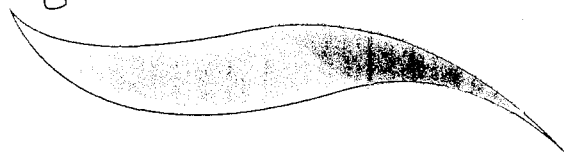
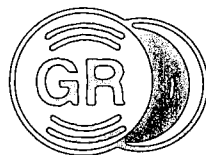


# 17<sup>th</sup>

*Annual Report 2007-08*



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**G.R. CABLES LIMITED**  
(An ISO 9002 Company)



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

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### **BOARD OF DIRECTORS**

Sri G.R. Reddy	- Chairman & Managing Director
Dr. S.R. Govinda Rajan, IAS (Retd)	
Sri Y.J. Venkata Rao	
Sri P. Ramesh Babu	
Smt. C. Mariamma	- APIDC Nominee
Sri G.V.B.R. Reddy	- Executive Director

### **STATUTORY 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**

36, Santosh Nagar,  
Mehdipatnam,  
Hyderabad - 500 028

### **FACTORY**

Rangareddyguda	(Village)
Balanagar	(Mandal)
Mahaboobnagar	(District)

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

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### **NOTICE**

Notice is hereby given that the SEVENTEENTH ANNUAL GENERAL MEETING OF G.R.CABLES LIMITED will be held at 11.00. A.M. on Wednesday, the 31st December, 2008 at Surana Udyog Auditorium, FAPCCI, to transact the following business:

### **ORDINARY BUSINESS**

1. The receive, consider and adopt the Profit & Loss Account for the year ended 30th September 2008 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 G.R Reddy, who retires by rotation being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Dr. S.R Govinda Rajan, who retires by rotation being eligible offers himself for re-appointment.
4. To appoint M/s. P Srinivas and Associates, Chartered Accountants as Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting in place of M/s. M.V. Narayana Reddy & Co. retiring auditors and to authorize the Board to fix their remuneration.

By Order of the Board  
For G.R. Cables Limited

Place : Hyderabad  
Date : 04.12.2008

**G.V.B.R.Reddy**  
Executive Director

### **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 HOLDINGS THE MEETING.
2. The Register of Members will be closed from 26.12.2008 to 31.12.2008 (both days inclusive).
3. 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 Seventeenth Annual Report and Audited Statements of accounts of the Company for the year ended 30th September 2008

### FINANCIAL RESULTS

ITEM	(Rs.in Lakhs)	
	For the Year Ended 30.09.08 (12 months)	For the Period Ended 30.09.07 (15 months)
Sales & Other Income	221.65	1312.84
Profit/Loss before interest & Depreciation	470.83	37.56
Interest	67.38	56.45
Operating Profit/Loss before Depreciation	538.22	(18.89)
Depreciation	164.79	164.76
Profit/Loss for the year	(703.01)	(183.65)

### REVIEW OF OPERATIONS

During the year under review, your company achieved a turnover of Rs 196.31 Lakhs as against Rs . 1098.66 Lakhs for the previous year ended 30.09.2007. It made a Loss of Rs-703.01 Lakhs as against loss of Rs 183.65 Lakhs in the previous year. There is a dip in sales during the year under review due to working capital constraints.

Your company has been pursuing with the banks for getting the adequate working capital requirements and working out other means for overcoming this problem. Though the Company has order book of Rs. 5 Crores of power cables.

A detail analysis of future outlook and financial performance of the company is given in the management and analysis report which is elsewhere given in this report.

### SUBSIDIARY IN SRILANKA

During the year under review, Gold Islands Cables Private Limited, Wholly owned subsidiary of G.R Cables Limited in Srilanka has closed operations and exported all the assets back to G.R Cables Ltd. and has not re-registered with the register of companies of Srilanka. Under the new Srilankan company act No. 07 of 2007 the company had to re-register every year. If not re-register the register of companies will cancel the registration.

### 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 there under.

### DIRECTORS

In accordance with the Section 256 of the Companies Act, 1956 read with the Article 102 of the Articles of Association of the Company Sri G.R.Reddy, managing director and Dr. S.R. Govindarajan Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offer him-self for re-appointment.

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

### **DIRECTORS RESPONSIBILITY STATEMENT**

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 year ended 30th September 2008, 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 year with Profit and Loss of the company for the year 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 fraud and other irregularities.
- (iv) The Directors have prepared the accounts for the year ended 30th September 2008 on a "going concern" basis.

