

TENTH ANNUAL REPORT

2002-2003



Q-FLEX CABLES LTD.

Q-FLEX CABLES LTD.

BOARD OF DIRECTORS

Mr. P.A. JOYKUTTY
Chairman & Managing Director

Mr. THOMAS P. JOY
Executive Director

Mr. GEORGE P. JOY
Director - Operations

Mr. N. KARUPPIAH
Director - Finance

Mr. D. KARTHIKEYAN
Director - Works

Mrs. SUJI THOMAS
Director

Mrs. JIS C JOY
Director

Mrs. MELANIE SANTHOSH
Director

Mr. GEORGE BABY GEORGE
Director

Mr. THOMAS ALEXANDER
Director

MANAGEMENT TEAM

Mr. P.A. JOYKUTTY
Chairman & Managing Director

Mr. THOMAS P. JOY
Executive Director

Mr. GEORGE P. JOY
Director - Operations

Mr. N. KARUPPIAH
Director - Finance

Mr. D. KARTHIKEYAN
Director - Works

Mr. P.D. KRISHNA PRASAD
Company Secretary

AUDITORS

M/s. KARPAGAM & CO.,
Chartered Accountants
4, Balaji Avenue 1st Steet,
T. Nagar, Chennai - 600 017.

BANKERS

THE CATHOLIC SYRIAN BANK Ltd.,
Industrial Finance Branch,
Mount Road, Chennai - 600 002.

REGISTERED OFFICE & FACTORY

3, Vengadamangalam Road, Kandigai,
Melakottaiyur, Chennai - 600 048.

G-FLEX CABLES LTD.**NOTICE FOR THE TENTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **Tenth Annual General Meeting** of the Company will be held at the Company's Registered Office at No.3, VENGADAMANGALAM ROAD, KANDIGAI, MELAKOTTAIYUR, CHENNAI - 600 048 on Monday, the 29th September, 2003 at 10.00A.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, 2003 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 Auditors and to fix their remuneration :

M/s. Karpagam & Co., Chartered Accountants, Chennai, retire and are eligible for re-appointment.

SPECIAL BUSINESS :

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

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1) (a) and other applicable provisions, if any of the Companies Act, 1956 to mortgage and / or charge by way of equitable mortgage of Company's land and Factory Buildings by the Board of Directors in favour of THE CATHOLIC SYRIAN BANK LTD., to secure following restructured credit limits :

- (a) Term Loan Limit of Rs.200.85 lakhs
- (b) ODH Limit of Rs.40 lakhs
- (c) Inland LC/BG Limit of Rs.45 lakhs
- (d) ODBD Limit of Rs.120 lakhs
- (e) CP/WAVE Limit of Rs.10 lakhs
- (f) PCL Limit of Rs.40 lakhs
- (g) FDBP/FUBP Limit of Rs.30 lakhs

together with interest thereon at respective agreed rates and other monies payable by

the Company to The Catholic Syrian Bank Ltd., under their respective Letters of Sanction/ Memorandum of Terms and Conditions entered into/to be entered by the Company in respect of the said Limits."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise with The Catholic Syrian Bank Ltd., the documents for creating the aforesaid mortgage and or charge and to do all such acts and things as may be necessary for giving effect to the above resolution."

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

"RESOLVED THAT Mr. D. Karthikeyan, who was appointed as an Additional Director of the Company and who holds office as such upto the date of this Annual General Meeting and in respect of whom a notice has been received from a member signifying his intention to propose Mr. D. Karthikeyan, as a candidature for the office of Director of the Company on whole time basis be and is hereby appointed as a Director of the Company"

"RESOLVED FURTHER 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. D. KARTHIKEYAN, be appointed as Wholetime Director designated as Director - Works for a period of five years with effect from 1st January, 2003 on the terms and conditions including remuneration as set out hereunder :

- (a) **Salary** : Rs.15,000/- per month including Dearness and all other allowances.

- (b) **Perquisites** : I Provision for Car : Entitled for Car at residence and the same will not be considered as perquisites and use of car for private purpose will be billed by the Company.

Q-FLEX CABLES LTD.

