

**SEVENTEENTH ANNUAL REPORT**  
**2009-10**



**CYBELE INDUSTRIES LIMITED**

# CYBELE INDUSTRIES LIMITED

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## BOARD OF DIRECTORS

**Mr.P.A.JOYKUTTY**  
*Chairman & Managing Director*

**Mr. Thomas P. Joy**  
*Executive Director*

**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*

## AUDITORS

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

## REGISTERED OFFICE

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

# CYBELE INDUSTRIES LIMITED

## NOTICE FOR THE SEVENTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth 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 Thursday, the 30th September, 2010 at 10.00 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, 2010 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 Baby George, 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 herself 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.

(By Order of the Board)  
for CYBELE INDUSTRIES LIMITED

Place : Chennai  
Date : 31.07.2010

P.A. JOYKUTTY  
Chairman &  
Managing Director

### 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 28th September, 2010 to 30th September 2010 (both days inclusive)
3. 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. George Baby George is aged about 56 years. He holds a Bachelor Degree and has vast experience in the field of Administration, Accounts 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 50 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 Seventeenth Annual Report together with the Audited Accounts for the year ended 31st March, 2010

**FINANCIAL RESULTS**

	2009-2010	2008-2009
	(Rs. in Lakhs)	
Profit before Interest and Depreciation	906.15	(18.19)
Less : Interest	0.00	0.00
Profit before Depreciation	906.15	(18.19)
Less : Depreciation	22.39	22.88
	883.76	(41.07)
Less : Preliminary exp. written off	3.50	3.50
Net Profit carried to B/S	880.26	(44.57)

**DIVIDEND**

In view of accumulated losses, the Board of Directors could not recommend any dividend.

**OPERATIONS**

During the year under review, the Company is taking steps to recommence the activities as per the rehabilitation scheme approved by BIFR. Directors are taking all the steps to improve the performance of the Company in the years to come.

The Company has allotted 5675500 equity shares of Rs.10/- each to the Partners of Asia Cables on 30th April, 2010 by taking over the assets and liabilities of Asia Cables as per the BIFR order.

**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. George P Joy has resigned from the Board of Directors of your Company with effect from 20th June, 2010. The Board wishes to place on record the services rendered by him during his tenure.

**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, 2010, 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, 2010 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

# CYBELE INDUSTRIES LIMITED

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 : 31.07.2010

**P.A.JOYKUTTY**  
Chairman &  
Managing Director

## ANNEXURES TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010

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

#### 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

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	---	---

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

Place : Chennai  
Date : 31.07.2010

**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 merged with our Company with effect from 1st May, 2010. 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 and the on going Park Avenue project is doing well.

### 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.

## REPORT ON CORPORATE GOVERNANCE (2009-10)

### 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 Shares held	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	1039255	6	Yes	--	--	--
2 Mr.Thomas P.Joy Executive Director Promoter Executive	290800	6	Yes	--	--	--
3 Mr. George P.Joy * Director- Operations Promoter Executive	465800	6	Yes	--	--	-
4 Mr.George Baby George Non Executive Independent	--	---	No	--	--	--
5 Mr. N. Karuppiyah Non Executive Independent	---	6	Yes			
6 Mr. Sunny Kutty George Non Executive Independent	---	4	No			

\* Resigned from the Board with effect from 20th June, 2010.

Number of Board Meetings held : 6

Dates on which held : 25th April, 2009; 18th May, 2009, 25th July, 2009; 31st October, 2009; 30th January, 2010 and 27th February, 2010

### 3. Audit Committee :

The Company has an Audit Committee comprising of three Non-Executive Independent Directors namely, Mr. N. Karuppiyah acting as Chairman, Mr. Sunny Kutty George and Mr. George Baby George are Members.

The Audit Committee oversees the Company's financial reporting process, reviews the annual financial statements with Management and holds discussions with internal and external auditors about the scope of audit and adequacy of internal control systems. The Committee held four meetings during the year

### 4. Remuneration Committee :

The Board has constituted a Remuneration Committee comprising of three Non-Executive Independent Directors namely, Mr. N. Karuppiyah acting as Chairman, Mr. Sunny Kutty George and Mr. George Baby George are Members. Remuneration for Whole time Directors is fixed by the Remuneration Committee. The remuneration policy followed by the Company to fix a remuneration to whole time

## CYBELE INDUSTRIES LIMITED

Directors taking into consideration the qualifications and functional experience of the individuals and the prevailing remuneration packages especially in the Cable Industry.

### 5. Shareholders Committee / Investors Grievance Committee:

The Board has constituted a Share Transfer & Shareholders/Investors Grievance Committee comprising of three Non-Executive Directors namely, Mr. N. Karuppiyah acting as Chairman, and Mr. Sunny Kutty George as Member to approve the Share Transfer, Transmission, Transposition of Name, Issue of Split / Duplicate Certificates and to review the status on redressal of Shareholder and Investor Complaints.

The Company has not received any complaints from the shareholders and all other requests / correspondence received from the shareholders were attended. There were no pending share transfer as on 31st March, 2010.

### 6. Annual / Extra Ordinary General Meetings :

Location and time where last three Annual /Extra Ordinary General Meetings held :

Year	Date	Time	Venue	AGM/EGM
2006-07	11.12.2006	10.00 A.M	138, Sidco Industrial Estate Ambattur, Chennai - 98	EGM
2006-07	29.09.2007	11.00 A.M.	-do-	AGM
2007-08	27.09.2008	11.00 A.M.	-do-	AGM
2008-09	30.09.2009	11.00 A.M.	-do-	AGM

Details of Special Resolutions put through postal ballot during the financial year: N.A.

### 7. Disclosures

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### 8. Means of Communication :

Quarterly and Half yearly Financial results of the Company are published in local dailies and these are not sent individually to shareholders. We are developing a corporate web site for posting financial results of the Company.

Management Discussion & Analysis Report forms part of the Annual Report.

### 9. General shareholder Information

- (i) Annual General Meeting : Annual General Meeting is proposed to be held at Company's Registered Office at No. 138, Sidco Industrial Estate, Ambattur, Chennai-600 098 on Thursday the 30th September, 2010 at 10.00 A.M.
- (ii) Financial Calendar :
  - Un audited Financial Results For the First Quarter : Last week of July
  - Un audited Financial Results For the Second Quarter : Last week of October