loss or inadequacy of profits in any financial year, he shall be paid remuneration by way of Salary and Perquisites as specified above.</p> <p>7. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION :</p> <p>"RESOLVED THAT with effect from 1st October, 2001, the Register of Members and copies of Annual Returns prepared under Sections 159 and Section 160 together with copies of the certificates and documents required to be annexed thereto under Section 160 and Section 161 of the Companies Act, 1956, be kept at Company's Factory at Vengadamangalam Road, Kandigai, Melakottaiyur, Chennai – 600 048 instead of at the Registered Office of the Company"</p> |
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(By Order of the Board)

for Q-FLEX CABLES AND SOFTWARES LTD.,

Place : Chennai
Date : 30.06.2001

P.D.KRISHNA PRASAD
Company Secretary

NOTES :

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| <p>1. Explanatory Statement is annexed to the Notice of the Eighth Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of items 5 to 7.</p> <p>2. ANY MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY OR AT THE FACTORY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.</p> | <p>3. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2001 to 27th September, 2001 (both days inclusive).</p> <p>4. Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.</p> <p>5. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Factory of the Company during office hours on all working days up to the date of the Annual General Meeting.</p> |
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Q-FLEX CABLES AND SOFTWARES LTD.**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED TO THE NOTICE FOR THE EIGHTH ANNUAL GENERAL MEETING****ITEM NO.5 and 6**

Mr.N. Karuppiah and Mr.V.Nagarajan have been re-appointed as Whole time Directors of the Company, subject to the approval of the Members, for a further period of five years with effect from 1st June, 2001 designated as Director-Finance, Director – Technical respectively as per the terms and conditions set out in the respective Resolutions. The appointments and remuneration of Mr. N.Karuppiah and Mr. V.Nagarajan as Whole time Directors of the Company require approval of the Members of the Company in General Meeting in terms of Schedule XIII and also under Section 309 of the Companies Act, 1956.

In view of their wide experience in their respective fields, the Board considers that the appointments of Mr.N.Karuppiah and Mr.V.Nagarajan as Whole time Directors of your Company will be beneficial to your Company and accordingly recommends these Resolutions for your approval.

Mr.N.Karuppiah and Mr.V.Nagarajan are concerned or interested in the relative Resolutions concerning their respective appointments. Save as aforesaid, no other Director of your Company is concerned or interested in the Resolutions.

This may also be regarded as an abstract of terms of appointment of Mr.N.Karuppiah and Mr.V.Nagarajan as Whole time Directors of the Company and Memorandum of interest under Section 302 of the Companies Act, 1956.

ITEM NO.7

This relates to keeping of Register of Members and other documents mentioned therein at the Company's Factory. In view of shortage of space at the Registered Office and for operational convenience, it is proposed to keep various records and registers at the Company's Factory premises. Therefore, the approval of Shareholders is sought under Section 169 of the Companies Act, 1956.

None of the Directors of the Company is concerned or interested in the Resolution.

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(By Order of the Board)

for Q-FLEX CABLES AND SOFTWARES LTD.,

Place : Chennai
Date : 30.06.2001

P.D.KRISHNA PRASAD
Company Secretary

G-FLEX CABLES AND SOFTWARES LTD.**DIRECTOR'S REPORT**

Your Directors hereby present the Eighth Annual Report together with the Audited Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS

	2000-2001	1999-2000
	(Rs. in Lakhs)	
Profit before Interest and Depreciation	39.60	99.03
Less : Interest	68.47	43.37
Profit before Depreciation	(28.87)	55.66
Less : Depreciation	33.45	26.61
	(62.32)	29.05
Less : Prior period exp. written off	3.91	6.42
Net Profit carried to Balance Sheet	(72.23)	22.63

DIVIDEND

In view of the loss incurred by the Company during the year under review, the Board of Directors could not recommend any dividend.

OPERATIONS

During the year under review, your Company has achieved a turnover of Rs.1178.31 Lakhs registering a growth of 14.11% as compared to previous year's turnover of Rs.1032.63 Lakhs. Due to sluggishness in the market coupled with slowdown in the Economy, the performance of the Company have been affected adversely. The earnings from Software Division of the Company is not substantial due to initial teething problems and prevailing slow down of Software Industry. As the market starts picking up, Directors are confident of getting good results in the years to come. Your Company has already initiated various cost reduction measures to improve the efficiency of operations.

PERSONNEL

No employee was in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY ETC.,

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is furnished in the Annexure.

DIRECTORS

Mrs. Annamma Joy has resigned from the directorship of the Company with effect from 25.11.2000. The Board places on record its appreciation of the valuable services rendered by Mrs. Annamma Joy since inception of the Company. Under Article 111 of the Articles of Association of the Company, Mr. George P Joy and Mr. A.K.S. Nair retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed :

- (i) that in preparation of the Annual Accounts for the financial year ended 31st March, 2001, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements 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 year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate

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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;

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

AUDITORS

M/s .M .R. Ramachandran & Co., the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has advised compliance of Corporate Governance by all the listed Companies . As per the Schedule of implementation of Corporate Governance, it is applicable to your Company from the financial year 2002-2003 and your Company is in the process of taking necessary steps to implement the same.

