



RPG CABLES LIMITED



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BOARD OF DIRECTORS

Mr. H. V. Goenka, *Chairman*
 Mr. R. A. Naik
 Mr. Haigreve Khaitan
 Mr. J. M. Mukhi
 Mr. B. L. Paranjape
 Mr. V. N. Nadkarni
 Mr. D. G. Piramal
 Mr. Manoj K. Maheshwari
 Dr. K. K. Sharma (*resigned w.e.f. 23.10.01*)
 Mr. P. K. Mohapatra (*appointed w.e.f. 14.8.01*)
 Mr. A. S. Jatkar, *Managing Director*

COMPANY SECRETARY

Mr. M. J. Mendonza

AUDIT COMMITTEE

Mr. B. L. Paranjape, *Chairman*
 Mr. Manoj K. Maheshwari
 Mr. P. K. Mohapatra

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Mr. B. L. Paranjape, *Chairman*
 Mr. P. K. Mohapatra
 Mr. A. S. Jatkar

REGISTRARS & SHARE TRANSFER AGENTS

Alpha Systems Private Limited, 30 Ramanna Residency,
 Gr Floor, IV Cross, Sampige Rd, Malleswaram,
 Bangalore - 560 003
 Phone : 080-3460815/816/817/818
 Fax No. 080-3460819 Email : alfint@bgl.vsnl.net.in

MANAGEMENT TEAM

Mr. A. S. Jatkar, *Managing Director*
 Mr. V. K. Bajaj, *CE & SBU Head Telecom*
 Mr. Vijay R. Phatarphekar, *CE & SBU Head Power*
 Mr. A.S. Sharma, *Vice President & SBU Head Telenet Solutions*
 Mr. Nikhil Gupta, *Vice President - Finance & IT*

REGISTERED OFFICE

Hebbal Industrial Area, Hootagalli, Belavadi Post,
 MYSORE-571 186
 Phone: 402401 / 404 / 373 / 409 Fax: 0821-402499

CORPORATE OFFICE

Ceat Mahal
 463, Dr. Annie Besant Road, Worli, MUMBAI-400 025
 Phone : 4937244 / 806 / 4938330 / 4930189
 Fax: 022-4930206
 E-mail (Secretarial Dept): cosecy@rpgcables.com
 website : www.rpgcables.com

BANKERS

State Bank of India
 Canara Bank
 Bank of India

SOLICITORS & ADVOCATES

Kanga & Co.

AUDITORS

N. M. Raiji & Co.
 Chartered Accountants

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF RPG CABLES LIMITED WILL BE HELD ON FRIDAY, THE 27TH SEPTEMBER, 2002 AT 11.00 AM AT HOTEL SOUTHERN STAR, VINOBHA ROAD, MYSORE-570 001 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2002 and the Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors.
2. To declare dividend for the year ended March 31, 2002.
3. To appoint a Director in place of Mr. Haigreve Khaitan, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. B. L. Paranjape, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. V. N. Nadkarni, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 224, and other applicable provisions, if any, of the Companies Act, 1956, M/s. N. M. Rajji & Company, Chartered Accountants, Mumbai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration to be agreed upon between the Board of Directors of the Company and the said Auditors".

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. P. K. Mohapatra, who was appointed an Additional Director of the Company by the Board of Directors of the Company and who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956, ('the Act') but who is eligible for appointment and in respect of whom the Company has received a notice in writing pursuant to the provisions of Section 257 of the Act from a member of the Company proposing his appointment as Director of the Company and who has consented, if appointed, to act as Director be and is hereby

appointed as Director of the Company liable to retire by rotation".

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

"RESOLVED THAT subject to such approvals as may be necessary, approval of the Company be and is hereby accorded to the delisting of the equity shares of the Company from the Stock Exchanges at Ahmedabad, Kolkata, Jaipur, New Delhi, Saurashtra Kutch and Vadodara at which exchanges the equity shares of the Company are, inter alia, presently listed.

