



RPG CABLES LIMITED

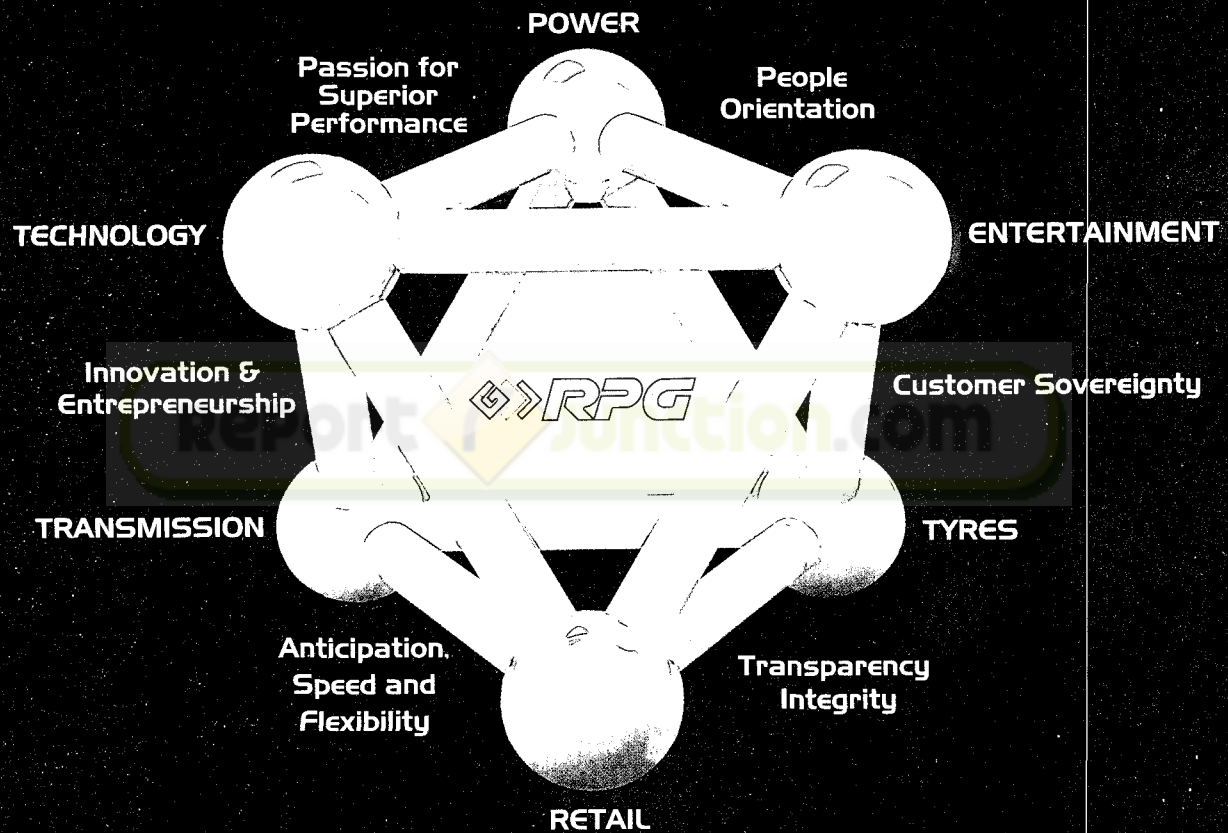
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26th Annual Report 2007-2008



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RPG CABLES LIMITED

BOARD OF DIRECTORS

Mr. R. A. Naik
Mr. H. C. Dalal
Mr. M. K. Kumar
Mr. Nikhil Gupta, Managing Director

