

## **GEM CABLES & CONDUCTORS LIMITED.**

Board of Directors	Mr Y Kamesh. Mr Y Malla Reddy. Mr K V S Rao.
Registered Office & Works	Survey No: 434 A & 434 AA, Chitkul Village, Patancheru Mandal, Medak Dist, Pin: 533 103
Bankers	M/s. Indusind Bank Limited.
Auditors	M/s. JBRK & Co., Chartered Accountants, Hyderabad.
Registrars	M/s. Sathguru Management Consultants (P) Ltd., 15, Hindinagar, Panjagutta, Hyderabad 500 034.
Listed At	The Stock Exchanges at Mumbai.
Contact email	<a href="mailto:info@gemcables.com">info@gemcables.com</a>
Investor Service	<a href="mailto:investors@gemcables.com">investors@gemcables.com</a>

### **NOTICE.**

Notice is hereby given that the **Annual General Meeting** of the Members of the Company will be held on Thursday, the 29<sup>th</sup> September, 2011, at 10.00 AM at the Registered Office of the Company, Survey No 434A & 434AA, Chitkul Village, Patancheru, Medak Dist – 533 103 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2011, and the Balance Sheet and Cash flow Statement as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. Y.Malla Reddy , who, retires by rotation and being eligible, offers himself for reappointment.
3. Appointment of Auditors & fixation of remuneration:

To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. JBRK & Company, Chartered Accountants, Hyderabad, the retiring Auditors be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs.1,00,000/- plus out of pocket expenses.”

By order of the Board of Directors.  
Gem Cables & Conductors Limited.

Place: Hyderabad.  
Date: 25<sup>th</sup> August, 2011.

Y.Kamesh  
Director.

#### **Notes:**

1. A Member entitled to vote at the Meeting is entitled to appoint a proxy and such proxy need not be a member of the Company.
2. The proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members / Bodies Corporate / Proxies are requested to :
  - a) Notify change, if any, in address with pin Code numbers immediately to the company's registrar & Share Transfer Agents M/s. Sathguru Management Consultants Pvt Limited, 15,Hindi Nagar, Panjagutta, Hyderabad -34. Email : info @ satguru.com
  - b) Bring their copy of the Annual report and Attendance Slip with them at the Annual General Meeting.
  - c) Quote ledger folio in all their correspondence.
  - d) Members, who are holding shares under more than one folio and the name(s) are in the same order ,are requested to send their relative certificate to the registrars and share transfer Agents, for consolidation of the entire holding in one folio.
4. The register of members and Share Transfer books will remain closed from , Tuesday, the 27<sup>th</sup> September, 2011, to Thursday, the 29<sup>th</sup> September, 2011, both days inclusive.

## DIRECTORS' REPORT

To:  
The Members,  
Gem Cables and Conductors Limited.

Your Directors present herewith the Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2011.

Despite our best efforts, your Company could not achieve to post a healthy turnover solely owing to the lack of working capital facilities from the Banks and other institutions. However, your company could mitigate upto some extent, by resorting to doing job work for other companies and end users.

### Operating Results:

As part of process of revamping, during the interregnum period your company is under contract manufacturing operations.

The financial results for the period are:

		2010-11	2009-10
1.	Income from Operations	Rs. 845.34 Lakhs	Rs. 63.09 Lakhs
2.	Gross Profit / Loss	Rs. (65.83) Lakhs	Rs. (67.38) Lakhs
3.	Less: Bank Charges	Rs. 1.19 Lakhs	Rs. 3.48 Lakhs
4.	Less: Depreciation	Rs. 82.82 Lakhs	Rs. 82.86 Lakhs
5.	Net Loss for the period before extraordinary & prior period items	Rs.(149.84) Lakhs	(Rs.174.99 Lakhs)

### Market Scenario:

The domestic market, even though buoyant, is entirely propelled by the demand triggered by the ongoing APDERP projects. These projects are being handled by very big contractors on turn key basis and the price bargaining is very high, thereby reducing the value addition to a bare minimum. However, your Company has adopted a model of being outsourcing partner to some of these companies on contract manufacturing basis and this model is helping your Company to stay afloat, it is felt that unless large working capital arrangement are made, it is difficult to revive the market leadership position in the near future.

### Cash Flow Statement :

In Accordance with the listing agreements with stock exchanges, the Cash Flow statement for the year ended 31.03.2011 is enclosed.

### Restructuring :

The plans to restructure the Company's long term debt profile with low cost of funds is being vigorously pursued and the response has been very positive. The efforts of the Company to resolve the issues with all the financial institutions and Banks are yet to bear the fruit.

In spite of the present depressing situation owing to the constricted cash flows and various cases being faced by the Company, with the active support and co-operation from the institutions, banks and the sustained co-operation from the esteemed members and other associates, your directors are very confident of reviving the Company.