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| <p>II 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>6. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION :</p> <p>"RESOLVED THAT Mrs. Suji Thomas be and is hereby appointed as Director of the Company".</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 Mrs. Jis C Joy be and is hereby appointed as Director of the Company".</p> <p>8. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION :</p> | <p>"RESOLVED THAT Mrs. Malanie Santhosh be and is hereby appointed as Director of the Company".</p> <p>9. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION :</p> <p>"RESOLVED THAT Mr. George Baby George be and is hereby appointed as Director of the Company".</p> <p>10. To consider and if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION :</p> <p>"RESOLVED THAT Mr. Thomas Alexander be and is hereby appointed as Director of the Company".</p> |
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(By Order of the Board)

for **Q-FLEX CABLES LTD.**,

Place : Chennai
Date : 21-08-2003

P.D. KRISHNAPRASAD
Company Secretary

NOTES :

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| <p>1. Explanatory Statement is annexed to the Notice of the Tenth Annual General Meeting of the Company as required by Section 173(2) of the Companies Act, 1956 in respect of items 4 to 10.</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 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, 2003 to 29th September, 2003 (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 Company's Registered Office during office hours on all working days up to the date of the Annual General Meeting.</p> <p>6. Members holding shares in physical form are requested to dematerialise the shares in electronic form to facilitate faster transfer and avoid rejections for bad deliveries. The share certificates may be sent directly to the Company Secretary / Registrar and Transfer Agents.</p> <p>7. The Company's Equity Shares are presently listed at the Mumbai (BSE) and Madras (MSE) Stock Exchanges and the listing fees for the year 2003-2004 have been paid in time.</p> |
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Q-FLEX CABLES LTD.**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED TO THE NOTICE FOR THE TENTH ANNUAL GENERAL MEETING****ITEM NO.4**

The Company had availed the following restructured credit limits from The Catholic Syrian Bank Ltd., :

- (a) Term Loan Limit of Rs.200.85 lakhs
- (b) ODH Limit of Rs.40 lakhs
- (c) Inland LC/BG Limit of Rs.45 lakhs
- (d) ODBD Limit of Rs.120 lakhs
- (e) CP/WAVE Limit of Rs.10 lakhs
- (f) PCL Limit of Rs.40 lakhs
- (g) FDBP/FUBP Limit of Rs.30 lakhs

The Bank while sanctioning the above limits have interalia stipulated a condition that the above limits should be secured by Equitable mortgage of Company's Land and Factory Building. To enable the Company to create security, approval of Members under Section 293(1) (a) of the Companies Act, 1956 is required. Hence, the proposed resolution.

Copy of the Letter of Sanction from The Catholic Syrian Bank Ltd., is available for inspection at the Registered Office of the Company between 9.00 a.m. and 5.00 p.m. on any working day prior to the date of the meeting and will also be available for inspection at the meeting.

None of the Directors is concerned or interested in the resolution.

ITEM NO.5

Mr. D. Karthikeyan was appointed as Additional Director of the Company pursuant to Article 103 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956 read with Article 103 of the Articles of Association of Company, Mr.D.Karthikeyan shall hold office upto the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. D. Karthikeyan for appointment as Director of the Company alongwith the requisite deposit.

Mr. D. Karthikeyan has been appointed as Wholtime Director of the Company, subject to the approval of the members, for a period of five years with effect from 1st January, 2003 designated as Director-Works as per the terms and conditions set out in the resolution. The terms of appointment were considered and approved by the Remuneration Committee of the Board of Directors as per the details furnished in the relevant resolution. Hence the proposed resolution.

The appointment and remuneration of Mr. D. Karthikeyan as Wholtime Director of the Company require approval of the members of the Company in general meeting in terms of Schedule XIII of the Companies Act, 1956 and the remuneration payable also requires the approval of the Company in general meeting under Section 309 of the Companies Act, 1956.

In view of his wide experience, the Board considers that the appointment of Mr. D. Karthikeyan as Wholtime Director of your

Company will be beneficial to your Company and accordingly recommends the acceptance of resolution for your approval.

None of the Directors except Mr. D. Karthikeyan are concerned or interested in the resolution.

This may also be regarded as an abstract of terms of appointment of Mr. D. Karthikeyan as Wholtime Director of the Company and Memorandum of interest under Section 302 of the Companies Act, 1956.

