

# G.R. CABLES LIMITED

(An ISO 9002 & ISO 14001 Company)



TENTH  
ANNUAL REPORT  
2000 - 2001

**MEMBERS PLEASE NOTE**

THE REGISTERED OFFICE OF THE  
COMPANY HAS BEEN SHIFTED TO  
9-1-83&84, AMARCHAND SHARMA COMPLEX,  
FLAT NO.402, 4TH FLOOR, S.D. ROAD,  
SECUNDERABAD - 500 003.

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## G.R. CABLES LIMITED

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### BOARD OF DIRECTORS

#### CHAIRMAN

Sri G.R.Reddy

#### WHOLE TIME DIRECTORS

Sri P. Ramesh Babu

Sri G.V.B.R. Reddy

#### DIRECTORS

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

Dr. Gandhiji Yalamanchili

Sri Y.J. Venkata Rao (Alternate to Dr. Gandhiji Yalamanchili)

Sri Y. Murali Prasad

Sri M. Gopalakrishna, IAS (Retd.,)

Sri J. Appa Rao

Sri L.P. Shashi Kumar

#### ASST. COMPANY SECRETARY

Sri K.V. Chalama Reddy

#### AUDITORS

M/s. M.V. Narayana Reddy & Co.,

Chartered Accountants

Flat No.504, Vijaya Sree Apartments

Opp: Kamma Sangham, Ameerpet

Hyderabad - 500 073.

#### BANKERS

Bank of Baroda

State Bank of Hyderabad &

State Bank of Travancore

#### REGISTERED OFFICE

9-1-83&84, Amarchand Sharma Complex

Flat No.402, 4th Floor

S.D. Road, Secunderabad - 500 003.

#### FACTORY

Rangareddyguda Village

Balanagar Mandal

Mahaboobnagar District.



## G.R. CABLES LIMITED

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### NOTICE

NOTICE is hereby given that the TENTH ANNUAL GENERAL MEETING of G.R.CABLES LIMITED will be held at 11.00 A.M on SATURDAY, 29th day of December, 2001 at CRYSTAL A/C FUNCTION HALL, KONIJETI ENCLAVE PHASE-I, 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 30th June 2001 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 G.V.B.R.Reddy, Director who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Sri Gandhiji Yalamanchili, Director who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Sri G.R. Reddy, Director who retires by rotation and being eligible offers himself for reappointment.
5. To appoint M/s M.V.Narayana Reddy & Co., 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

5. Appointment of Sri J.Appa Rao 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 J.Appa Rao, 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, be and is hereby appointed as a Director of the Company whose office is liable to retirement by rotation."

6. Appointment of Sri L.P.Shashi Kumar as a Director.

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



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"RESOLVED that Sri L.P.Shashi Kumar, 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, be and is hereby appointed as a Director of the Company whose office is liable to retirement by rotation."

### 7. Re-Appointment of Sri G.V.B.R.Reddy 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 Institution, consent be and is hereby accorded to the re-appointment of Sri G.V.B.R.Reddy as a Whole Time Director designated as Executive Director for a period of three years with effect from 20-07-2001 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.
  - (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.



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(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, Whole time Director designated as 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.

BY ORDER OF THE BOARD

Place : HYDERABAD  
Date : 26.11.2001

**K.V. Chalama Reddy**  
Asst. 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 instead of himself/herself and such proxy need not be a member of the Company. The Proxy Forms duly completed and signed shall 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 26.12.2001 to 29.12.2001 (both days inclusive).
4. Members are requested to bring the copies of Annual Reports while attending the Annual General Meeting.
5. Members are advised to avail nomination facility as per amended Companies Act, 1956 for which the nomination forms are available with the Company.





## **G.R. CABLES LIMITED**

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

#### **ITEM NO.5**

Sri J.Appa Rao was appointed as Additional Director of the Company at the Board Meeting held on 06.06.2001. As per the provisions of Section 260 of the Companies Act, 1956, Sri J.Appa Rao holds office upto the ensuing Annual General Meeting. As required under Section 257 of the Companies Act, 1956 Notice has been received from a member signifying intention to propose his appointment as Director along with requisite deposit.

Sri J.Appa Rao is a qualified Chartered Accountant having over 20 years of experience in Project Financing and Restructuring.

The Board consider it desirable that the Company should continue to receive the benefit of his vast and varied experience in the Project Financing and Restructuring, advice and guidance as the Director of the Company.

The Board therefore recommends the resolution for your approval.

This may also be treated as Notice under Section 257 (1A) of the Companies Act, 1956.

None of the Directors of the Company is interested or concerned in this resolution.

#### **ITEM NO.6**

Sri L.P.Shashi Kumar was appointed as Additional Director of the Company at the Board Meeting held on 06.06.2001. As per the provisions of Section 260 of the Companies Act, 1956, Sri L.P.Shashi Kumar holds office upto the ensuing Annual General Meeting. As required under Section 257 of the Companies Act, 1956, Notice has been received from a member signifying intention to propose his appointment as Director along with requisite deposit.

Sri L.P.Shashi Kumar is having over 26 years of experience in Industry and Business.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Sri L.P.Shashi Kumar is appointed as the Director of the Company.

This may also be treated as a Notice under sub-section (1A) of Section 257 of the Companies Act, 1956.