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may constitute to exercise any of the powers conferred by this resolution) be and is hereby authorised to delist the equity shares of the Company from the Stock Exchanges located as aforesaid at such time as the Board may in its absolute discretion, consider appropriate and on terms and conditions as maybe stipulated and/or mutually agreed to in the best interests of the Company, after taking into account various factors such as but not limited to the incidence, impact or burden of the cost of listing fee payable to the Stock Exchanges located as aforesaid and the volume of trading on the relevant Stock Exchanges".

"RESOLVED FURTHER THAT the Board be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the above resolution".

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

"RESOLVED THAT subject to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company hereby accords its approval to the re-appointment of Mr. A. S. Jatkar, as Managing Director of the Company for the period of three years with effect from December 16, 2002 on the remuneration and perquisites and subject to the terms set out in the Agreement dated July 29th 2002, entered into between the Company and Mr. A. S. Jatkar".

"RESOLVED FURTHER THAT subject to the limits contained in Sections 198 & 309 read with Schedule XIII to the Companies Act, 1956, the remuneration payable to the Managing Director be determined by the Board of Directors of the Company from time to time and the Board of Directors be and are hereby authorised to vary and increase

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the remuneration, perquisites, incentives, bonus and commission as the Board of Directors may consider appropriate, and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 or any other law for the time being in force or any statutory modifications or re-enactments thereof and/or any rule framed thereunder and the members hereby approve such variations and increase as may be determined by the Board of Directors of the Company from time to time".

"RESOLVED FURTHER THAT if in any financial year during the tenure of the Managing Director the Company has no profits or its profits are inadequate, the Company will pay to him remuneration by way of salary, perquisites, incentives, bonus and commission as specified above by the Board of Directors as minimum remuneration subject to the limits and compliances laid down under Part II, Section II of Schedule XIII and other applicable provisions of the Companies Act, 1956".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take such steps as may be expedient or desirable to give effect to this resolution as they deem fit from time to time".

By Order of the Board
M. J. Mendonza
Company Secretary

Registered Office:
Hebbal Industrial Area,
Hootagalli
Belavadi Post,
Mysore-571 186
Dated:29th July, 2002

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement setting out the material facts concerning the special business mentioned under item Nos. 7 to 9 of the Notice as required under Section 173 (2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 12th September, 2002 to Friday, 27th September, 2002 (both days inclusive).
4. Dividend, if declared, at the Meeting will be paid on 26th October, 2002 to those members whose names appear on the Register of Members of the Company on 27th September, 2002.
5. Members are requested to:
 - a) Notify any change in address with Pin Code numbers immediately to the Company's Registrars and Share Transfer Agents M/s. Alpha Systems Pvt. Ltd, 30 Ramana Residency, Ground Floor, 4th Cross, Sampige Road, Malleswaram, Bangalore-560 003.
 - b) Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
 - c) Quote ledger folio number in all their correspondence.

ANNEXURE TO NOTICE**Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956****Item No. 7**

Mr. P. K. Mohapatra was appointed as Additional Director at the Board Meeting held on 14th August, 2001. Pursuant to the provisions of Section 260 of the Companies Act, 1956, he holds office of Director only up to the date of the ensuing Annual General Meeting. A Notice has been received from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director together with requisite deposit. Mr. P. K. Mohapatra is a Chemical Engineer, a Management Graduate, AMP from Harvard Business School and a fellow of the Institute of Management, UK. Mr. Mohapatra is a member of the Management Board of RPG Enterprises and Head of the IT & Telecom Business Sector. He has over 30 years experience in various industries. He is a

Director on the Board of several well known Companies. Your Directors are of the opinion that his appointment would be beneficial to the Company and hence recommend the resolution at Item No. 7 for your approval.

None of the Directors of the Company except Mr. P. K. Mohapatra is in anyway, concerned or interested in this resolution.