ITEM NO.6

Mrs. Suji Thomas was appointed as Additional Director of the Company pursuant to Article 103 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956 read with Article 103 of the Articles of Association of Company, Mrs.Suji Thomas shall hold office upto the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mrs.Suji Thomas for appointment as Director of the Company alongwith the requisite deposit. Hence the proposed resolution.

None of the Directors except Mrs.Suji Thomas, Mr. P.A. Joykutty, Mr. Thomas P Joy, Mr. George P Joy, Mrs. Jis C Joy and Mrs. Melanie Santhosh are concerned or interested in the resolution.

ITEM NO.7

Mrs. Jis C Joy was appointed as Additional Director of the Company pursuant to Article 103 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956 read with Article 103 of the Articles of Association of Company, Mrs.Jis C Joy shall hold office upto the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mrs.Jis C Joy for appointment as Director of the Company alongwith the requisite deposit. Hence the proposed resolution.

None of the Directors except Mrs.Jis C Joy, Mr.P.A. Joykutty, Mr.Thomas P Joy, Mr. George P Joy, Mrs. Suji Thomas and Mrs. Melanie Santhosh are concerned or interested in the resolution.

ITEM NO.8

Mrs. Melanie Santhosh was appointed as Additional Director of the Company pursuant to Article 103 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act, 1956 read with Article 103 of the Articles of Association of Company, Mrs.Melanie Santhosh shall hold office upto the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mrs.Melanie Santhosh for appointment as Director of the Company alongwith the requisite deposit. Hence the proposed resolution.

None of the Directors except Mrs. Mrs. Melanie Santhosh Suji Thomas, Mr. P.A. Joykutty, Mr. Thomas P Joy, Mr. George P Joy, Mrs. Suji Thomas and Mrs.Jis C Joy are concerned or interested in the resolution.

Q-FLEX CABLES LTD.**ITEM NO.9**

Mr.George Baby George was appointed as Additional Director of the Company pursuant to Article 103 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act,1956 read with Article 103 of the Articles of Association of Company, Mr.George Baby George shall hold office upto the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. George Baby George for appointment as Director of the Company alongwith the requisite deposit. Hence the proposed resolution.

None of the Directors except Mr.George Baby George are concerned or interested in the resolution.

ITEM NO.10

Mr.Thomas Alexander was appointed as Additional Director of the Company pursuant to Article 103 of the Articles of Association of the Company. In terms of Section 260 of the Companies Act,1956 read with Article 103 of the Articles of Association of Company, Mr. Thomas Alexnader shall hold office upto the date of ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr.Thomas Alexander for appointment as Director of the Company alongwith the requisite deposit. Hence the proposed resolution.

None of the Directors except Mr.Thomas Alexnader are concerned or interested in the resolution.

(By Order of the Board)

for **Q-FLEX CABLES LTD.,**

P.D. KRISHNAPRASAD
Company Secretary

Place : Chennai
Date : 21-08-2003

Information required to be furnished under the Listing Agreement about the particulars of Directors who are proposed to be appointed / re-appointed at the Tenth Annual General Meeting.

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| <p>A. Mr. George P. Joy holds a Bachelor of Engineering Degree is aged about 28 years and has experience in the field of Engineering, Administration and Management. Mr. George P. Joy not holding holding Directorship / Membership in Board Committees of other Companies.</p> | <p>Management Mrs. Jis C Joy is not holding Directorship / Membership in Board Committees of other Companies.</p> |
| <p>B. Mr. D. Karthikeyan holds a Bachelor of Engineering Degree is aged about 42 years and has experience in the field of Engineering. Mr. D. Karthikeyan not holding holding Directorship / Membership in Board Committees of other Companies.</p> | <p>E. Mrs. Melanie Santhosh holds a Bachelor Degree is aged about 30 years and has experience in the field of Administration, Accounts and Management Mrs. Melanie Santhosh is not holding Directorship / Membership in Board Committees of other Companies.</p> |
| <p>C. Mrs. Suji. Thomas holds a Bachelor Degree is aged about 28 years and has experience in the field of Accounts and Administration Mrs. Suji. Thomas is not holding Directorship/ Membership in Board Committees of other Companies.</p> | <p>F. Mr. George Baby George holds a Degree is aged about 49 years and has wide experience in the field of Administration, Accounts and Management Mr. George Baby George is not holding Directorship / Membership in Board Committees of other Companies.</p> |
| <p>D. Mrs. Jis C Joy holds a Master Degree is aged about 24 years and has experience in the field of Administration and</p> | <p>G. Mr. Thomas Alexandar holds a Degree is aged about 46 years and has wide experience in the field of Administration and Management Mr. Thomas Alexandar is not holding Directorship / Membership in Board Committees of other Companies.</p> |

