
18th

Annual Report 2008-09

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

- G.R. CABLES LIMITED

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. Srinivas P & Associates
Chartered Accountants
Flat No.301, Madhava Apartments
Hill colony, Khairtabad
Hyderabad - 500 004.

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

NOTICE

Notice is hereby given that the EIGHTEENTH ANNUAL GENERAL MEETING OF G.R.CABLES LIMITED will be held at 3.00. P.M. on Thursday, the 31st December, 2009 at Surana Udyog Auditorium, FAPCCI, Red Hills, Hyderabad - 500 004 to transact the following business:

ORDINARY BUSINESS

1. The receive, consider and adopt the Profit & Loss Account for the year ended 30th September 2009 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.V. B. R .Reddy, who retires by rotation being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri P.Ramesh Babu, who retires by rotation being eligible offers himself for re-appointment.
4. To appoint M/s. Srinivas P & 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 and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS

5. 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 an ordinary 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 the 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 five years with effect from 21.07.2009 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 salary in a year or five months salary over a period of five years

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- iii) Leave Travel Concession for the appointee and his family once in a year in accordance with 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.4000/- per annum
- vi) Contribution to the PF Superannuation fund or Annuity fund to the extent not taxable under the income tax act
- vii) Free use of Company 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 further that wherein any financial year the Company has no profits or its profits are inadequate the Company may pay to Sri G V B REDDY, Whole time director designated as executive director re-imbursement by way of salary, perquisites, and allowances not exceeding the ceiling limits specified under part-II Para (2) of sch.XIII of the Companies Act, 1956 including statutory modifications thereof for time being in force."

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

G.V.B.R.Reddy
Executive Director

Place : Hyderabad
Date : 04.12.2009

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) of the Companies Act, 1956 is annexed hereto
3. The Register of Members will be closed from 28.12.2009 to 31.12.2009 (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.4

It is proposed to re-appoint Mr. G V B R REDDY as a whole time director of the Company for a period of five years with effect from 21.07.2009 as his term was expired on 20.07.2009.

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.

Except Sri G R Reddy, Chairman and Managing director and Sri G V B R Reddy, none of the other directors are interested or concerned in this resolution.

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

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

Place : Hyderabad
Date : 04.12.2009

G.V.B.R.Reddy
Executive Director

G.R. CABLES LIMITED**DIRECTORS' REPORT**

To

The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report and Audited Statements of accounts of the Company for the year ended 30th September 2009

FINANCIAL RESULTS

(Rs.in Lakhs)

ITEM	For the Year Ended 30.09.09 (12 months)	For the Period Ended 30.09.08 (12 months)
Sales & Other Income	15.72	221.65
Profit/Loss before Interest, Dep & Exceptional Items	(87.31)	(70.85)
Interest	61.27	67.38
Profit/Loss before Dep & Exceptional Items	(148.58)	(138.23)
Depreciation and ammortisations	164.97	188.52
Profit/Loss	(313.55)	(326.75)
Exceptional Items	622.55	376.26
Profit/Loss for the year	(936.10)	(703.01)

REVIEW OF OPERATIONS

During the year under review the Company could not achieve satisfactory operations due to paucity of working capital. The Company achieved a turnover of Rs. 15.72 lakhs as against Rs. 221.65 lakhs for the previous year and posted a net loss of Rs. 936.10 lakhs as against Rs. 703.01 lakhs for the previous year.

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.

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

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.V.B.R Reddy, Executive director and Sri P.Ramesh babu, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offer him-self for re-appointment.

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 2009, the

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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 give a true and fair view of the state of affairs of the company at the end of the year and of the 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 2009 on a "going concern" basis.

AUDITORS

M/s. Srinivas P & Associates, Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting. Who have signified their willingness to accept appointment and have further confirmed their eligibility under Section 224 (1-B) of the Companies Act, 1956.

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 shareholders of the Company, the Government of India, Customers, Bankers, Employees and other stake holders for their continued support to the Company.

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

(G.R.REDDY)
Chairman & Managing Director

Place : Hyderabad
Date : 04.12.2009

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 2009

A. CONSERVATION OF ENERGY

1. Energy Conservation measure taken : a) Continuous monitoring and Maintaining optimum load on diesel Generator
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 : NIL
 - (a) FOB value of exports
2. Foreign Exchange outgo : NIL
 - (a) Import of Raw Materials and Components
 - (b) Import of Capital Goods
 - (c) Traveling Expenses
 - (d) Other Expenses

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

Place : Hyderabad
Date : 04.12.2009

(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 ensure 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. Out of Six Directors on the Boards of the company only two are promoter Directors. The Board has whole time chairman.

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

04th December 2008, 31st January 2009, 30th April 2009 and 30th July 2009.

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The Annual General Meeting was held on 31st December 2008 for the year 2007-08.

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	4	4	Yes
2.	Sri G.V.B.R.Reddy	4	4	Yes
3.	Sri P.Ramesh Babu	4	3	Yes
4.	Smt C.Mariamamma	4	2	No.
5.	Dr.S.R Govinda Rajan	4	3	Yes
6.	Sri Y.J.Venkata Rao	4	1	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 GV.B.R.Reddy	Sri.P.Ramesh Babu
Date of Birth	: 05.12.1971	08.05.1956
Date of Appointment	: 29.01.1992	27.03.2000
Qualifications	: B.E. (Polymer)	M.A (Sociology)
Expertise in Specific functional areas	: Technical	Administration

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 292A 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. The Committee is chaired by Dr. S.R.Govinda Rajan, Director and includes Sri Y.J.Venkata Rao Director and Smt C.Mariamamma, Director as other members.