Item No. 8

The Company's Equity Shares are listed on several Stock Exchanges viz. Bangalore Stock Exchange Ltd, Vadodara Stock Exchange Ltd, The Delhi Stock Exchange Association Ltd, National Stock Exchange of India Ltd, The Stock Exchange Ahmedabad, The Saurashtra Kutch Stock Exchange Ltd, The

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Calcutta Stock Exchange Association Ltd, Jaipur Stock Exchange Ltd & The Stock Exchange, Mumbai.

The trading volumes on the Stock Exchanges at Ahmedabad, Kolkata, Jaipur, New Delhi, Saurashtra Kutch and Vadodara have been very thin and no particular benefit is available to the shareholders of the Company, by continuing the listing of the shares on these exchanges. Moreover, with online trading available and accessible throughout the country on the National Stock Exchange, the need for listing on such Stock Exchanges is no longer necessary. The Company is therefore contemplating the possibility of delisting of its shares from the aforesaid Stock Exchanges for the present.

It is accordingly proposed to give authority to the Board of Directors of the Company to delist the equity shares of the Company from any or all of the said Stock Exchanges after taking into consideration the interest of shareholders of the particular region.

The above resolution is therefore, re-commended for approval by the shareholders. None of the Directors of the Company is concerned and/or interested in this resolution.

Item No. 9

Pursuant to Section 269 of the Companies Act, 1956 the Board of the Company at its meeting held on 29th July, 2002 have re-appointed Mr. A. S. Jatkar as Managing Director of the Company subject to the approval of the members in the General meeting. The terms and conditions of his re-appointment are as set out in the agreement dated 29th July, 2002 entered into between the Company and Mr. A. S. Jatkar, referred to in the Resolution at Item No. 9 of the accompanying notice, an abstract of which is indicated below:

1. Mr. A. S. Jatkar to act as Managing Director of the Company for a period of three years commencing from December 16, 2002.

2. i) a) **Salary and Allowances:** In the scale of Rs.175000 - Rs.300000 per month.

b) **Commission:** Subject to the limits laid down in Section 198 of the Companies Act, 1956 such percentage of the net profits of the Company computed in the manner laid down in the Act or such quantum as may be decided by the Board of Directors from time to time.

c) **Perquisites:**

i. In addition to above remuneration the Managing Director shall also be entitled to perquisites like, furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel assistance for self and family, club fees, medical insurance etc. in accordance with the rules of the Company.

ii. Valuation of perquisites shall be done as per the Income Tax Rules, wherever applicable. In the absence of any such Rule, the perquisites shall

be evaluated at actual cost.

d) Company's Contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of the Income Tax Act.

e) **Gratuity:** One half month's salary for each completed year of service in accordance with the rules of the Company. However this will not be included in the computation of the ceiling on perquisites.

f) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall however be billed by the Company to the Managing Director.

The approval of the Members is being sought to the re-appointment of Mr. A. S. Jatkar as Managing Director of the Company and for the payment of remuneration including perquisites. The Board recommends that the resolution be passed.

The Agreement dated 29th July, 2002 will be open for inspection by the members of the Company at the Registered Office of the Company between 10 a.m. and 12 noon on all working days of the Company till 27th September, 2002. This may be treated as an abstract of the terms of Agreement between the Company and the Managing Director pursuant to Section 302 of the Companies Act, 1956.

ii) The remuneration, as determined aforesaid from time to time, be paid and the perquisites provided to Mr. Jatkar, as minimum remuneration in the event of loss or inadequacy of profit in any year, be subject to such limits, as may be prescribed in Section II of the said Part II of the said Schedule XIII to the Companies Act, 1956 from time to time

The above resolution is therefore, re-commended for approval by the shareholders. None of the Directors of the Company except Mr. A. S. Jatkar is concerned and/or interested in this resolution.

By Order of the Board
M. J. Mendonza
Company Secretary

Registered Office:

Hebbal Industrial Area,
Hootagalli
Belavadi Post,
Mysore-571 186

Dated: 29th July, 2002

RPG CABLES LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twentieth Annual Report and Audited Accounts of the Company for the year ended March 31, 2002.

