

# **G.R. CABLES LIMITED**

(An ISO 9002 & ISO 14001 Company)



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**ELEVENTH  
ANNUAL REPORT  
2001-2002**



## 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 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 ELEVENTH ANNUAL GENERAL MEETING of G.R.CABLES LIMITED will be held at 11.00 A.M on SATURDAY, the 28th day of September, 2002 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 period ended 31st March 2002 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 a Director in the place of Sri P. Ramesh Babu, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in the place of Sri Y. Murali Prasad, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in the place of Sri J. Appa Rao, who retires by rotation and is eligible for re-appointment.
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 to authorise the Board to fix their remuneration.

BY ORDER OF THE BOARD

Sd/-

Place : SECUNDERABAD  
Date : 23.08.2002

(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 Register of Members will remain closed from 24.09.2002 to 27.09.2002 (both days inclusive).
3. Members seeking any information with regard to Accounts and Operations of the Company are requested to send their queries so as to reach at least 7 days before the Meeting to enable the Management to keep the information ready at the Meeting.
4. Members are requested to bring the copies of Annual Reports while attending the Annual General Meeting.



## G.R. CABLES LIMITED

### DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the Eleventh Annual Report and Audited Statement of Accounts of the Company for the Nine months period ended 31st March, 2002.

### FINANCIAL RESULTS

ITEM	(Rs. in Lakhs)	
	FOR THE PERIOD ENDED	
	31-03-2002 (9 Months)	30-06-2001 (15 Months)
Sales & Other Income	5208.15	8665.88
Profit before Interest & Depreciation	437.80	1219.05
Interest	68.59	264.85
Operating Profit before Depreciation	369.21	954.20
Depreciation	229.30	368.67
Profit for the year	139.91	585.53

### REVIEW OF OPERATIONS.

Your Directors decided to close the Annual Accounts for the financial year 2001-02 for the Nine Months period ended 31st March 2002 keeping in view the need for uniform accounting year for taxation and other statutory purposes.

Your Directors at their meeting held on 28.06.2002 approved the change of Depreciation method of calculation from Straight Line Method to Written Down Value Method as a measure of conservative planning. These results were also informed to the Stock Exchanges and also published in News Papers as required by the Clause 41 of the Listing Agreement with the Stock Exchanges.

Subsequently, your Directors at their meeting held on 23.08.2002 resolved to continue the Straight Line Method of calculation in respect of Depreciation to maintain the consistency in Depreciation calculation, keeping in view of the future plans of the Company for diversification and expansion in India and abroad.

During the Nine months period under review, your Company achieved a turnover of Rs.5107 lakhs as against Rs.8500 lakhs for the previous 15 months period ended 30th June, 2001. It made a net profit of Rs.139.91 lakhs as against net profit of Rs.585.53 lakhs in the previous period.

The Management Discussion and Analysis Report as required by the Corporate Governance Code is given elsewhere in the Report giving a review of the Company for the Current Year.



## G.R. CABLES LIMITED

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### DIVIDEND

In order to conserve the resources for the future plans of the Company, your Directors regret that they are unable to declare any dividend for the year.

### PUBLIC DEPOSITS

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

### DIRECTORS

Sri M. Gopalakrishna, has resigned from the Board of Directors of the Company on personal grounds w.e.f. 23.08.2002. The Board placed on record its appreciation of the services rendered by him during his tenure as Director.

In accordance with the Section 256 of the Companies Act, 1956 read with the Article 102 of the Articles of Association of the Company, Sarvasri P.Ramesh Babu, Y.Murali Prasad and J. Appa Rao, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that

- (i) in the preparation of the accounts for the Period ended 31st March, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected accounting policies and applied them consistently and made judgments 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 Period and of the Profit and Loss of the Company for the period under review;
- (iii) 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the accounts for the Period ended 31st March, 2002, on a "going concern" basis.

### AUDITORS

M/s M.V.Narayana Reddy & Co., Chartered Accountants, Statutory Auditors of the Company 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(I-B) of the Companies Act, 1956.



