

G.R. CABLES LIMITED

NOTICE

Notice is hereby given that the TWENTIETH ANNUAL GENERAL MEETING OF G.R.CABLES LIMITED will be held at 11.00. A.M. on Friday, 30 September 2011 at Telangana Udyogi Bhavan, D No:10-02-289/04 Opp: Mahaveer Hospital, Masabtank, Hyderabad-500027, to transact the following business:

ORDINARY BUSINESS

1. The receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2011 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 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 and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS

5. APPOINTMENT OF Mr. G R REDDY AS MANAGING DIRECTOR OF THE COMPANY

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 Sections 198,269,309,310,314 and all other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII of the said Act, the consent of members of the Company be and is hereby accorded for re-appointment of Sri G R Reddy as managing director of the Company for a period of five years w. e. f. 01.02.2011 on the following terms and conditions

1. Salary Rs. 50,000 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
 - 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.4000/- per annum

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

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

Place : Hyderabad
Date : 05.09.2011

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. Explanatory statement pursuant section 173(2) of the Companies Act, 1956 is annexed herewith
3. The Register of Members will be closed from 26-09-2011 to 30-09-2011 (both days inclusive).
4. Members are requested to bring the copies of Annual Reports while attending the Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT SECTION 173(2) OF THE COMPANIES ACT, 1956

Item no. 5

The tenure of Sri G R Reddy as managing director of the Company was expired on 31.01.2011, the Board of directors at their meeting held on 03.12.2010 re- appointed him as managing director for further period of five years w. e .f. 01.02.2011 as board felt that his full time services are very much required for revival and upliftment of operations of the Company.

Approval of the members is being sought for his re-appointment and payment of remuneration of Sri G R Reddy as managing director on the terms and conditions as spelt out in the resolution

He is a relative of Sri G V B R Reddy, Executive director and he is deemed to be interested in this resolution

None of the other directors expect Sri G R Reddy are concerned or interested in the above resolution

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

Place : Hyderabad
Date : 05.09.2011

G.V.B.R. Reddy
Executive Director

G.R. CABLES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report and Audited Statements of accounts of the Company for the year ended 31st March 2011.

FINANCIAL RESULTS

(Rs.in Lakhs)

ITEM	For the Year Ended 31.03.11 (12 months)	For the Period Ended 31.03.10 (6 months)
Sales & Other Income	5.99	14.46
Profit/Loss before interest, Depreciation & Exceptional items	(183.56)	(34.86)
Interest	3.48	26.42
Operating Profit/(Loss) before Depreciation & Exceptional items	(187.04)	(61.28)
Depreciation	148.64	67.70
Exceptional Items Cr / (Dr)	161.04	(3.93)
Profit/(Loss) for the year	(174.64)	(132.91)

REVIEW OF OPERATIONS

During the year under review, your company could not achieve significant turnover as operations could not be carried due to lack of working Capital facilities from the banks and could achieve a turnover of Rs 5.99 Lakhs for the year ended 31.03.2011 as against Rs. 14.46 Lakhs for previous year ended 31.03.2010. The Company incurred an operating loss of Rs.187.04 lacs against an operating loss of Rs.61.28 lacs 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 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 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

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- (i) In the preparation of the accounts for the year ended 31st March 2011, 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 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 31st March 2011 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 large number of shareholders of the Company, the Government of India, the Bhart Snachar Nigam Limited, our main customer, MTNL, PDCL, EPDCL, CPDCL, SPDC 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 : 05.09.2011

(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 31st March 2011

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 : 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 : NIL
(d) Other Expenses : NIL

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

Place : Hyderabad
Date : 05.09.2011

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

i) 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

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:

15th May 2010, 07th August 2010, 15th November 2010, 03rd December 2010 and 14th February 2011

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The Annual General Meeting was held on 31st December 2010 for the Period 2009-10.

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	5	Yes
3.	Sri P.Ramesh Babu	5	2	Yes
4.	Smt C.Mariamamma	5	4	No
5.	Dr.S.R Govinda Rajan	5	3	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 V 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. (POLYMERS)	M A (Sociology)
Expertise in Specific functional areas	: Technical	Administration

III. Audit Committee

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 P. Ramesh Babu Director and Smt C.Mariamamma, Director as other members.

There were four Audit Committee Meetings held during the year under review.

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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, Chairman and Managing Director and includes Sri P.Ramesh Babu, Director and Sri C, Mariamma, director as other members.

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 31.03.2011

- 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	2010-2011	
		Received	Attendance to
1	Non-Receipt of Annual Reports	7	7
2.	Others	4	4
Total		11	11

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.

- 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

* No salary was claimed due to in sufficient profits.

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VI. GENERAL BODY MEETINGS:

Details of the last Three Annual General were as follows:

Date	Venue	Time
31.12.2010	Surana Udyog Auditorium FAPCCI, Red Hills, Hyderabad-500004	11:00 A.M
31.12.2009	Surana Udyog Auditorium FAPCCI, Red Hills, Hyderabad-500004	3:00 P.M
31.12.2008	Surana Udyog Auditorium FAPCCI, Red Hills, Hyderabad-500004	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 05.09.2011

VIII. DISCLOSURES:

- i) 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.
- ii) 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.

IX. MEANS OF COMMUNICATIONS:

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

Whether Management discussion and analysis report is part of Annual Reports or not.: Yes.