AUDIT COMMITTEE

Mr. R. A. Naik
Mr. H. C. Dalal
Mr. M. K. Kumar

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

Mr. H. C. Dalal
Mr. M. K. Kumar
Mr. Nikhil Gupta

COMPANY SECRETARY

Mr. Jitin Parekh

REGISTRARS AND SHARE TRANSFER AGENTS

Alpha Systems Private Limited
30, Ramanna Residency,
4th Cross, Sampige Road,
Malleswaram, Bangalore 560 003.
Phone : 080-23460815 / 816 / 817 / 818
Fax : 080-23460819
Email : alfont@bgl.vsnl.net.in

MANAGEMENT TEAM

Mr. Nikhil Gupta
Mr. Vasant Pandit
Mr. S. Venuji
Mr. Amit Sudhakar
Mr. Ratish Jha

REGISTERED OFFICE

Hebbal Industrial Area,
Hootagalli, Belavadi Post,
Mysore-571 186.
Phone : 0821-655 3375 / 655 3376
Fax : 0821-2402499

CORPORATE OFFICE

Ceat Mahal
463, Dr. Annie Besant Road,
Worli, Mumbai - 400 030.
Ph. : 022-66670300
Fax : 022- 24930206
Website : www.rpgcables.com

BANKERS

Deutsche Bank AG
HDFC Bank Ltd.

AUDITORS

N. M. Rajji & Co., Chartered Accountants

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The Annual Report can be viewed at www.rpgcables.com

ANNUAL REPORT 2007-08**NOTICE**

Notice is hereby given that the twenty-sixth Annual General Meeting of the Members of RPG Cables Limited will be held on Friday, the 25th day of July, 2008 at Hebbal Industrial Area, Hootagalli, Belavadi Post, Mysore 571 186 at 12.00 noon to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and the Profit and Loss Account for year ended on that date together with the reports of the Directors and Auditors.
- 2) To appoint a Director in place of Mr. M. K. Kumar, who retires by rotation as the Director of the Company and being eligible offers himself for re-appointment.
- 3) 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 & Co., 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:

- 4) To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (the "Act") and in accordance with the approval of Central Government for a period of five years with effect from February 01, 2005 for appointment and payment of remuneration as set out in the explanatory statement (existing remuneration) to Mr. Nikhil Gupta, Managing Director and in continuation of the Special Resolution passed by the Members at the 23rd Annual General Meeting held on September 20, 2005, consent of the Company be and is hereby accorded for payment of existing remuneration to Mr. Nikhil Gupta, Managing Director of the Company for the remaining tenure of two years as Managing Director with effect from February 01, 2008 in terms of the recommendation of the Remuneration Committee and as approved by the Board of Directors of the Company

"RESOLVED FURTHER THAT all terms and conditions as set out in the Agreement dated February 08, 2005 entered with Mr. Nikhil Gupta, Managing Director shall remain the same."

"RESOLVED FURTHER THAT the Board of Directors of the Company (the "Board") be and is hereby authorised to alter, vary and modify the terms and conditions of the said appointment and the Agreement in such manner as may be agreed to between the Board and Mr. Nikhil Gupta.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during Mr. Nikhil Gupta's term of office as Managing Director, he will be paid the remuneration including all other benefits and perquisites set out in the said Agreement as the minimum remuneration.

"RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule XIII of the Act the Board be and is hereby authorised to vary or increase the remuneration including the perquisites within prescribed limits or ceiling and the Agreement between the Company and Mr. Nikhil Gupta be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company at general meeting.

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution".

NOTES:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL TO 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 material facts relating to the special business mentioned under item no. 4 of the Notice as required under Section 173 (2) of the Companies Act, 1956 is annexed hereto.
- 3 Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
- 4 The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, July 18, 2008 to Friday, July 25, 2008 (Both days inclusive).
- 5 Members are requested to:
 - a) refer to the shareholders' guide annexed to the Corporate Governance Report forming part of the Annual Report for information
 - b) bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
 - b) quote ledger folio/DP ID and Client ID in all their correspondence.