FINANCIAL RESULTS

	(Rs. in Crores)	
	2001-02	2000-01
Turnover (inclusive of other income)	346.03	385.44
Gross Profit (before depreciation, interest & tax)	21.02	46.65
Less: Depreciation	11.24	12.13
Less: Interest (Net)	5.78	15.24
Profit before Tax	4.00	19.28
Less: Tax	0.01	6.70
Add: Deferred tax adjustments	(0.67)	-
Less: Provision for tax for earlier years	0.25	1.60
Profit after Tax	4.41	10.98
Balance brought forward from previous year	41.78	36.15
Profit available for appropriation	46.19	47.13
Appropriations:		
Transferred to General Reserve	-	1.10
Preference Dividend		
- Proposed	-	0.04
Equity Dividend - Proposed	1.70	3.82
Tax on Dividend	-	0.39
Balance carried to Balance Sheet	44.49	41.78
	46.19	47.13

DIVIDEND

Your Directors are pleased to recommend payment of Dividend @ 8% (18%) on the paid up equity share capital of the Company, subject to deduction of tax at source. The dividend, if approved, will be paid out of current year's surplus. Payment on account of equity dividend will absorb Rs.1.70 crs. (Rs. 4.25 crs).

OPERATIONS

During the year under review, the Company restructured its business into separate Strategic Business Units (SBU's) for each sector for increased focus on profitability and growth viz. Telecom Cables (Jelly Filled Telephone Cables & Optical Fibre Cables), Power Cables (HT & LT Cables), Housewiring Cables and a new business called Telenet Solutions which will undertake all activity relating to laying of cables, erecting towers and providing Turnkey Solutions for setting up communication networks involving Optical Fibre, Microwave and Copper.

TELECOM CABLES

The Company was successful in retaining its market share (together with its subsidiary Concepta Cables Ltd) inspite of increased competition and increased industry capacity. However, there was severe competition in BSNL business resulting in price reduction of over 17% for the entire industry.

The Company undertook cost effectiveness programmes at all levels along with optimization of design and raw material consumption norms and could successfully reduce input costs making up to some degree the price reduction offered by BSNL.

Despite shortage of Optic Fibre in the initial part of the year, the Company could improve its sales by over 50% to 95,000 FKM improving its market position. The Company also improved its acceptance of its cables with key private operators resulting in increased business.

POWER CABLES

In a difficult year for the Power Cables industry, both the Low Tension Cables (LT) & High Tension Cables (HT) businesses turned round the corner. This was achieved by streamlining operations, targeting more profitable business, by rationalising manpower base and by increasing the production capacity of the modern Silvassa plant. The Company consolidated its position in the profitable XLPE range of cables in the HT segment. The capacities at the new plant at Silvassa were further leveraged to increase the output from 2,000 KM to 3,000 KM.

HOUSEWIRING CABLES

The turnover of this business grew significantly in the territories where the cables were initially launched two years ago. 'RPG Cables' brand received wide recognition for quality among end users as well as Architects, Builders & Contractors.

FUTURE PROSPECTS

Telecom Cables

The prospects for the year 2002-03 looks promising for Optic Fibre Cables Business where the Company has already expanded its capacity to 444,000 FKM (in its subsidiary Concepta Cables Ltd). The Company expects to have good growth in business volume for Optic Fibre Cables in the coming year.

The Jelly filled Telephone Cable business however, is likely to show declining trend on account of increased usage of Optic Fibre based systems and introduction of wireless systems.

Power Cables

The government has unveiled an ambitious plan for the Power Industry, where it is envisaged that 1 lac megawatts corresponding to an investment of Rs.800,000 crores would be added by 2012. Further, since the government is in the

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process of separating the Transmission and Distribution facilities, the future should augur well for the power cables industry and the Company in particular.

Growth is expected in biotech, cement and infrastructure sectors which is expected to lead to an increase in demand for LT cables. This segment is highly competitive with many organised and unorganised sector players and consequently establishment of your Silvassa plant is yielding good returns and our market share will continue to improve.