None of the Directors of the Company is interested or concerned in this resolution.



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### ITEM NO.7

The appointment of Sri G.V.B.R.Reddy as Whole Time Director of the Company has been approved by the Company for a period of 3 years with effect from 20.07.1998 to 19.07.2001. Keeping in view, the valuable contribution made by Sri G.V.B.R.Reddy towards the success of the Company, Board of Directors at their Meeting held on 06.06.2001 re-appointed him as Whole Time Director for a period of three years with effect from 20.07.2001 to 19.07.2004 subject to the approval of members.

Approval of Members is being sought for the re-appointment and payment of remuneration of Sri G.V.B.R.Reddy as Whole Time Director on the terms spelt out in the resolution.

He is a relative of Sri G.R.Reddy, Director and he is deemed to be interested in this Special Resolution, the same is placed before you for approval in terms of Section 314 of the Companies Act, 1956.

Except Sri G.R.Reddy, Director and Sri G.V.B.R.Reddy, none of the other Directors are interested or concerned in the above resolution.

This may also be treated as a Memorandum under Section 302 of the Companies Act, 1956.

BY ORDER OF THE BOARD

Place : HYDERABAD  
Date : 26.11.2001

**K.V. Chalama Reddy**  
Asst. Company Secretary







## G.R. CABLES LIMITED

### DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the Tenth Annual Report and Audited Statement of Accounts of the Company for the 15 months period ended 30th June, 2001.

### FINANCIAL RESULTS

ITEM	(Rs. in Lakhs)	
	FOR PERIOD ENDED 30TH JUNE, 2001 (15 MONTHS)	FOR YEAR ENDED 31.3.2000 (12 MONTHS)
Sales & Other Income	8665.88	7317.57
Profit before Interest & Depreciation	1219.05	1114.56
Interest	264.85	702.77
Operating Profit before Depreciation	954.20	411.79
Depreciation	368.67	283.81
Profit for the year	585.53	127.98

### REVIEW OF OPERATIONS

Your Company extended the Financial Year 2000-2001 by 3 months to 15 months i.e. 30.06.2001 to reflect the effect of the financial restructuring of the Company. During the 15 months period, your Company achieved a turnover of Rs.8501 Lakhs against Rs.7194 Lakhs for the previous year ended 31st March, 2000 and made a Net Profit of Rs.585.53 Lakhs against Rs.127.98 Lakhs in the previous year.

Under the One Time Settlement Scheme(OTS), your Company repaid the outstanding Term Loans of Industrial Development Bank of India(IDBI), Unit Trust of India(UTI) and Oriental Bank of Commerce(OBC) by utilising the proceeds received from warrant holders and internal accruals of the Company to reduce interest burden and to improve the profitability of the Company. Consequently, your Company secured an interest waiver of Rs.954 Lakhs. The accumulated losses of Rs.1367.80 Lakhs have been wiped out during the year and your Company now has a positive balance of Rs.80.19 Lakhs in the Profit & Loss Account for the period ended 30th June, 2001.

In order to conserve the internal accruals for higher Working Capital needs your Directors regret that they are unable to declare any dividend for the year.



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### FUTURE PROSPECTS

The Prospects for securing orders in the current year for Jelly Filled Telecom Cables appear to be satisfactory due to expected increase of purchases by BSNL, MTNL and other private sector clients. Your Company has received an order for supply of 9.001 Lakh Conductor Kilometres(LCKM) from BSNL. Your Company is likely to receive repeat orders after fulfillment of the initial order within the stipulated period. Profitability is, however expected to be under pressure during the year due to intensive competition and declining sales realisation. Efforts are however being made to improve productivity, secure more orders, reduce costs and improve profitability.

### INCREASE IN SHARE CAPITAL

Your Company had allotted 1,15,95,361 Equity Shares of Rs.10/- each at a premium of Rs.2/- per share on conversion of outstanding Equity Warrants which were earlier issued on preferential basis. Consequently, the Company's Paid-up Equity Share Capital has increased from Rs.17,29,95,000 to Rs.28,89,48,610 with effect from 20.09.2001. The Company still has 44,04,639 outstanding Equity Warrants.

### 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

During the year, Sarvashri S.M.Prasad, Chairman, B.Satya Reddy and Sri M.Bhaskara Rao, Directors have resigned from the Board of Directors of the Company on personal grounds. Board placed on record its appreciation of the services rendered by them during their tenure as Directors.

The tenure of Sri G.R.Reddy as Managing Director expired on 31st July, 2001 and he has expressed inability to devote full time to the affairs of the Company due to personal health problems. The Board has since appointed him as non-executive Chairman of the Company in the casual vacancy of Sri S.M. Prasad.

Sarvashri G.V.B.R.Reddy, Gandhiji Yalamanchili and G.R.Reddy, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Sarvashri J.Appa Rao and L.P.Shashi Kumar who were appointed as Additional Directors hold office upto this Annual General Meeting under Section 260 of the Companies Act, 1956. The Company has received Notices from members under Section 257 of the said Act, signifying their intention to propose them as candidates for the office of the Directors of the Company. The necessary resolutions for obtaining the approval of the members for appointment of Sri J.Appa Rao and Sri L.P.Shashi Kumar have been incorporated in the Notice of the ensuing Annual General Meeting of the Company.