DEMATERIALISATION OF SHARES

Mumbai Stock Exchange has advised to trade the shares of the Company in dematerialised form. Accordingly, your Company has entered an agreement with Central Depository Services Ltd., (CDSL) and National Securities Depository Ltd., (NSDL) for dematerialisation of shares during July, 2001. With this, the members have the option/ discretion to hold the shares of the Company in dematerialised form.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the dedication and excellent contribution made by the employees in realising the objects of the Company.

The Directors would like to thank Catholic Syrian Bank Ltd., Industrial Finance Branch, Chennai - 2, Suppliers and above all the Shareholders and valued Customers for their continued support and patronage.

(By Order of the Board)
for Q-FLEX CABLES AND SOFTWARES LTD.,

Place : Chennai
Date : 30.06.2001.

P.A.JOYKUTTY
Chairman & Managing Director

G-FLEX CABLES AND SOFTWARES LTD.**ANNEXURE TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31st MARCH, 2001**

Information pursuant to the Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988.

A. Conservation of energy : Nil

B. Technical absorption : Particulars given in Form B annexed

C. Foreign exchange earnings and outgo :

- i) Activities relating to exports, initiatives taken to increase exports, development of new export market for products and services and export plans :

We have exported 60550 Meters of PVC insulated cables and 25000 Moulded Power Cords during the year.

- ii) Total foreign exchange used and earned:

	Current Year	Previous Year
	(Rs. in Lakhs)	
Used	38.79	6.33
Earned	29.24	8.56

FORM B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

Research and Development (R & D)

- Specific areas in which R & D carried out by the Company
- Benefits derived as a result of the above R & D
- Future plan of action

4. Expenditure on R & D

- Capital
- Recurring
- Total
- Total R & D expenditure as a percentage of total turnover

Nil

Technology absorption, adaptation and innovation

- Efforts, in brief, made towards technology absorption, adaptation and innovation
- Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished :
 - Technology imported
 - Year of import
 - Has technology been fully absorbed ?
 - If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

Nil

Q-FLEX CABLES AND SOFTWARES LTD.**AUDITORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2001**

We have audited the attached Balance Sheet of M/s. Q-Flex Cables and Softwares Limited as at 31st March 2001 and the annexed Profit and loss account for the year ended 31st March, 2001 and report that:

01. As required by the Manufacturing and Other Companies (Auditors' Report) Order 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act 1956, and on the basis of such checks of the books and records as we considered appropriate and the information and explanations given to us during the course of the audit, we enclose in the Annexure a statement of the matters specified in paragraphs 4 and 5 of the said Order.

02. Further to our comments in the Annexure referred to in paragraph 1 above, We report 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 in so far as appears from examination of such books.

(c) The Balance Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of account and are in compliance with the Accounting Standards (AS) referred to in Section 211(3C) of the Companies Act, 1956.

(d) As per the information and explanations given to us none of the directors of the company is disqualified from being appointed as director under clause (g) of Sub-section (1) of Section 274 of the Companies Act.

(e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet read together with the and subject to the Notes and the Schedules attached thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- i. In so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31st March, 2001.
- ii. In so far as it relates to the Profit & Loss Account, of the loss of the company for the year ended on that date.

For **M.R.RAMACHANDRAN & CO.,**
Chartered Accountants

Place : Chennai
Date : 30.06.2001

M.V.BALACHANDRAN
Partner

Q-FLEX CABLES AND SOFTWARES LTD.

**ANNEXURE TO THE AUDITORS' REPORT REFERRED TO IN
PARAGRAPH 1 OF OUR REPORT OF EVEN DATE**

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| <p>01. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All assets have been physically verified by the management during the year. No material discrepancies were noticed on verification.</p> <p>02. Fixed assets have not been revalued during the year.</p> <p>03. The stock of finished goods, work-in-progress, stores and spare parts and raw materials have been physically verified by the management at reasonable intervals during the year.</p> <p>04. The Procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and nature of the business.</p> <p>05. No material discrepancies were noticed on verification between the physical stocks and the book records.</p> <p>06. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles.</p> <p>07. During the year under consideration, the Company has taken loans, interest free and unsecured from parties listed in the register maintained under section 301. The company has not taken any loans from Companies under the same management as defined under sub - section (1B) of section 370 of Companies Act 1956. The terms and conditions of the loans are not prima-facie prejudicial to the interests of the company or the members.</p> | <p>08. During the year under consideration, the Company has not granted loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under Section 301 and/ or companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956.</p> <p>09. The provision relating to loans and advances in the nature of loans given by the company to parties is not applicable as the Company has not given loans or advances except staff advances which are being repaid as per terms and conditions of advances and machinery advance which have been made as per terms and conditions of order placed.</p> <p>10. In our opinion the Company has an adequate internal control procedure with regard to the size of company and the nature of its business for the purchase of stores, raw materials, including components, plant and machinery, equipment and other assets and for the sale of goods.</p> <p>11. In our opinion and according to the information and explanations given to us, purchase of goods, materials and services and sale of goods, materials and services made in pursuance of contracts or arrangement entered in the Register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more have been made at prices which are reasonable having regard to prevailing market prices of such goods.</p> <p>12. As explained to us, there are no unserviceable or damaged stores, raw materials or finished goods.</p> |
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