The efforts of the Company to induce an investing partner or to sell always some of the assets in pursuance of the resolution passed on 08.08.2008 are bearing fruit and your directors are hopeful to close these deals in the current financial year.

## **Corporate Governance**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance along with a Certificate from the Auditors is furnished forming part of this Report.

### **Energy Conservation:**

Conservation of Energy, technology absorption etc, are enclosed at Annexure 1 as required under Section 217 (1) (e) of the Companies Act, 1956.

### **Auditors and Auditors Report:**

M/s. JBRK & Co., Chartered Accountants, Hyderabad, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Sec.224(1B) of the Companies Act, 1956.

### **Directors:**

Shri. Y.Malla Reddy, Director, retires at the ensuing Annual General Meeting and is eligible for reappointment.

### **Responsibility Statement:**

Pursuant to the requirement under sec.217(2AA) of the Companies Act, 1956, with respect to Director's responsibility statement, it is hereby confirmed that:

1. in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2011 the applicable accounting standards, except as stated have been followed along with proper explanation relating to material departure.
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 loss of the Company for the year under review:
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2011 on a "going concern" basis.

### **Particulars of Employees:**

There are no Employees in the company whose particulars are required to be furnished as per Section 217 (2A) of the Companies Act, read with the Companies (particulars of employees) Rule 1975.

### **Human Resources:**

During the period under review your Company continues to enjoy cordial relations with employees at all levels.

### **Foreign Exchange earnings and outgo.**

During the period there was neither earning nor outgo of foreign exchange.

**Acknowledgements:**

Your Directors convey their appreciation for the services rendered by Employees & Staff..  
Your Directors thank M/s. SASF, IDBI and Banks for their continued support.

Your Directors would like to thank all the Customers of the Company for their continued co-operation. Finally, we thank the large family of share holders of your Company and all others who are assisting the Company.

Place: Hyderabad  
Date: 25<sup>th</sup> August, 2011.

By order of the Board.  
Gem Cables & Conductors Limited,

Y.Kamesh  
Director.

K V S Rao.  
Director.

## **Annexure to Directors Report.**

### **Companies (Disclosure of particulars in the report of Board of Directors) Rules.**

#### **A. Conservation of Energy:**

##### **B. Energy Conservation measures:**

No fresh energy conservation measures have been adapted this year, other than continuation the previous years' measures on account of very low production and equipment utilization.

Care is being exercised over putting off the yard lighting and the factory lighting at the first break of dawn. Where ever possible, tube lights and MV Lamps have been replaced with CFL lamps to save energy.

##### **C. Additional investments and proposals, if any, being implemented for the reduction of consumption of energy: None.**

a. Impact of the measures at (a) and (b) above fore reduction of energy consumption and consequent impact on the cost of production of goods: Insignificant.

b. Total energy consumption and energy consumption per unit of production as per form A in respect of industries specified in the schedule thereto: Not Applicable.

#### **D. Technology Absorption:**

a. Efforts made in technology absorption as per Form B is given below:

Form for disclosure of particulars with respect to absorption, Research and Development (R&D):

1. Specific areas in which R&D Efforts have been put in by the Company are: No R&D was carried out during the period under review.
2. Benefits derived as a result of the above R&D: None.
3. Future Plan of action: To develop Elastomeric and special application cables and paper wound wires & strips for transformers.

Technology adoption, adaptation and innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation: As there are only skeletal operations, no efforts have been made in this direction by the Company. There is no imported technology.
2. Benefits derived as a result of these efforts: Not applicable.
3. Imported technology: No technology has been imported in the last 6 years, reckoned from the beginning of the financial year.
4. Foreign Exchange earnings and outgo:
  - i. Activities relating to exports: Rs.Nil.
  - ii. Outgo by way of expenses: Rs. Nil.

By order of the Board.  
Gem Cables & Conductors Limited

Place : Hyderabad.  
Date: 25<sup>th</sup> August, 2011.

Y Kamesh.  
Director.

K V S Rao.  
Director.

## **Annexure to the Director's Report.**

### **REPORT ON CORPORATE GOVERNANCE:**

The era of good Corporate Governance came into existence with the insertion of Clause 49 of the listing agreement. Your company believes in attainment of highest levels of transparency in all facets of its operations. The company is committed to maximize the shareholder value by adopting the principles of good corporate governance in line with the provisions stipulated in the listing agreement.

