

SIXTEENTH ANNUAL REPORT 2008 -09



CYBELE INDUSTRIES LIMITED

CYBELE INDUSTRIES LIMITED

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

Mr. Sunny Kutty George
Director

Mr. George Baby George
Director

MANAGEMENT TEAM

Mr.P.A.JOYKUTTY
Chairman & Managing Director

Mr. Thomas P. Joy
Executive Director

Mr..George P. Joy
Director – Operations

AUDITORS

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

REGISTERED OFFICE

No.138, SIDCO Industrial Estate
Ambattur, Chennai – 600 098.

CYBELE INDUSTRIES LIMITED

NOTICE FOR THE SIXTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Sixteenth Annual General Meeting** of the Company will be held at the Company's Registered Office at No.138, SIDCO Industrial Estate, Ambattur, Chennai - 600 098 on Wednesday, the 30th September, 2009 at 11.00 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, 2009 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. N. Karupiah, who retires by rotation and being eligible offers himself for re-election.
3. To appoint a Director in place of Mr. Sunny Kutty George, who retires by rotation and being eligible offers himself for re-election.
4. To appoint Auditors and to fix their remuneration :
M/s. Karpagam & 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 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, approval of the Company be and is hereby given for re-appointment of Mr. P.A. Joykutty as Managing Director of the Company for a period of five years with effect from April 1, 2009 to March 31, 2014 on the terms and conditions including remuneration as set out hereunder :
(a) **Salary** : Rs.50,000 /- (Rupees Fifty Thousands) including Dearness and all other allowances per month.

(b) Perquisites :

- (i) **Medical Reimbursement** : Reimbursement of expenses incurred for self and family subject to ceiling of one month's salary in a year.
- (ii) **Club Fee**: Fee of club subject to a maximum of two clubs. No admission and life membership fee will be paid.
- (iii) **Provident Fund**: Company's contribution towards Provident Fund as per the Rules of the Company, but subject to statutory limits.
- (iv) **Leave Travel Concession**: Entitled for Leave Travel Concession for self and family, subject to ceiling of one month's salary in a year.
- (v) **Provision of Car and Telephone**: Entitled for provision of 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.

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 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, approval of the Company be and is hereby given for re-appointment of Mr. Thomas P Joy as Wholetime Director of the Company for a period of five years with effect from April 1, 2009 to March 31, 2014 on the terms and conditions including remuneration as set out hereunder :

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(a) **Salary** : Rs.45,000 /- (Rupees Forty Five Thousands) including Dearness and all other allowances per month.

(b) Perquisites :

- (i) **Medical Reimbursement** : Reimbursement of expenses incurred for self and family subject to ceiling of one month's salary in a year.
- (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 ceiling of one month's salary in a year.
- (iv) **Provision of Car and Telephone**: Entitled for provision of 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.

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..",

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

"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, approval of the Company be and is hereby given for re-appointment of Mr. George P Joy as Director Operations of

the Company for a period of five years with effect from April 1, 2009 to March 31, 2014 on the terms and conditions including remuneration as set out hereunder :

(a) **Salary** : Rs.40,000 /- (Rupees Forty Thousands) including Dearness and all other allowances per month.

(b) Perquisites :

- (i) **Medical Reimbursement** : Reimbursement of expenses incurred for self and family subject to ceiling of one month's salary in a year.
- (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 ceiling of one month's salary in a year.
- (iv) **Provision of Car and Telephone**: Entitled for provision of 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.

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.."

(By Order of the Board)
for **CYBELE INDUSTRIES LIMITED**

Place : Chennai
Date : 18.05.2009

P.A. JOYKUTTY
Chairman &
Managing Director

CYBELE INDUSTRIES LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED TO THE NOTICE FOR THE SIXTEENTH ANNUAL GENERAL MEETING

ITEM NO.5

The present term of Mr. P.A. Joykutti, Managing Director of the Company will expire on 31.03.2010. The Board of Directors at its meeting held on 18.05.2009, subject to approval of the members of the Company re-appointed him as Managing Director of the Company for a further period of five years with effect from 01.04.2009 as per the terms and conditions set out in the resolution. The terms of reappointment were considered and approved by the Remuneration Committee of the Board of Directors as per the details furnished in the relevant resolution.