## G.R. CABLES LIMITED

### CORPORATE GOVERNANCE

Pursuant to the Clause 49 of the Listing Agreement with Stock Exchanges, the Management Discussion and Analysis Report, Report on Corporate Governance and Auditors Certificate regarding the Compliance of conditions of the Corporate Governance are made part of this Annual Report.

### 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 by way of an Annexure - I which forms part of this Report.

### PARTICULARS OF EMPLOYEES

There are no employees whose particulars are required to be furnished pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the relevant rules thereunder.

### ACKNOWLEDGEMENTS

Your Directors are grateful to the large number of shareholders of the Company, the Government of India, the Bharat Sanchar Nigam Limited, our main customer, Government of Andhra Pradesh, A.P. Industrial Development Corporation Ltd., Bank of Baroda, State Bank of Hyderabad and State Bank of Travancore for their support, guidance and help. It thanks the vendors, suppliers, stake holders and the dedicated employees of the Company for their continued co-operation, assistance and support to the Company.

For and on behalf of the Board

Sd/-

Place : SECUNDERABAD

(G.R.REDDY)

Date : 23.08.2002

CHAIRMAN

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## G.R. CABLES LIMITED

### ANNEXURE - I

Information as per 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 and forming part of the Directors' Report for the period ended 31st March, 2002.

#### A. CONSERVATION OF ENERGY

- |  |   |  |
|--|---|--|
| 1. Energy Conservation measures taken  | : | a) Continuous monitoring and Maintaining optimum load on Diesel Generator. |
|  |   | b) Controlled Lightning inside factory sheds depending on the needs.       |
| 2. Additional Investments and proposals, if any being implemented for reduction of consumption of energy.    | : | NIL  |
| 3. Impact of measures at 1 and 2 on energy consumption and consequent impact on cost of production of goods. | : | MARGINAL   |
| 4. Total energy consumption and energy consumption per unit of production.                                   | : | NOT APPLICABLE   |

#### B. RESEARCH & DEVELOPMENT(R&D)

- |  |   |   |
|--|---|---|
| 1. Specific areas in which R&D carried out by the Company.           | : | Efforts are being made to manufacture new products and to improve the quality of the existing products. This has resulted in introduction of Switch Board Cables during the current year. R & D efforts are also in advanced stage to introduce Power and Control Cables. |
| 2. Benefits derived as a result of the above Research & Development. | : |   |
| 3. Future Plan of Action   | : |   |
| 4. Expenditure on R&D  | : | Rs.3.79 lakhs   |

#### C. TECHNOLOGY ABSORPTION

- |  |   |  |
|--|---|--|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. | : | Employees are being trained continuously. Modifications in equipment are made wherever feasible. |
| 2. Benefits derived as a result of the above efforts.                                | : | Improvement in quality and factory practices.  |



## G.R. CABLES LIMITED

3. Particulars of imported technology : Not applicable as there has been no import of technology.  
(imported during the last 5 years  
reckoned from the beginning  
of the Financial Year)

### D. FOREIGN EXCHANGE EARNINGS AND OUTGO

#### 1. Foreign Exchange Earnings

- (a) FOB Value of exports : NIL

#### 2. Foreign Exchange outgo

- (a) Import of Raw Materials and Components : Rs.9.81 lakhs  
(b) Import of Capital Goods : NIL  
(c) Travelling Expenses : Rs.0.97 lakhs  
(d) Other Expenses : Rs.0.07 lakhs

For and on behalf of the Board

Place : SECUNDERABAD  
Date : 23.08.2002

Sd/-  
(G.R.REDDY)  
CHAIRMAN







## G.R. CABLES LIMITED

### CORPORATE GOVERNANCE REPORT

(pursuant to Clause 49 of the Listing Agreement)

#### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company is committed to Good Corporate Governance to ensure that all functions of the Company are discharged in a professionally sound and competent manner. Given below is the requisite information relating to corporate functioning of your Company at apex level for the purposes of due transparency on this aspect.