#### **1. BOARD OF DIRECTORS:**

The constitution of the Board is given below:

Director	Whole-time/ Independent	Number of outside Directorships held *	Number of memberships on Board Committees
Mr Y Kamesh	Director	One	0
Mr Y Malla Reddy	Independent	Nil	2
Mr K V S Rao	Independent	Nil	2

#### **2. AUDIT COMMITTEE :**

During the year under review Four (4) meetings were held. The constitution of the Committee and the attendance of each member of the Committee is given below:

Name of the Director	Designation	Whole time/ Independent	Profession	Committee meetings attended
Mr. Y Malla Reddy	Director	Independent	Business	4
Mr. K V S Rao	Director	Independent	Business	4

The meetings of Audit committee are also attended by the concerned officials of the Company as Invitees. The un-audited financial results for each quarter are approved by the audit committee before handing over to the Board of Directors for approval and adoption.

#### **Terms and reference of the Audit Committee include a review of;**

- Financial reporting process;
- Draft financial statements and auditor's report (before submission to the Board);
- Accounting policies and practices;
- Internal controls and internal audit systems;
- Risk management policies and practices;
- Related party transactions;
- Adequacy of internal audit function;

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan, fixation of audit fee and also approval of payment of fees for any other services.

### 3. INVESTORS GRIEVANCE COMMITTEE:

The Board constituted an investors grievance committee in which looks into shareholders and investors grievances. The following are the members of the committee:

Sri K V S Rao  
Sri Y Malla Reddy.

Name & Designation of the Compliance officer :

Mr. Y Kamesh.  
Compliance Officer  
Gem cables & Conductors Limited,  
Survey No: 434 A & 434 AA, Chitkul Village,  
Patancheru Mandal, Medak Dist.,  
Andhra Pradesh, Pin: 533 103  
[investors@gemcables.com](mailto:investors@gemcables.com)

### 4. REMUNERATION OF DIRECTORS:

There is no remuneration paid to any of the Directors.

### 5. BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS & ANNUAL GENERAL MEETINGS:

The Board of Directors of the company met four (4) times during the last financial year. The Company placed before the Board the annual operating plans and budgets and performance of the company from time to time. Information, which is materially important were placed before the Board meeting as and when the same takes place.

The attendance at the Board meeting and Annual general meetings was as under:

Director	Attendance at Board meeting	Attendance at Annual General Meeting.
Mr Y Kamesh	4	Yes
Mr Y Malla Reddy	4	Yes
Mr K V S Rao	4	Yes

### 6. DISCLOSURES:

No transactions of material nature is entered into by the company with the promoters, Directors or management or their relatives etc, that may have a potential conflict of interest of the company during the period under review. The company has not entered into any contract with the director, which requires any entry in the register of contracts as required under the provisions of the Companies Act, 1956. There are no pecuniary transactions with the independent / non- executive directors other than payment of remuneration disclosed in point no. 4 above.

## 7. NOTES ON DIRECTORS APPOINTMENT/ RE-APPOINTMENT:

Pursuant to clause 49 of the listing Agreement the particulars of directors who are proposed to be appointed / re - appointed at the ensuing Annual General Meeting are given below :

Mr. Y.Malla Reddy retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

## 8. SHARE TRANSFERS:

The trading of equity shares of the company is mandatory in the dematerialized form. To expedite the transfer process in the physical segment authority has been delegated to the share transfer committee, which comprises of the members of the investor's grievances committee.

Share transfers/ transmissions approved by the committee are reported to the Board from time to time.

## SHAREHOLDER INFORMATION:

- Annual General meeting  
Date and time : 29<sup>th</sup> September, 2011 at 10.00 A.M.  
Venue : Registered Office of the Company,  
Survey No: 434 A & 434 AA, Chitkul Village,  
Patancheru Mandal, Medak Dist.,  
Andhra Pradesh, Pin: 533 103

- Financial Year : 01<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011

Financial Calendar (Tentative) For 2011-12:

Quarter ending 30 <sup>th</sup> June, 2011	Last week of July, 2011
Quarter ending 30 <sup>th</sup> September, 2011	Last week of October, 2011
Quarter ending 31 <sup>st</sup> December, 2011	Last week of January, 2012
Quarter ending 31 <sup>st</sup> March, 2012	Last week of April, 2012

- Dates of Book Closure : Tuesday, 27<sup>th</sup> Sept, 2011, To  
Thursday, 29<sup>th</sup> Sept, 2011.
- Registered Office : Survey No: 434 A & AA, Chitkul Village,  
Patancheru Mandal, Medak Dist.,  
Andhra Pradesh, Pin: 533 103
- Equity shares are listed at: : The Stock Exchange – Mumbai
- Listing Fees for the FY 2010-11: Paid to The Bombay Stock Exchange Ltd.  
MUMBAI.
- Registrars and share transfer  
Agents : M/s. Sathguru Management Consultants P Ltd.,  
15, Hindi Nagar, Panjagutta, Hyderabad 500 034.  
e.mail: info @ staguru.com