Bangalore
Date: May 20, 2008

By Order of the Board of Directors

Registered Office:
Hebbal Industrial Area,
Hootagalli, Belavadi Post,
Mysore 571 186

Jitin Parekh
Sr. Manager Legal &
Company Secretary

RPG CABLES LIMITED

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item no. 4

The Board of Directors of the Company (the "Board") by a resolution dated January 28, 2005 appointed Mr. Nikhil Gupta as Managing Director of the Company for a period of five years with effect from February 01, 2005. Accordingly, an agreement dated February 08, 2005 was entered with Mr. Nikhil Gupta setting out the tenure and terms and conditions of his appointment. The appointment of Mr. Nikhil Gupta and the remuneration payable to him on his appointment was however subject to the approval of the Members of the Company and of the Central Government.

The Central Government had approved the appointment and payment of remuneration (as set out herein below) of the Managing Director for a period of 5 years from the date of appointment i.e. February 01, 2005. The members of the Company vide special resolution passed at the Annual General Meeting (AGM) of the Company held on September 20, 2005, approved the appointment of the Managing Director for a period of 5 years from the date of appointment i.e. upto January 31, 2010 and in accordance with schedule XIII of the Companies Act, 1956, approved the payment of remuneration for the period of 3 years from the date of appointment i.e. upto January 31, 2008.

The authority granted by the members of the Company for the payment of remuneration accordingly expired on January 31, 2008. The Remuneration Committee has recommended to the Board the continuation of payment of existing remuneration to Managing Director for the remaining tenure of two years with effect from February 01, 2008. The Board of Directors at its meeting held on January 30, 2008, subject to the approval of shareholders at the ensuing Annual General Meeting has approved the payment of the existing remuneration as set out herein below to the Managing Director for the remaining tenure of two years with effect from February 01, 2008:

- a) Salary: Rs. 72,500/- per month
b) Perquisites:

In addition to the salary the Managing Director shall be entitled to the following perquisites:

- i) Company Car: Rs. 1,000/- per month
ii) Telephone at Residence: Rs. 1,500/- per month

All terms and conditions as contained in the Agreement dated February 08, 2005 remains unchanged.

This may be treated as an abstract pursuant to section 302 of the Companies Act, 1956.

Additional information required to be given alongwith a Notice calling General Meeting as per proviso in sub-para (c) of para 1 of Section II of the Part II of Schedule XIII of the Companies Act, 1956 is given below:

I. General Information :			
(1) Nature of industry	Manufacturing and sale of all types of Power and Telecom cables.		
(2) Date or expected date of commencement of commercial production.	The Company has been in the business for more than 25 years		
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable		
(4) Financial performance	Rs. in '000		
		2007-08	2006-07
	Total Income	3,129,754	2,122,118
	Total Expenses	3,200,608	2,103,388
	Net Profit/(Loss)	(70,854)	18,730
	EPS (in Rs.)	(2.27)	0.65
	Total Assets	3,666,308	2,963,911
	Accumulated Losses	1,524,700	1,452,456
(5) Export performance and net foreign exchange collaborations	The net export sales during the year 2007-2008 was Rs. 7.09 Crores The net foreign exchange outflow for the year 2007-2008 was Rs. 32.52 Crores		
(6) Foreign investments or collaborators, if any.	Foreign Equity holdings constitute 3.36% of the total paid-up capital as on March 31, 2008.		