With the modernisation of India's Transmission and Distribution network we are likely to see an upsurge in the Extra High Voltage Cables (EHV) business segment in 2002-03. The Company shall be aggressively pursuing exports and contracts in 2002-03 to improve its position.

Housewiring Cables

The Company is confident that it can establish a brand in the premium segment of the market with its 'Flame Retardant' Housewiring Cables.

The Company while planning to extend its range, has undertaken an extensive campaign with Architects, Builders, Contractors and also Electricians. Efforts are being taken to establish the brand through direct contacts with the end users.

Telenet Solutions

The Company has made a good beginning with an award of contract for undertaking outside plant (OSP) projects in Karnataka, Tamil Nadu and Andhra Pradesh from Private operators. The business of erection of telecom towers also looks promising.

SUBSIDIARIES

Pursuant to the provisions of Section 212 of the Companies Act, 1956, the Audited Accounts as of March 31, 2002 together with the Reports of the Directors and Auditors of the subsidiaries viz. Concepta Cables Ltd., Blue Niles Holdings Ltd., and KTL Industrial Finance Company Ltd., are attached.

DEPOSITS

The Company has been accepting deposits from the public and shareholders. Total amount of such fixed deposits as at March 31, 2002 is Rs.30.98 crs. Deposits amounting to Rs.37.24 lacs from 366 depositors remained unclaimed as at the end of the year. Subsequently, deposits of Rs.6.89 lacs have been repaid/renewed.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

The particulars as prescribed under the Rules appear in the Annexure forming part of the Directors' Report.

TOTAL QUALITY MANAGEMENT

Your Directors are happy to record the continued progress in Total Quality Management movement at all levels in the Company. The Thane Plant obtained ISO 18001 Certification. The Silvassa factory received ISO 9001 certification. The Mysore

Plant and Thane Plant received ISO 14001 certification besides already having ISO 9001. Mysore Plant received the prestigious RPG Quality Award 2001 in the Manufacturing Company category.

VOLUNTARY DELISTING OF THE COMPANY'S SECURITIES

The Company's equity shares are presently listed on the Stock Exchanges at Bangalore, Mumbai, National Stock Exchange, Ahmedabad, Kolkata, Delhi, Saurashtra Kutch, Jaipur and Vadodara. With computerisation of Stock Exchanges and facility of online trading, shareholders in remote areas have better accessibility to the computerised network and listing of the Company's equity shares on the exchanges at Ahmedabad, Kolkata, Jaipur, Saurashtra Kutch, Delhi & Vadodara is no longer considered necessary. The proposed de-listing has to be approved by the shareholder by a special resolution in the general meeting for which a proposal appears in the Notice of the ensuing Annual General Meeting.

HUMAN RESOURCES

Industrial relations continued to be cordial. Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report.

DIRECTORS

Mr. Haigreve Khaitan, Mr. B. L. Paranjape and Mr. V. N. Nadkarni retire by rotation, at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Dr. K. K. Sharma ceased to be a Director w.e.f. 23rd October, 2001. Your Directors wish to place on record their sincere appreciation of the valuable contribution made by Dr. K. K. Sharma during his tenure on the Board.

Mr. P. K. Mohapatra was appointed as Additional Director of the Company on 14th August, 2001. He holds office as Director upto the date of the ensuing Annual General Meeting. Notices have been received from some Members of the Company pursuant to the provisions of Section 257 of the Companies Act, 1956 signifying their intention to appoint Mr. P. K. Mohapatra as Director on the Board of the Company.

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

The Directors confirm that-

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) appropriate accounting policies have been selected and applied consistently and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002 and of the profit of the Company for the year ended 31st March, 2002;
- (iii) proper and sufficient care has been taken for maintenance

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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 annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

The Corporate Governance and Management Discussion & Analysis Reports form an integral part of this report and are set out as separate Annexures to this Report. The Certificate of the Auditors of the Company certifying compliance of the conditions of the Corporate Governance as stipulated in clause 49 of the Listing Agreement with Stock Exchanges is also annexed with the report on Corporate Governance.

