

G.R. CABLES LIMITED

(An ISO 9002 Company)

Report



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**SEVENTH
ANNUAL REPORT
1997-98**

MEMBERS PLEASE NOTE

The Company has decided to keep In-house Share Transfer facility with effect from 1.10.98. Hence, Members are requested to correspond directly with the Company after that date regarding Share Transfers etc.



G.R. CABLES LIMITED

BOARD OF DIRECTORS

CHAIRMAN

Sri S.M.Prasad

MANAGING DIRECTOR

Sri G.R.Reddy

EXECUTIVE DIRECTOR

Sri G.V.B.R.Reddy

DIRECTORS

Sri R.Achyutam

IDBI Nominee

Dr. S.R.Govinda Rajan, IAS (Retd.)

APIDC Nominee

Sri P.L.N.Reddy

Sri K.V.Sudershan Reddy

Sri M.Bhaskara Rao

Dr Gandhiji Yalamanchili

Sri Y.J.Venkata Rao

(Alternate to Dr. Gandhiji Yalamachili)

Sri B.Satya Reddy

Sri Y.Murali Prasad

Sri D.Subbarami Reddy

DY.GENERAL MANAGER (FINANCE) & COMPANY SECRETARY

Sri G.V.Sesha Reddy

AUDITORS

M/s.Raju & Prasad, -
Chartered Accountants,
G-15, Sapphire, Amrutha Hills,
Panjagutta, Hyderabad - 500 482.

BANKERS

Bank of Baroda -
State Bank of Hyderabad
State Bank of Travancore

REGISTERED OFFICE

36, Santoshnagar,
Mehdipatnam,
Hyderabad - 500 028.

FACTORY

Rangareddyguda Village
Balanagar Mandal
Mahaboobnagar District.



G.R. CABLES LIMITED

NOTICE

NOTICE is hereby given that the SEVENTH ANNUAL GENERAL MEETING OF G.R.CABLES LIMITED will be held at 11 AM on Monday 21st day of September, 1998 at JULOORI VAJRAMMA KALYANAMANDAPAM, KARKHANA, SECUNDERABAD - 500 009 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 1998 and Balance Sheet as on that date together with Cash Flow statement and the Reports of the Directors and the Auditors thereon.
2. To appoint Sri Y.Murali Prasad, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Sri G.V.B.R.Reddy, Director who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Sri P.L.N.Reddy, Director who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Sri K.V.Sudershan Reddy, Director who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s.Raju and Prasad, Chartered Accountants, as Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s), the following resolution which is proposed as an Ordinary Resolution :-

“RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of Financial Institutions, consent of the Company be and is hereby accorded for re-appointment of Sri G.R.Reddy, as Managing Director of the Company, for a further period of 3 years with effect from 1st August, 1998, on a remuneration and other terms and conditions as per the details given below:



G.R. CABLES LIMITED

1. Salary : Rs.45,000/- per month.
2. Perquisites:
 - (i) Fully furnished accommodation, including Gas, Electricity and Water valued as per Income Tax Rules, 1962.
 - (ii) Reimbursement of the medical expenses of the appointee and his family on actual basis.
 - (iii) Leave Travel Concession for the appointee and his family once in a year in accordance with the Rules of the Company.
 - (iv) Fees of clubs subject to a maximum of two clubs, but the Company shall not pay admission or life membership fee.
 - (v) Personal accident insurance premium not exceeding Rs.4,000/- per annum.
 - (vi) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent not taxable under the Income-tax Act, 1961.
 - (vii) Free use of Company's car and driver for Company's business and private use of car by him shall be billed by the Company.
 - (viii) Free use of telephone at residence for Company's business. He shall be entitled to make personal short-distance calls. However, long distance calls on personal account will be paid by him.

The monetary value of all such perquisites being limited to Rs.5,10,000/- per annum. Perquisites shall be valued as per Income Tax Rules, wherever applicable and in the absence of any such rule, shall be valued at actual cost."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution which is proposed as a Special Resolution :

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 311 & 314 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956, and subject to the approval of Financial Institutions, consent of the Company be and is hereby accorded for appointment of Sri G.V.B.R.Reddy, as Executive Director of the Company, for a period of 3 years with effect from 20th July, 1998, on a remuneration and other terms and conditions as per the details given below:



G.R. CABLES LIMITED

1. Salary : Rs.15,000/- per month.
2. Perquisites:
 - i) Fully furnished accommodation, including Gas, Electricity and Water valued as per Income Tax Rules, 1962.
 - (ii) Reimbursement of the medical expenses of the appointee and his family, the total cost of which to the Company shall not exceed one month's salary in a year or three months salary over a period of three years.
 - (iii) Leave Travel Concession for the appointee and his family once in a year in accordance with the Rules of the Company.
 - (iv) Fees of clubs subject to a maximum of two clubs, but the Company shall not pay admission or life membership fee.
 - (v) Personal accident insurance premium not exceeding Rs.4,000/- per annum.
 - (vi) Contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent not taxable under the Income-tax Act, 1961.
 - (vii) Free use of Company's car and driver for Company's business and private use of car by him shall be billed by the Company.
 - (viii) Free use of telephone at residence for Company's business. He shall be entitled to make personal short-distance calls. However, long distance calls on personal account will be paid by him."

