

G.R. CABLES LIMITED

(An ISO 9002 Company)



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**NINTH
ANNUAL REPORT
1999-2000**

DEMATERIALISATION OF SHARES

Dear Shareholder,

We are pleased to inform you that we have completed all the formalities with respect to Dematerialisation of Shares and the Shares can be traded in Demat form. The ISIN number allotted to the Company is INE 769B01010.

For Shareholders who are not familiar with the Dematerialisation form of trading, a brief description about demat is furnished below-

Dematerialisation is a process by which physical share certificates held by an investor are surrendered to the Company and converted into an equivalent numbers of shares credited to the shareholder in the form of electronic holding in a depository through a Depository Participant(DP).

The steps for dematerialisation of your shares are as follows :-

Before joining the depository system and dematerialising your shares, please ensure that the shares are held in your name. If you have received market delivery of shares, you will have to send the same for transfer, as in the normal course and after the shares have been transferred in your name, you can proceed with the dematerialisation.

1. You have to approach a DP of your choice and open an account with the DP by filling an Account Opening Form. You will then receive your account number, which serves as a reference and should be quoted for all your future dealings.
2. After you have been allotted the account number, send the share certificate(s) to the DP along with the Dematerialisation Request Form(DRF).
3. Upon receipt of the DRF along with the original certificate(s) the DP will request the Company through the depository for the confirmation and simultaneously forward your DRF and share certificate(s) to the Company.
4. Upon receipt of the DRF and your share certificate(s), the registrars will carry out the requisite verification and confirm acceptance of shares for dematerialisation.
5. The depository will then confirm the dematerialisation to your DP.
6. The DP will credit your account with the number of shares dematerialised and thereafter, you would hold these shares in a dematerialised or electronic form.
7. Your DP will provide you a statement of holding and a statement of transactions, which is like a passbook.

In respect of shares held in electronic form, all issues of rights/bonus shares accruing thereon would be directly allotted in the depository mode.

8. Buying and selling dematerialised shares is similar to buying and selling physical shares, the only difference is that trading in dematerialised shares is simpler, safer and faster.
9. If you wish to sell your dematerialised shares, place an order with your broker and instruct your DP by way of a Delivery Instruction (which is a cheque like instrument) to debit your account with number of shares sold by you.
10. When you buy the dematerialised shares, you must inform your broker your depository account number, so that the dematerialised shares bought by you are credited to your account.

In case you have any queries, please feel free to contact us.

Yours truly,

Hyderabad
25.10.2000

(G.R.REDDY)
Managing Director



G.R. CABLES LIMITED

BOARD OF DIRECTORS

CHAIRMAN

Sri S.M.Prasad

MANAGING DIRECTOR

Sri G.R.Reddy

WHOLE TIME DIRECTORS

Sri G.V.B.R.Reddy

Sri P. Ramesh Babu

(w.e.f. 10-08-2000)

DIRECTORS

Sri R.Achyutam

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

Sri P.L.N.Reddy

Sri K.V.Sudershan Reddy

Sri M.Bhaskara Rao

Dr. Gandhiji Yalamanchili

Sri Y.J.Venkata Rao

Sri B.Satya Reddy

Sri Y.Murali Prasad

Sri D.Subbarami Reddy

Sri M. Gopala Krishna, IAS (Retd.,)

IDBI Nominee (upto 09-05-2000)

APIDC Nominee

(upto 29-02-2000)

(Alternate to Dr. Gandhiji Yalamachili)

(upto 14-07-2000)

(w.e.f. 10-08-2000)

DY.GENERAL MANAGER(FINANCE) & COMPANY SECRETARY

Sri G.V.Sesha Reddy

AUDITORS

M/s.Raju & Prasad,

Chartered Accountants.

G-15, Saphire, 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 NINTH ANNUAL GENERAL MEETING of G.R.CABLES LIMITED will be held at 11.00 A.M on Wednesday, 29th day of November, 2000 at CRYSTAL A/C FUNCTION HALL, KONIJETI ENCLAVE PHASE-1, RING ROAD, MEHDIPATNAM, HYDERABAD - 500 028, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2000 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 B.Satya Reddy, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Sri Y.Murali Prasad, Director who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Sri P.Laxminarayana Reddy, Director who retires by rotation and being eligible offers himself for re-appointment.
5. To consider appointment of M/s M.V.Narayana Reddy, 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 in the place of retiring Auditors who are not seeking re-appointment. Notice as required under the Act is received from a member proposing the appointment of new Auditors.

SPECIAL BUSINESS

6. To note the Erosion of more than 50% of Net Worth of the Company
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution with or without modification(s):

"RESOLVED that accumulated losses of the Company as on 31.03.2000 which stands at Rs.13.67.80,194/- has resulted in erosion of more than 50% of the peak net worth during the immediately preceding five financial years be and is hereby considered and noted.

7. Appointment of Sri P.Ramesh Babu as a Director.

To consider and if thought fit, to pass the following resolution as an Ordinary resolution with or without modification(s):

"RESOLVED that Sri P.Ramesh Babu, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 read with Article 97 of the



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Articles of Association of the Company holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, he and is hereby appointed as a Director of the Company subject to retirement by rotation."