AUDITORS' REPORT

With regard to paragraph 5 of the Auditors' Report, the observation of the Auditors read in conjunction with the Notes on Accounts appearing in Schedule OII5 annexed to the Balance Sheet and Profit and Loss Account, are self explanatory.

AUDITORS'

M/s. N. M. Rajji & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors express their gratitude to the Company's customers, shareholders, business partners viz. distributors and suppliers for their understanding and support.

Your Directors also record their appreciation and gratitude to Financial Institutions and Banks for their continued and timely assistance in meeting the Company's resource requirements. Finally, your Directors acknowledge the dedicated services rendered by all employees of the Company.

For and on behalf of the Board of Directors

H.V. Goenka
Chairman

Mumbai

Dated: 29th July, 2002.

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 217(1) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREIN AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2002.

A CONSERVATION OF ENERGY

Energy Generation Measures Taken

The Company has access to three sources of power, namely State Electricity Grid, DG sets and Wind Power. In order to optimize the energy consumption measures have

been taken to connect critical equipments at all the manufacturing units with diesel generators. The energy generation efficiency has been improved by 3% during the year by use of alternative fuel and improving loading of Diesel Generators. The ratio of use of power from generators to SEB Grid has been optimized to save on energy bill. The contract demand in all the manufacturing units have been brought down and the power factor is being further improved.

Creative use of natural lighting has been deployed in building for new project to save on lighting energy bill.

B TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R&D)

- | | | | |
|---|-----------------------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Specific areas in which R&D is Carried out by the Company | : | New product development like tough, ultra violet ray resistant PVC outer sheath with assured long life, Self curable electrometric compounds, Introduction of newly designed component in XLPE/ PVC power cables for enhancement of quality as well as cost effectiveness. Indigenisation of imported elastomers, New vendor development, Productivity enhancement through compound designs for both Power and Telecom cables. |
| 2 | Benefits derived as a result of the above R & D | : | Stayed competitive in present business area, Achieved customer satisfaction by innovative compound formulation and developed import substitutes. |
| 3 | Future plan of action | : | New product development like speciality compound for Arial application, Multistrand, flat house wiring cables with zero halogen low smoke compound. Cost effective new generation communication cable, Import substitution and cost effective speciality compound formulation. |

ANNUAL REPORT 2001-2002**4 Expenditure on R & D**

- | | | |
|------------------------------------------------------------|---|----------------|
| a. Capital | : | Rs. Nil |
| b. Recurring | : | Rs. 18.41 lacs |
| c. Total | : | Rs. 18.41 lacs |
| d. Total R & D Expenditure as percentage of total turnover | : | 0.55 % |

Technology Absorption, Adaptation and Innovation

- | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 Efforts in brief towards technology Absorption, adaptation & innovation | : | The technology for 132 KV XLPE cables with the help of our erstwhile Technical Collaborators BICC Cables, UK has been fully absorbed. Further inputs on extension of range and process improvements are continuing. |
| 2 Benefits derived as a result of the above efforts | : | Above efforts have helped the Company to be a leading manufacturer of EHV cables in the country, as cables are produced to international standards and specifications. |
| 3 In case of imported technology (imported during the last five years from the financial year) the following information may be furnished | | |
| a) Technology imported | : | Manufacture of Optical Fibre Cables |
| b) Year of import | : | 1995 |
| c) Has technology been fully absorbed | : | Absorbed to a great extent. |
| d) If not fully absorbed, areas where this has not taken place, reason therefor and future plans of action. | : | The phased programme for absorption of technology with the help of erstwhile Technical Collaborators BICC Cables, UK covering the period of collaboration is as per schedule. |

C FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earned was Rs.401.51 lacs and outflow was Rs. 2900.31 lacs.

For and on behalf of the Board of Directors

H. V. Goenka
Chairman

Mumbai
Date: 29th July, 2002

Report  junction.com