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

Your Directors hereby present the Tenth Annual Report together with the Audited Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS

	2002-2003	2001-2002
	(Rs. in Lakhs)	
Profit before Interest and Depreciation	(7.83)	(38.84)
Less : Interest	52.78	72.47
Profit before Depreciation	(60.61)	(111.31)
Less : Depreciation	39.39	42.54
	(100.00)	(153.85)
Less : Preliminary expenses written off	9.92	9.92
Net Profit carried to Balance Sheet	(109.92)	(163.77)

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.1119.27 Lakhs registering a growth of 0.75% as compared to previous year's turnover of Rs.1110.93 Lakhs. Due to sluggishness in the market coupled with slowdown in the economy, the performance of the Company have been affected adversely. Now the market starts slowly 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.

Since more than 50% of the peak network of the immediately preceding four financial years is eroded due to accumulated loss as on 31st March, 2003, your Company has become a "Potentially Sick Industrial Company" under the provisions of Section 23 of The Sick Industrial Companies (Special Provisions) Act, 1985. The Company shall be obliged to report its potential sickness to the Board for Industrial and Financial Reconstruction in compliance with the said provisions, on formal adoption of the accounts and reports thereon and consideration of erosion of network at the forthcoming General Meetings.

PERSONNEL

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

Mr. A.K.S.Nair and Mr.V.Nagarajan have resigned from the directorship of the Company with effect from 31.03.2003 and 28.06.2003 respectively. The Board places on record its appreciation of the valuable services rendered by Mr. A.K.S.Nair and Mr.V. Nagarajan during their tenure as Directors. Under Article 111 of the Articles of Association of the Company, Mr. George P Joy retire by rotation at the ensuing Annual General Meeting of the Company and is eligible for re- appointment. The term of Mrs.Suji Thomas, Mrs.Jis C Joy, Mrs. Melanie Santhosh, Mr. George Baby Goerge and Mr. Thomas Alexander shall end at this Annual General Meeting and notice in writing has been received proposing their candidature for appointment as Directors of the Company.

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 that :

- (i) in preparation of the annual accounts for the financial year ended 31st March, 2003, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) 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) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

Q-FLEX CABLES LTD.

- (iv) the directors had prepared the accounts for the financial year ended 31st March 2003 on a 'going concern' basis.

AUDITORS

M/s .Karpagam & Co., the Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Report on Corporate Governance with Auditor's Certificate on compliance of

conditions of Corporate Governance and a Management Discussion & Analysis Report have been attached to form part of the Annual Report.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation of the dedication and excellent contribution made by the employees. The Directors would like to thank The Catholic Syrian Bank Ltd., Industrial Finance Branch, Chennai - 2, Suppliers and above all the Shareholders and valued Customers for their continued support and patronage.

(For and on behalf of the Board)

Place : Chennai
Date : 21-08-2003

P.A. JOYKUTTY
Chairman & Managing Director

ANNEXURE TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31st MARCH, 2003

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 :

Energy conservation measures are being taken with in our Plant as an ongoing exercise.

B. TECHNICAL ABSORPTION :**FORM B****RESEARCH AND DEVELOPMENT**

1. Specific areas in which R & D carried out by the Company :
2. Benefits derived as a result of the above R & D : Nil
3. Future plan of action :
4. Expenditure on R & D :
 1. Capital
 2. Recurring
 3. Total
 4. Total R & D expenditure as a percentage of total turnover

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. Nil

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished : Nil

- a) Technology imported
- b) Year of import
- c) Has technology been fully absorbed?
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

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 10,58,200 Meters of PVC insulated cables during the year.