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II. Information about the appointee:	
(1) Background details	Name: Mr. Nikhil Gupta Designation: Managing Director Father's name: Mr. Anand Swaroop Gupta, Nationality: Indian, Date of Birth: October 06, 1957, Qualifications: Bachelor of Arts (Hons), Chartered Accountant, Experience: Over 27 years.
(2) Past remuneration	The gross annual remuneration to Mr. Nikhil Gupta in the year 2006-07 was Rs. 11.21 Lacs and Rs. 11.35 Lacs in the year 2007-08.
(3) Recognition or awards	Rank holder in the Institute of Chartered Accountants of India.
(4) Job profile and his suitability	He has experience of approximately 23 years in the Electrical industry. He has been associated with the Company in various capacities and is incharge of day to day affairs of the Company.
(5) Remuneration proposed	Basic Salary Rs. 72,500/- per month Other perquisites the monetary value of which shall not exceed Rs. 2,500/- per month.
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Compared to the remuneration with respect to the industry, present financial situation and size of the Company, etc. the remuneration to be paid to Mr. Nikhil Gupta is reasonable.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Nikhil Gupta has no other pecuniary relationship with the Company or with the managerial personnel except the remuneration to be paid to him as Managing Director of the Company.
III. Other information :	
(1) Reasons of loss or inadequate profits	The losses of the Company can be attributed to two major elements namely, industry trends and higher financial charges. The Telecom Cable industry faced huge reduction in demand and overcapacity during the years 2002-2006. The higher financial charges were due to availment of substantial loans by the Company to part-finance the capacity expansion in Telecom Cables in the past. The Company has started making cash profits since FY 2006-07 and is constantly improving its performance.
(2) Steps taken or proposed to be taken for improvement	<ul style="list-style-type: none"> • The Company has diversified into Power Cable business. • The Company has also entered into one-time settlement with the lenders during FY 2006-07 achieving reduction in interest costs. • The Company has implemented cost cutting measures relating to administration and other overheads resulting in substantial savings.
(3) Expected increase in productivity and profits in measurable terms.	The performance of the Company has been constantly improving. The turnover increased from Rs. 207.06 crs in 2006-07 to Rs. 312.78 crs in 2007-08. Earnings before interest, depreciation, tax and amortization increased from Rs. 22.30 crs to Rs. 23.24 crs. The above trend is expected to continue.

IV. Disclosures

The details of the remuneration package of managerial personnel, such as salary, benefits, bonuses, stock options, pensions, fixed component and performance linked incentives, service contracts, notice period, severance fees, stock option details etc. are given in the Corporate Governance report attached to the Directors report.

The Board commends the approval by the members of the payment of remuneration to Managing Director.

None of the Directors are concerned or interested in the Resolution at item no. 4 of the accompanying notice except Mr. Nikhil Gupta as it relates to payment of remuneration to him.

The Agreement dated February 08, 2005 referred to in the Resolution at Item no. 4 of the accompanying Notice and the approvals received from the Central Government are open for

inspection by the members at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day of the Company except Saturday and Sunday.

Bangalore
Date: May 20, 2008

By Order of the Board of Directors

Registered Office:
Hebbal Industrial Area,
Hootagalli, Belavadi Post,
Mysore 571 186

Jitin Parekh
Sr. Manager Legal &
Company Secretary

RPG CABLES LIMITED

DIRECTORS' REPORT

Your Directors hereby present the twenty-sixth Annual Report together with Statement of Audited Accounts of the Company for the year ended March 31, 2008.

FINANCIAL RESULTS

(Rs. in Crs)

	2007-2008	2006-2007
Turnover (Inclusive of other income)	360.38	239.95
Gross Profit/(Loss) (before depreciation, interest & tax)	23.24	22.30
Less: Depreciation	3.47	3.96
Interest	26.86	16.47
Profit/(Loss) before Tax	(7.09)	1.87
Add/(Less): Provision for Taxation written (off)/back (net of fringe benefit tax)	(0.13)	(0.10)
Profit/(Loss) after Tax	(7.22)	1.77
Balance brought forward from previous year	(145.25)	(147.02)
Balance carried to Balance Sheet	(152.47)	(145.25)

REVIEW OF OPERATIONS:

The netsales of the Company grew by about 50% to over Rs. 350 crores during the year and the gross profits continue to improve. The net profit before tax is lower due to One-time income of Rs. 27.62 crs in 2006-07 on settlement with certain lenders. On completion of the final phase of restructuring and grant of relief package as proposed by the Company to BIFR, the performance is expected to further improve.