The reappointment and remuneration of Mr. P.A. Joykutti as Managing Director of the Company required approval of the members of the Company in General Meeting in terms of Section 269, 209 and Schedule XIII of the Companies Act, 1956.

In view of his qualification and wide experience in the field, the Board of Directors that the reappointment of Mr. P.A. Joykutti as Managing Director of your Company will be beneficial to your company and accordingly recommends the resolution for your approval.

None of the directors except Mr. Thomas P Joy and Mr. George P Joy are concerned or interested in the Resolution.

This may also be regarded as an abstract of terms of appointment of Mr. P.A. Joykutti as Managing Director of the Company and Memorandum of interest under Section 302 of the Companies Act, 1956.

ITEM NO.6

The present term of Mr. Thomas P Joy , Wholetime Director designated as Executive Director of the Company will expire on 31.03.2009. The Board of Directors at its meeting held on 18.05.2009, subject to approval of the members of the Company re-appointed him as Wholetime Director of the Company for a further period of five years with effect from 01.04.2009 as per the terms and conditions set out in the resolution. The terms of reappointment were considered and approved by the Remuneration

Committee of the Board of Directors as per the details furnished in the relevant resolution.

The reappointment and remuneration of Mr.Thomas P. Joy as Wholetime Director of the Company required approval of the members of the Company in General Meeting in terms of Section 269, 209 and Schedule XIII of the Companies Act, 1956.

In view of his qualification and wide experience in the field, the Board of Directors that the reappointment of Mr. Thomas P Joy as Wholetime Director of your Company will be beneficial to your company and accordingly recommends the resolution for your approval.

None of the directors except Mr. P.A. Joykutti and Mr. George P Joy are concerned or interested in the Resolution.

This may also be regarded as an abstract of terms of appointment of Mr. Thomas P Joy as Wholetime Director designated as Executive Director of the Company and Memorandum of interest under Section 302 of the Companies Act, 1956.

ITEM NO.7

The present term of Mr. George P Joy , Director Operations of the Company will expire on 31.12.2009. The Board of Directors at its meeting held on 18.05.2009, subject to approval of the members of the Company re-appointed him as Director Operations of the Company for a further period of five years with effect from 01.04.2009 as per the terms and conditions set out in the resolution. The terms of reappointment were considered and approved by the Remuneration Committee of the Board of Directors as per the details furnished in the relevant resolution.

The reappointment and remuneration of Mr. George P. Joy as Director Operations of the Company required approval of the members of the Company in General Meeting in terms of Section 269, 209 and Schedule XIII of the Companies Act, 1956.

In view of his qualification and wide experience in the field, the Board of Directors that the reappointment of Mr. George P Joy as Director

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

None of the directors except Mr. P.A. Joykutty and Mr. Thomas P Joy are concerned or interested in the Resolution.

This may also be regarded as an abstract of terms of appointment of Mr. George P Joy as Director Operations of the Company and Memorandum of interest under Section 302 of the Companies Act, 1956.

NOTES:

- 1 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 TO 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.
- 2 The Register of Members and the Share Transfer Books of the Company will remain closed from 25th September, 2009 to 30th September 2009 (both days inclusive)
3. Members / Proxies should bring the attendance slip duly filled in for attending the Meeting.
4. All documents referred to in the accompanying Notice 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.

5. Members holding shares in physical form are requested to dematerialize 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.
6. The Company's Equity Shares are presently listed at the Mumbai (BSE) and Madras (MSE) Stock Exchanges.