### **AUDITORS**

M/s. M.V.Narayana Reddy & Co., Chartered Accountants Statutory Auditors of the Company have resigned and Board recommended the appointment of M/s. P. Srinivas and associates as statutory auditors of the company. Who have signified their willingness to accept appointment and have further confirmed their eligibility under Section 24 (1-B) of the Companies Act, 1956 if appointed.

### **CORPORATE GOVERNANCE**

Pursuant to the Clause 49 of the Listing Agreement with Stock Exchange, 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-1 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.

### **ACKNOWLEDGMENTS**

Your Directors are grateful to the large number of shareholders of the Company, the Government of India, the Bhart Snachar Nigam Limited, our main customer, MTNL, NPDCL, EPDCL, CPDCL, SPDCL and Transco, Government of Andhra Pradesh, Bank of Baroda, State Bank of Hyderabad, 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 cooperation, assistance and support to the company.

**FOR AND ON BEHALF OF THE BOARD**

**For G.R. Cables Limited**

Place : Hyderabad

Date : 04.12.2008

**(G.R.REDDY)**

Chairman & Managing Director

**G.R. CABLES LIMITED****ANNEXURE-I**

Information as per 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 and forming part of the Directors Report for the Year ended 30th September 2008

**A. CONSERVATION OF ENERGY**

- |   |   |   |
|---|---|---|
| 1. Energy Conservation measure taken  | : | a) Continuous monitoring and Maintaining optimum load on diesel Generator<br>b) Controlled Lighting 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 wider product range of telcom and power cables. |
| 2. Benefits derived as a result of the above Research & Development | : | --do--   |
| 3. Future Plan of Action  | : | --do--   |
| 4. Expenditure on R & D   | : | --do--   |

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

**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 | : | NIL            |
| (b) Import of Capital Goods                | : | NIL            |
| (c) Traveling Expenses                     | : | Rs. 0.23 Lakhs |
| (d) Other Expenses                         | : | NIL            |

**FOR AND ON BEHALF OF THE BOARD**  
**For G.R. Cables Limited**

Place : Hyderabad

Date : 04.12.2008

**(G.R.REDDY)**

Chairman & Managing Director

## G.R. CABLES LIMITED

### CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

#### i) Companies Philosophy on Corporate Governance:

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

#### ii) 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 Six Directors on the Boards of the company only two are promoter Directors. The Board has a whole time Chairman and Director for the company.

The composition of the Board of Directors is as follows:

Sl. No.	Name	Category	In other Directorship	Companies Committee Membership
1.	Sri G.R.Reddy	Promoter/ Executive (Chairman)	1	Nil
2.	Sri G.V.B.R.Reddy	Promoter/ Executive	1	Nil
3.	Sri P.Ramesh Babu	Independent/ Non-Executive	Nil	Nil
4.	Smt C.Mariamamma	Independent/ Non-Executive (APIDC Nominee)	Nil	Nil
5.	Dr.S.R Govinda Rajan	Independent/ Non-Executive	1	Nil
6.	Sri Y.J.Venkata Rao	Independent/ Non-Executive	Nil	Nil

#### ii) Board Procedure

The Board of Directors meets 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.

During the year under review, Five Board meetings were held. The dates on which the Board Meetings were held are as follows:

30th October 2007 , 31st January 2008, 30th April 2008, 27th May 2008 and 31st July 2008.

## G.R. CABLES LIMITED

The Annual General Meeting was held on 31st December 2007 for the year 2006-2007. Following are the details of attendance of Directors at Board Meetings and Annual General Meeting (AGM) held during the year.

Sl. No	Name of the Director	Board Meetings held during tenure of Director	Attendance Board Meetings	Last AGM
1.	Sri G.R.Reddy	5	5	Yes
2.	Sri G.V.B.R.Reddy	5	4	Yes
3.	Sri P.Ramesh Babu	5	2	Yes
4.	Smt C.Mariamamma	5	3	No
5.	Dr.S.R Govinda Rajan	5	5	Yes
6.	Sri Y.J.Venkata Rao	5	4	Yes

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

Pursuant to clause-49 of the Listing Agreement with the Stock Exchange on Corporate Governance the details of the Directors seeking the Re-appointment is given below.