BY ORDER OF THE BOARD

Place : HYDERABAD
Date : 20th July, 1998

G.V.SESHA REDDY
Dy.General Manager (Finance) &
Company Secretary.

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll in his stead and the proxy need not be a member. The Proxy forms must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
2. The relevant explanatory statement pursuant to Section 173(2) is annexed hereto.
3. The "Register of Members" will be closed from 16th September, 1998 to 21st September, 1998 (both days inclusive).
4. Members are requested to bring the copies of Annual Reports while attending the Annual General Meeting.



G.R. CABLES LIMITED

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.7

Sri G.R.Reddy was appointed as a Managing Director of the Company for a period of five years with effect from 1st August, 1993. Keeping in view his valuable contribution in successfully implementing the project, it is proposed that he be re-appointed as the Managing Director of the Company for a further period of three years with effect from 1st August, 1998 on a remuneration and other terms and conditions as specified in the Resolution.

No Director other than Sri G.R.Reddy and Sri G.V.B.R.Reddy is concerned or interested in the Resolution.

The Board recommends the Resolution for the approval of the members.

Item No.8

Sri G.V.B.R. Reddy has been appointed as Executive Director of the Company with effect from 20.07.1998. He is a graduate in Polymer Science Engineering. Your Board is of the opinion that it is in the best interests of the Company to appoint him as Executive Director of the Company in view of the various efforts made by the Company to procure orders, it expects substantial increase in the volume of its business.

As Sri G.V.B.R. Reddy is a relative of Sri G.R. Reddy, Managing Director the Resolution is placed before you for approval in terms of Section 314 of the Companies Act, 1956.

No Director other than Sri G.R.Reddy and Sri G.V.B.R.Reddy is concerned or interested in the Resolution.

The Board recommends the Resolution for the approval of the members.

BY ORDER OF THE BOARD

Place : HYDERABAD
Date : 20th July, 1998

G.V.SESHA REDDY
Dy.General Manager (Finance) &
Company Secretary.



G.R. CABLES LIMITED

DIRECTORS' REPORT

To
The Members,
G.R. Cables Limited,
HYDERABAD.

Your Directors present the Seventh Annual Report and Audited Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS FOR YEAR ENDED 31.03.1998

	Rs. In Lakhs
Sales & Other Income	1922.06
Profit/(Loss) before Depreciation and Interest	266.03
Interest	454.68
Operating Profit/(Loss) before Depreciation	(188.65)
Depreciation	174.69
Profit/(Loss) for the year	(363.34)

REVIEW OF OPERATIONS

During the year under review, your Company got an order from the Department of Telecommunications (DOT) on cash payment basis to the tune of 3.19 LCKM valuing Rs.15.24 Crores and another order from DOT on Deferred Payment basis to the tune of 0.30 LCKM valuing Rs.3.21 Crores which were successfully executed by the end of March, 1998. Because of change in DoT Tendering Policy, we got order for lesser quantity.

PERFORMANCE VS. PROJECTIONS

(Rs.in Lakhs)

PARTICULARS	YEAR ENDED 31.03.1998	
	PROJECTIONS	PERFORMANCE
Net Sales	9065	1922
Total Expenditure	7469	1656
Interest	531	455
Gross Profit/(Loss) after Interest but before Depreciation and Tax	1065	(189)
Depreciation	380	175
Provision for Taxation	140	—
Net Profit/(Loss)	545	(364)

FUTURE PROSPECTS

DOT has decided to increase the all-India connectivity target for 1998-99 by an ambitious 25 percent. DOT and MTNL have planned for an annual outlay of Rs. 14,000 Crores for 1998-99.



G.R. CABLES LIMITED

DOT and MTNL have planned to procure 338 LCKM of PIJF Telecom Cables during the year 1998-99.

In view of the above, there will be good demand for telephone cables and thus the prospects for the industry are bright.

In view of the good delivery rating during the year and also obtaining of ISO 9002 Certificate, the Company is expecting better orders in the ensuing Tenders.

PUBLIC DEPOSITS

The Company has not accepted any Deposit from public within the meaning of Section 58-A of the Companies Act, 1956 and Rules made thereunder.

DIRECTORS

Sarvashri.Y.Murali Prasad, G.V.B.R.Reddy, P.L.N.Reddy and K.V.Sudershan Reddy, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

M/s.Raju and Prasad, Chartered Accountants, Hyderabad, the Company's Auditors retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 224(1-B) of the Companies Act, 1956.

PARTICULARS OF TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 217(i)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure-I which forms part of this Report.

PARTICULARS OF EMPLOYEES

Particulars of employees required to be furnished pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the relevant rules thereunder, are given in Annexure-II, which forms part of this report.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank Department of Telecommunications, Government of India, Mahanagar Telephone Nigam Limited, Government of Andhra Pradesh, Industrial Development Bank of India, Unit Trust of India, A.P. Industrial Development Corporation Ltd., Bank of Baroda, Oriental Bank of Commerce, State Bank of Hyderabad, State Bank of Travancore, the large number of Shareholders of the Company, the dedicated employees of the Company and all others who are continuing to help and support the Company.

For and on behalf of the Board

Place : HYDERABAD
Date : 20th July, 1998

S.M.PRASAD
Chairman.