CHANGE IN EQUITY SHARE CAPITAL:

During the year, 7,64,583 equity shares of Rs. 10/- each were allotted to Stressed Assets Stabilization Fund (SASF) against conversion of their loans amounting to Rs. 367 lacs under one time settlement sanctioned by SASF at a price of Rs. 48/- per share.

The promoters exercised the option to convert 12,75,000 convertible warrants into equivalent number of equity shares of Rs. 10/- each at a price of Rs. 46.30 per share out of the total 33,33,500 optionally convertible warrants allotted to promoters on March 30, 2007. Accordingly, 12,75,000 equity shares were allotted to the promoters. The Share Capital of the Company thus stands increased from Rs. 31.26 Crores to Rs. 33.30 Crores

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are required to be set out in the annexure to the Directors Report.

However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Members who are desirous of obtaining such particulars are requested to write to the Company.

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

The information relating to energy conservation, technology absorption, foreign Exchange earnings and outgo as required to be disclosed under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure to this Report.

DIRECTORS

Mr. M. K. Kumar would retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Necessary resolution relating to his re-appointment is included in the Notice of Annual general Meeting. The Board of Directors recommends the re-appointment of Mr. M. K. Kumar as Director of the Company.

Brief resume of Mr. M. K. Kumar along with other particulars as stipulated under Clause 49 of the Listing Agreements with Stock Exchanges, are provided in the Report on Corporate Governance forming part of the Annual Report.

DEPOSITS

The Company has not accepted any fixed deposits during the year under review.

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

The Draft Rehabilitation Scheme (DRS) submitted by the Operating Agency (OA) to BIFR was circulated to all concerned, from whom the relief and concessions are proposed in the DRS. The suggestions/objections would be considered by BIFR during the current financial year before approving a suitable rehabilitation package for the Company.

BIFR has passed an interim Order dated April 08, 2008 directing State Bank of India, the Operating Agency (OA) to constitute an Asset Sale Committee (ASC) for the sale of portion of the Thane land belonging to the company. Accordingly, ASC has been constituted and initiated the process of sale.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that -

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

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- b. 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 March 31, 2008 and the loss of the Company for the year ended on that date;
- c. Proper and sufficient care has been taken for 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; and
- d. The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges alongwith a certificate from Auditors of the Company confirming compliance of Corporate Governance and Managing Director's declaration regarding compliance with the Code of Conduct by Board of Directors and Senior management personnel forms part of this Annual Report.

AUDITORS AND AUDITORS' REPORT

M/s. N. M. Raiji & Co., Chartered Accountants, Statutory Auditors of the Company, holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from them to the effect that their reappointment, if made, would be within the limits under section 224(1B) of the Companies Act, 1956.

Members are requested to appoint M/s N. M. Raiji & Co., Chartered Accountants as the Statutory Auditors of the Company.

Note no. 14 of the Notes to the Accounts is self explanatory in respect of the comment made by Auditors in their report.

As per the requirement of Central Government and pursuant to Section 233B of the Companies Act, 1956, your Company carries out an audit of cost records relating to electrical cables every year. Subject to the approval of Central Government, the Company has appointed M/s. P. D. Dani & Co., Cost Auditors to audit the cost accounts for the financial year 2008-09.

MANAGEMENT DISCUSSION AND ANALYSIS**INDUSTRY STRUCTURE**

The Company operates in two segments viz., Power Cables and Telecommunication Cables. The respective industry scenario is as under:

Power Cables

The demand for Power Cables still continues to be strong. The Company could only partially capitalize on this demand due to working capital constraints. The completion of financial restructuring enabled the Company to obtain certain short term credit facilities for working capital requirements, thereby resulting in improved turnover and margins during the year under report.