- ii) Total foreign exchange used and earned:

Current Year	Previous Year
(Rs. in Lakhs)	

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

Used
Earned

5.69	5.43
120.02	64.96

(For and on behalf of the Board)

Place : Chennai
Date : 21-08-2003

P.A. JOYKUTTY
Chairman & Managing Director

G-FLEX CABLES LTD.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE

The Company is engaged in the business of manufacture and sale of Building Cables, Flexible Cables, Power Cables, Submersible Pump Cables, Automotive Cables, Control Cables, Railway Signalling Cables & Power Cords which are classified under the Industrial Structure as Electrical Cables and Wires.

Our products are used in construction industry, automobile industry, railways, home appliances, etc. With signs of up-trend in the economy, it is expected that the consumption of cables and wires is likely to go up. Further, the export is also picking up steadily.

OPPORTUNITIES AND THREATS

The product portfolio of the Company is dominated by threats posed by manufacturers in un-organised sector. It is essential to take precautionary measures on a continuous basis to reduce the cost of production and ensure availability of raw materials at fair prices.

As the Government is initiating various measures to encourage the infrastructure and housing sector, there is possibility of increased demand for cables and wires.

With the various cost reduction and operational efficiency programmes being carried out and with lot of proactive measures, your Company is geared to face the future challenges.

RISK AND CONCERNS

The fortune of the Company dependant on entry barriers setup by electrical cables and wires business in the un organised sector.

Further as a manufacturer in the organised sector, the fixed costs in terms of administrative overheads are substantially high.

The continued recession and slow pace of economic progress may affect the operation of the Company.

Up-trend in global copper price and oil price will lead to high cost of raw materials together with drop in customs duty on imported cables and wires.

OUTLOOK

Though the business environment is very competitive, because of the efforts which are being taken for cost

reduction and improving operational efficiency, the performance in the coming years is expected to be better.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control system monitored by Internal Auditors who are reporting to the Audit Committee. The Audit Committee is meeting periodically for reviewing the performance of the Company and formulating policies / issuing guide lines to the Management.

FINANCIAL PERFORMANCE

The accumulated loss as on 31st March, 2003 have eroded the networth of the Company substantially. The Company has, under the provisions of Section 23 of The Sick Industrial Companies (Special Provisions) Act, 1985 become a "Potentially Sick Industrial Company". On formal adoption of the accounts and reports thereon and consideration of erosion of networth at the forthcoming General Meetings, the Company shall be obliged to report its potential sickness to the Board for Industrial and Financial Reconstruction in compliance with the said provisions.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

During the year under review, the relationship between the staff, workmen and management was good and cordial. The Company arranged for various programmes for our workmen on safety and productivity.

CAUTIONARY STATEMENT

Estimates and expectations stated in this Management Discussion and Analysis Report may be "forward-looking" statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.

Q-FLEX CABLES LTD.**REPORT ON CORPORATE GOVERNANCE (2002-2003)****1. Company's Philosophy :**

Adherence to the Corporate Governance Standards by practicing principles of transparency, integrity and social accountability in all its operations.

2. Board of Directors :

	Name of the Directors, Designation and Category	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships*	Committee Membership*	
					Chairman	Member
1	Mr. P.A. Joykutty Chairman and Managing Director Promoter Executive	7	Yes	--	--	--
2	Mr. Thomas P. Joy Executive Director Promoter Executive	7	Yes	--	--	--
3	Mr. George P. Joy Director - Operations Promoter Executive	7	Yes	--	--	--
4	Mr. N. Karupiah Director - Finance Executive Independent	7	Yes	--	--	--
5	Mr. D. Karthikeyan Director - Works Executive Independent	2	N A	--	--	--
6	A.K.S. Nair (upto 31-03-2003) Director - Marketing Executive Independent	7	Yes	--	--	--
7	V. Nagarajan Director - Technical Executive Independent	7	Yes	--	--	--
8	Mrs. Suji Thomas Non Executive Independent	--	N A	--	--	2
9	Mrs. Jis C. Joy Non Executive Independent	--	N A	--	--	2
10	Mrs. Melanie Santhosh Non Executive Independent	--	N A	--	--	--
11	Mr. George Baby George Non Executive Independent	--	N A	--	2	--
12	Mr. Thomas Alexander Non Executive Independent	--	N A	--	--	--

* Does not include directorships in companies excluded as per Section 278 of the Companies Act, 1956.

None of the Directors of the Company is a Chairman of more than five Board-Committees or a Member of more than ten Board Committees as stipulated in the Listing Agreement with Stock Exchanges.