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

- a) Mr. N. Karuppiyah is aged about 54 years. He holds a Bachelor Degree and has vast experience in the field of Finance, Administration and Management. He is not holding any Directorship / Membership in the Board /Committee of other Companies.
- b) Mr. Sunny Kutty George holds a Bachelor Degree is aged about 49 years. He has wide experience in the field of Administration and Management. He is not holding any Directorship/Membership in the Board / Committee of other Companies.

DIRECTOR'S REPORT

Your Directors hereby present the Sixteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	2008-2009	2007-2008
	(Rs. in Lakhs)	
Profit before Interest and Depreciation	(18.19)	(49.37)
Less : Interest	0.00	0.14
Profit before Depreciation	(18.19)	(49.51)
Less : Depreciation	22.88	34.21
	(41.07)	(83.72)
Less : Preliminary exp. written off	3.50	3.50
Net Profit carried to B/S	(44.57)	(87.22)

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, there is no sales turnover. The Company submitted rehabilitation proposal to BIFR and it received its approval only in January, 2009. Now the Company is taking steps to recommence the activities as per the rehabilitation scheme. Directors are taking all the steps to improve the performance of the Company in the years to come.

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

During the year the directors namely Mrs. Suji Thomas, Mrs. Jis C Joy and Mrs. Melanie Santhosh have resigned from the Board. Mr. Thomas Alexander was ceased to be a director of our Company since he could not provide Director Identification Number (DIN) as required under the Companies Act, 1956. Mr. N. Karuppiyah and Mr. Sunny Kutty George have been appointed as directors in place of the above resigned directors. Mr. P.A. Joy Kutty, Mr. Thomas P Joy and Mr. George P Joy are being reappointed for a further period of five years with effect from 1st April, 2009.

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, 2009, 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;
- (iv) the directors had prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

AUDITORS

M/s. Karpagam & Co., the Auditors of the Company retire at the conclusion of the ensuing

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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 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 all the concerned. The Directors would like to thank the Suppliers and above all the Shareholders and valued Customers for their continued support and patronage.

(By Order of the Board)
for **CYBELE INDUSTRIES LIMITED**

Place : Chennai
Date : 18.05.2009
P.A. JOYKUTTY
Chairman &
Managing Director

ANNEXURES TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31st MARCH, 2009

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

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 therefor 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 : nil

ii) Total foreign exchange used and earned:

	Current Year	Previous Year
	(Rs. in Lakhs)	
Used	---	---
Earned	---	---

TECHNOLOGY ABSORPTION, ADAPTATION, AND INNOVATION :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. : Nil

(By Order of the Board)
for **CYBELE INDUSTRIES LIMITED**

Place : Chennai
Date : 18.05.2009
P.A. JOYKUTTY
Chairman &
Managing Director

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 and Railway Signaling Cables which are classified under the Industrial Structure as Electrical Cables and Wires and also in property development.

OPPORTUNITIES AND THREATS

The product portfolio of the Company is dominated by threats posed by manufacturers in un-organised sector. As the Government is initiating various measures to encourage the infrastructure and housing sector, there is possibility of increase in demand for cables and wires and also improvement in the real estate sector..

RISK AND CONCERNS

The fortune of the Company is dependent on entry barriers set up by electrical cables and wires business in the unorganized sector. Further as a manufacturer in the organized sector, the fixed costs in terms of administrative expenses are high.

OUTLOOK

As per the BIFR rehabilitation scheme, M/s. Asia Cables is going to be merged with our Company immediately. Since M/s. Asia Cables is already a

profit making organization, the business prospects of our company and the viability of the scheme will improve substantially. Further there is a sign of improvement in real estate sector which will also be beneficial to our company.

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

Because of erosion of entire net worth of the company it was referred to BIFR and it was declared as sick unit. Subsequently, rehabilitation proposal was submitted to BIFR and the company got approval of the scheme during January, 2009. The Company is taking necessary steps to revive the company as per the scheme.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

During the year under review, the relationship between the staff and management was good and cordial.