Name of the Director	: Sri G.R.Reddy	Dr.S.R Govinda Rajan
Date of Birth	: 01.07.1936	20.07.1939
Date of Appointment	: 29.01.1992	31.01.2006
Qualifications	: B.E(MIE)	IAS (Retd)
Expertise in Specific functional areas	: Technical	Finance

### III. Audit Committee

The Company had constituted an Audit sub Committee in the year 1997. The Board terms of reference of the Audit Committee are as specified in Clause 49 of Listing Agreement read with 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 internal controls and internal audit functions, various Audit Reports, Significant judgments affecting the financial statements, compliance with accounting standards and Companies financial & risk management policies. It reports to the Board of Directors about its findings and recommendations pertaining to above matters. The Board has accepted all the recommendations of the Audit Committee.



## G.R. CABLES LIMITED

The details of composition of the Audit Committee, its meetings and attendance of the members during the year are as follows:

Sl No	Name of the Director	No of Meetings held	No of Meetings attended
1.	Dr. S.R.Govinda Rajan	4	3
2.	Sri Y.J.Venkata Rao	4	3
3.	Smt C.Mariamamma	4	0

There were four Audit Committee Meetings held during the year under review. The dates on which the said meetings were held as follows: 30.10.2007, 31.01.08, 30.04.08 and 31.07.2008

### IV. SHARE TRANSFER & SHARE HOLDERS/INVESTORS GRIEVANCE COMMITTEE:

- i) The Committee reviews, records and helps to expedite transfer of shares and resolve any grievances of investors. The Committee meets frequently throughout the year to minimize any delays in the transfer process. The Committee is chaired by Sri G.R.Reddy, Charman and Managing Director and includes Sri P.Ramesh Babu, Director and Sri Y.J.Venkata Rao, Director as other members.

Further, the Board authorizes Mr. G.R.Reddy CMD and Mr. G.V.B.R.Reddy Executive Director severally to approve the share transfers lodged with the company from time to time.

Sri G.V.B.R.Reddy, Executive Director is the Compliance officer under the relevant regulations. There were no transfers were pending as on the date of 30.09.2008

- ii) The company has received the following complaints from the share holders during the year under review, to the best of knowledge of the company; these complaints were resolved to the satisfaction of shareholders.

Sl. No.	Nature of Compliant	2007 - 2008	
		Received	Attendance to
1.	Delay in receipt of Share certificates sent to Transfer	2	2
2.	Non-Receipt of Annual Report	13	13
3.	Delay in crediting shares in Demat Account	Nil	Nil
4.	Others	8	8
	Total	23	23

### V. DETAILS OF REMUNERATION TO ALL DIRECTORS

- i) Remuneration to Non-Executive Directors

Presently, the Non-Executive Directors do not receive any remuneration from the company and are paid sitting fees for attending the meetings of the Board and Committees thereof.

**G.R. CABLES LIMITED****ii) Remunerations to whole Time Directors**

Position	G.R. Reddy	G.V.B.R.Reddy
Salary (Rs.)	6,00,000	4,80,000
Commission & Allowances	Nil	Nil
Perquisites	Nil	Nil
Total	6,00,000*	4,80,000*
Service Contract	5 Years	5 Years
Notice Period	Nil	Nil

\* Not claimed the salary in view of the financial position of the company.

**VI. GENERAL BODY MEETINGS:**

Details of the last Three Annual General were as follows:

Date	Venue	Time
31.12.2007	Surana Udyog Auditorium FAPCCI, Red Hills, Hyderabad-500004	11:00 A.M
30.12.2006	KLN Prasad Auditorium FAPCCI, Red Hills, Hyderabad-500004	11:00 A.M
31.12.20005	Crystal Function Hall Konijeti Enclave, Phase-I Ring Road, Mehdiapatnam, Hyderabad - 500 028.	11:00 A.M.

No resolution was put through postal ballot in any of the General Meetings so far held by the Company.

**VII. CEO/CFO CERTIFICATION**

In terms of the requirements of clause 49(V) of the Listing Agreement, the Chairman and Managing Director and Executive Director have submitted necessary certificate to the Board stating the particulars specified under the said clause. This certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at the respective meeting held on 04.12.2008

**VIII. DISCLOSURES:**

- There were no transactions of the Company of material nature with the Promoters, Directors of the Management or their subsidiaries or relatives during the year which would have potential conflict with the interest of the company at large.
- There were no instances of non-compliance of any matter related to Capital Market during the last Three years and hence there were no strictures imposed by SEBI, Stock Exchanges and any Statutory Authorities during that year.

**VIII. MEANS OF COMMUNICATIONS:**

The Company has published its Quarterly results in Business standard, Hyderabad and Andhra Bhoomi (Vernacular) - Hyderabad.