8. Appointment of Sri M.Gopalakrishna as a Director.

To consider and if thought fit, to pass the following resolution as a Ordinary Resolution with or without modification(s):

"RESOLVED that Sri M.Gopalakrishna, who was appointed as an Additional Director by the Board under Section 260 of the Companies Act, 1956 read with Article 97 of the Articles of Association of the Company holds office upto the date of this Annual General Meeting and in respect of whom the Company has received Notice in writing under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him as a candidate for the office of a Director of the Company, he and is hereby appointed as a Director of the Company subject to retirement by rotation."

9. Appointment of Sri P.Ramesh Babu as a Whole Time Director.

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

"RESOLVED that pursuant to the provisions of section 198, 269, 309, 310, 314 and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the limits specified in Schedule XIII of the said Act and subject to the approval of Financial Institutions, consent be and is hereby accorded to the appointment of Sri P.Ramesh Babu as a Whole Time Director for a period of Five years with effect from 10-08-2000 on the following terms and conditions:

1. Salary : Rs.40,000/- 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.



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- (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.
- (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."

"RESOLVED that where in any financial year the company has no profits or its profits are inadequate the Company may pay to Sri P. Ramesh Babu, Whole time Director remuneration by way of salary perquisites and allowances not exceeding the ceiling limits specified under part-II Section II para (2) of Sch.XIII of the Companies Act, 1956 including any statutory modifications thereof for the time being in force.

10. To consider increase in the remuneration payable to Sri G.V.B.R.Reddy, Executive Director.

To consider and if thought fit, to pass with or without modification(s) the following as a Special Resolution.

"RESOLVED That pursuant to the provisions of Section 198, 309, 310, 311, 314 and other applicable provisions of the Companies Act, 1956 if any, read with Schedule XIII to the Companies Act, 1956, and subject to the approval of Financial Institutions, consent of the Company be and hereby accorded to increase the remuneration payable to Sri G.V.B.R.Reddy, Executive Director, with effect from 10-08-2000, by way of salary and perquisites as detailed below."

1. Salary : Rs.40,000/- 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.



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- (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.
- (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."

"RESOLVED that where in any financial year the Company has no profits or its profits are inadequate the Company may pay to Sri G.V.B.R.Reddy, Executive Director remuneration by way of salary, perquisites and allowances not exceeding the ceiling limits specified under part-II Section II para (2) of Sch.XIII of the Companies Act, 1956 including any statutory modifications thereof for the time being in force".

11. Alteration of Other Objects Clause in Memorandum of Association.

To consider and if thought fit, to pass with or without modification(s) the following as a Special Resolution.

"RESOLVED that pursuant to Section 17 of Companies Act, 1956 and all other applicable provisions, if any, and subject to approval of members of the Company, Financial Institutions and other Statutory authorities, clause III (c) of the Memorandum of Association pertaining to other objects be and is hereby amended by way of addition to the existing clauses, the following sub-clauses as sub-clause Nos.11 to 13.

- (11) To engage in the business of research and development in the field of Bio-technology, herbal plantations, extraction process for medicinal or cosmetic preparations required or used for beauty and personal hygiene or in all Allopathic, Unani, Homeopathic or nature cure methods or other systems of treatment in India and abroad.
- (12) Information Technology.
- (13) Erection, laying and commissioning of all types of cables for Optical Fibre. Wireless. Power/Coaxial for voice data speech transmission and also all telecom and networking business.

12. Alteration of Articles of Association.

To consider and if thought fit, to pass with or without modification(s) the following as a Special Resolution.

"RESOLVED that pursuant to provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from



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the appropriate authorities or bodies, the Articles of Association of the Company be and is hereby altered in the following manner.

Insert the following Heading and Article along with the marginal notes as Article 12D after Article 12C:

"Dematerialisation of Securities"

(1) For the purpose of this Article:

Definitions

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

"Bye-Laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

"Debenture holder" means the duly registered holders from time to time of the debentures of the Company.

"Participant" means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.

"Records" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act.

"Regulations" means the regulations made by the SEBI.

"Security" means such security as may be specified by the SEBI.

Words importing the singular number only include the plural number and vice versa.

Words importing persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to them in that Act.

Company to recognise interest in dematerialised securities under Depositories Act

(2) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations



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of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

Dematerialisation of Securities

- (3) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities, rematerialise its securities held in the Depositories and/or offer its fresh securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

Options to receive security certificates or hold securities with Depository

- (4) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the Security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.

Securities in Depositories to be in fungible form

- (5) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owner.

Rights of Depositories and Beneficial Owners

- (6) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
- (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

Beneficial Owner deemed as absolute owner

- (7) Except as ordered by a court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto



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in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

Depository to furnish information

- (8) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

Cancellation of certificates upon surrender by a person

- (9) Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

Option to opt out in respect of any security

- (10) If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly.

The Depository shall in respect of information as above make appropriate entries in its records and shall inform the Company.

The Company shall, within thirty(30) days of the receipt of intimation from the Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

Service of Documents

- (11) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks.

Provisions of Articles to apply to shares held in Depository

- (12) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

Allotment of securities dealt with in a Depository

- (13) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.