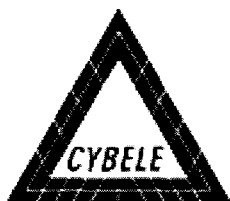


NINETEENTH ANNUAL REPORT

2011 -12



CYBELE INDUSTRIES LIMITED

CYBELE INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr.P.A.JOYKUTTY

Chairman & Managing Director

Mrs.Annamma Joy

Joint 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

Mrs.Annamma Joy

Joint Managing Director

Mr. Thomas P. Joy

Executive Director

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.

NOTICE FOR THE NINETEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Nineteenth 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 27th September, 2012 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, 2012 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 Auditors and to fix their remuneration :
M/s. Karpagam & Company, 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 pursuant to the provisions of Sections 198, 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 increase in remuneration and furnished accommodation to Mr. Thomas P Joy, Wholtime Director of the Company with effect from April 1, 2012 along with the following terms and conditions including remuneration as set out hereunder :

- (a) **Salary** : Rs.60,000/- (Rupees Sixty Thousands only) 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) **Accommodation** : To provide furnished accommodation.
- (iii) **Club Fee**: Fee of club subject to a maximum of two clubs. No admission and life membership fee will be paid.

- (iv) **Provident Fund**: Company's contribution towards Provident Fund as per the Rules of the Company, but subject to statutory limits.
- (v) **Leave Travel Concession**: Entitled for Leave Travel Concession for self and family, subject to ceiling of one month's salary in a year.
- (vi) **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."

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 198, 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 increase in remuneration to Mrs. Annamma Joy, Joint Managing Director of the Company with effect from April 1, 2012 along with the following terms and conditions including remuneration as set out hereunder :

- (a) **Salary** : Rs.50,000/- (Rupees Fifty Thousands only) 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.

CYBELE INDUSTRIES LIMITED

- (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, she 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 : 26.05.2012

P.A. JOYKUTTY
Chairman &
Managing Director

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

ITEM NO.4 & 5

The Board of Directors at its meeting held on 26.05.2012, subject to approval of the members of the Company to revise the remuneration and provide furnished accommodation to Mr. Thomas P. Joy, Wholetime Director and increase in remuneration to Mrs. Annamma Joy, Joint Managing Director with effect from 01.04.2012 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.

The revised terms of remuneration of Mr. Thomas P. Joy and Mrs. Annamma Joy as Joint Managing Director of the Company required approval of the members of the Company in General Meeting in terms of Section 198, 309 & 310 and Schedule XIII and other applicable provisions of the Companies Act, 1956.

In view of their wide experience in the field, the Board of Directors decided to increase the revised terms of remuneration to them which will be beneficial to your company and accordingly recommends the resolution for your approval.

None of the directors except Mr. P.A. Joykutty is concerned or interested in the Resolution.

This may also be regarded as an abstract of terms of revised terms of remuneration of Mr. Thomas P. Joy and Mrs. Annamma Joy 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, 2012 to 27th September 2012 (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 Nineteenth Annual General Meeting.

- a) **Mr. George Baby George holds a Bachelor Degree is aged about 59 years. He has wide experience in the field of Administration, Accounts and Management. He is not holding any Directorship / Membership in the Board / Committee of other Companies.**

CYBELE INDUSTRIES LIMITED

DIRECTOR'S REPORT

Your Directors hereby present the Nineteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2012

FINANCIAL RESULTS

	2011-2012	2010-2011
	(Rs. in Lakhs)	
Profit before Interest and Depreciation	710.41	840.73
Less : Interest	<u>92.94</u>	<u>44.22</u>
Profit before Depreciation	617.47	796.51
Less : Depreciation	<u>52.62</u>	<u>36.36</u>
	564.85	760.15
Less : Preliminary exp. written off	<u>10.00</u>	<u>10.00</u>
Net Profit carried to B/S	<u>554.85</u>	<u>750.15</u>

DIVIDEND

The Board of Directors could not recommend any dividend due to future expansion activities of the Company.

OPERATIONS

During the year under review, the Company has taken steps to improve the operations of the Company. The Company achieved a revenue of Rs.17.91 Crores and net profit of Rs.5.55 crores. The 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

Mr. George Baby George retires at the ensuing Annual General Meeting and offers himself being reappointed as Director.

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, 2012, 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, 2012 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 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 : 26.05.2012

P.A.JOYKUTTY

Chairman
& Managing Director

CYBELE INDUSTRIES LIMITED

ANNEXURES TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31st MARCH, 2012

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 Yea	Previous Year
	(Rs. in Lakhs)	
Used	—	—
Earned	28.86	—

(By order of the Board)
for CYBELE INDUSTRIES LIMITED

Place : Chennai

Date : 26.05.2012

P.A.JOYKUTTY

Chairman
& Managing Director

CYBELE INDUSTRIES LIMITED

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

The Company is doing well in both cable and real estate business activities. 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 and Boulevard Projects are doing very 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

The Company has made a profit of Rs.5.55 crores during the year. The Company is taking necessary steps to improve the performance of the company.

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 (2011-12)
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	Other Committee Membership	
					Chairman	Member
1 Mr.P.A.Joykutty Chairman and Managing Director Promoter Executive	3962405	4	Yes	—	—	—
2 Mr.Thomas P.Joy Executive Director Promoter Executive	290800	4	Yes	—	—	—
3 Mrs. Annamma .Joy Joint Managing Director Promoter Executive	2907050	4	Yes	—	—	—
4 Mr.George Baby George Non Executive Independant	—	—	No	—	—	—
5 Mr. N. Karuppiyah Non Executive Independent	—	4	Yes	—	—	—
6 Mr. Sunny Kutty George Non Executive Independent	—	4	No	—	—	—

Number of Board Meetings held : 4

Dates on which held : 30th April, 2011; 30th July, 2011; 29th October, 2011
and 28th January, 2012

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