#### II. BOARD OF DIRECTORS:

##### i) The composition of the Board of Directors

The Board has a fair representation of the Executive, Non-Executive and Independent Directors in compliance with code of Corporate Governance. Of the Eight Directors on the Board of the Company, only Two are Promoter Directors. The Board has Two Executive Directors and the rest are Non-Executive Directors. The Chairman of the Board is a non-executive Director.

The Management of the Company is vested in the Whole Time Director and Executive Director jointly, subject to General Supervision, Control and Direction of the Board.

The composition of the Board of Directors is as follows:

Sl. No.	Name	Category	In Other Companies	
			Directorship	Committee Membership
01.	Sri G.R. Reddy	Promoter/ Non-Executive (Chairman)	Nil	Nil
02.	Sri G.V.B.R. Reddy	Promoter/ Executive	Nil	Nil
03.	Sri P. Ramesh Babu	Independent/ Executive	3	Nil
04.	Dr. S.R. Govinda Rajan	Independent/ Non-Executive (APIIDC Nominee)	Nil	Nil
05.	Sri Y.J. Venkata Rao *	Independent/ Non-Executive	Nil	Nil
06.	Sri Y. Murali Prasad	Independent/ Non-Executive	Nil	Nil
07.	Sri J. Appa Rao	Independent/ Non-Executive	5	Nil
08.	Sri L.P. Sashi Kumar	Independent/ Non-Executive	7	Nil

\* Sri Y.J. Venkata Rao is Alternative Director to Dr. Gandhiji Yalamanchili.

##### ii) Board Procedure

The Board of Directors meet at least once in a Quarter to review the Company's performance and Financial Results and more often, if considered necessary to transact any other Business.



## G.R. CABLES LIMITED

During the period under review, four Board Meetings were held. The dates on which the Board Meetings were held are as follows:

20th September, 2001, 9th November, 2001, 26th November, 2001 and 30th January, 2002.

The Annual General Meeting was held on 29-12-2001 for the year 2000-01. Following are the details of attendance of Directors at Board Meetings and Annual General Meeting (AGM) held during the period.

Sl. No.	Name of the Director	Board Meetings held during tenure of Director	Attendance	
			Board Meetings	Last AGM
01.	Sri G.R. Reddy	4	3	Yes
02.	Sri G.V.B.R. Reddy	4	4	Yes
03.	Sri P. Ramesh Babu	4	4	Yes
04.	Dr. S.R. Govinda Rajan	4	1	No
05.	Sri M. Gopalakrishna	4	4	Yes
06.	Sri J. Appa Rao	4	4	Yes
07.	Sri L.P. Sashi Kumar	4	3	Yes
08.	Sri Y. Murali Prasad	4	1	No
09.	Sri Y.J. Venkat Rao*	3	3	Yes
10.	Dr. Gandhiji Yalamanchili	1	1	No

\* Sri Y.J. Venkata Rao is Alternative Director to Dr. Gandhiji Yalamanchili.

### iii) Details of Directors seeking the re-appointment at the ensuing AGM.

Pursuant to clause-49 of the Listing Agreement with the Stock Exchanges on Corporate Governance, the details of the Directors seeking the re-appointment is given as an annexure to the Report on Corporate Governance.

### III. AUDIT COMMITTEE:

The Company constituted an Audit Sub Committee on 29-11-1997. It has later been re-constituted on 31-03-2001 in view of resignation of some members from the Board and also in accordance with the requirement of Listing Agreement and Section 292 (A) of the Companies Act, 1956. In view of resignation of Sri M. Gopalakrishna from the Board who was also a member in the Audit Committee, the Board further re-constituted the Audit Committee by inducting Sri J. Appa Rao as a member w.e.f. 23.08.2002.

The broad terms of reference of the Audit Committee are as specified in clause 49 of the Listing Agreement & Section 292 A of the Companies Act, 1956, the Audit Committee deals with various aspects of the Financial Statements including Quarterly, Half yearly and Annual Results, adequacy of internal controls and internal audit functions, various Audit Reports, significant judgments affecting the financial statements, compliance with Accounting Standards and Company's financial & risk management policies. It reports to the Board of Directors about its findings & recommendations pertaining to above matters. The Board has accepted all the recommendations of the Audit Committee.