Telecom Cables

There is a steady improvement in the off-take of both Jelly Filled and Optical Fibre Telecom Cables, due to the expansion in the networks of the State owned telecom companies, as well as the private telecom operators. The Company successfully executed an order of about Rs. 37 crores from Mahanagar Telephone Nigam Limited.

The above trends are likely to continue in the near future, resulting in substantive growth, particularly for Power Cables.

SEGMENT WISE & PRODUCT WISE PERFORMANCE**Financial Highlights****Income Statement**

Rs. in '000

Particulars	31.03.2008	31.03.2007
Profit before Depreciation, Interest and Tax	232,377	223,042
Financial Expenses	268,570	164,685
Depreciation	34,661	39,627
Profit before tax	(70,854)	18,730
Tax (Net)	1,391	1,055
Profit after Tax	(72,245)	17,675

Segment wise performance

Rs. in '000

Net Sales	31.03.2008	31.03.2007
Telecom Cables	6,03,727	1,98,230
Power Cables	29,17,168	18,99,014
Others	6,374	9,229
Total	35,27,269	21,06,473

RISKS, CONCERNS AND THREATS

The Company is awaiting sanction of a suitable rehabilitation package from the BIFR. Until the same is approved and the Company's networth is positive, the company's ability to raise resources for continued growth and expansion will remain at risk.

The steep and unbridled increase in commodity prices, such as aluminum and copper, continue to have an adverse effect on the operations and profitability of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an effective system of internal audit to ensure that there exists a proper control over all the transactions across all the units of the Company, safeguarding the assets/resources, protecting them from loss or unauthorized use. Transactions are authorized, recorded and reported in compliance with various laws and Accounting Standards.

RPG CABLES LIMITED

The internal audit programme comprises well-documented policies, guidelines, authorities and approval procedures. The Internal Audit Department periodically conducts audits of the key areas of business and systems and reports to the Audit Committee. Significant audit observations, follow-up actions and audit plans are reported to the Audit Committee of the Directors.

TOTAL QUALITY MANAGEMENT & HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Quality Management is given utmost importance. All the plants of the Company have ISO Certification.

An Employee Engagement Survey was conducted in order to obtain the views of the employees and their suggestions for the Company to become the 'Preferred Employer'.

Regular Induction Programs are being carried out by the Company to enable every new employee to understand the organization culture.

Industrial Relations continue to be cordial. Employees are involved in Small Group Activities (SGA's) which helps in bringing cohesion, togetherness and sense of belonging to the organization which in turn results in greater productivity. The total numbers of employees as at March 31, 2008 were 407.

FORWARD LOOKING STATEMENT

This report contains forward looking statements that involve risks and uncertainties. Actual result may vary from those expressed or implied depending upon economic conditions affecting demand, supply and price conditions, government policies and other incidental factors.

ACKNOWLEDGEMENT

Your Directors express their gratitude to the Company's customers, shareholders, business partners, distributors and Banks for their understanding and support in difficult times.

Your Directors also wish to place on record appreciation of the committed services rendered by all employees of the company.

For and on behalf of the Board

Nikhil Gupta
Managing Director

R. A. Naik
Director

Bangalore
Dated: May 20, 2008

ANNEXURE 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 2008

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken:

- Usage of EB power in place of DG power by installation of UPS system in XLPE plant.
- Star/ delta switches for compressors. Monitoring of Power Factor to near unity.
- Major steps taken in electrical energy conservation by 1.5% of lighting load.
- Turbine ventilation fan provided in the conductor section which has zero energy consumption.
- Electrical panel modified to reduce 10% of energy consumption.
- Monitoring of electrical energy enhanced to have more control on energy consumption.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

Installation and commissioning of screw compressor for Air requirement of the plant.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

- Saving of about Rs. 90 Lacs in plant expenses for manufacturing of HT Cables.
- Total energy savings by 1.5% in the manufacturing of LT Cables.

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

1. Specific areas in which R & D is carried out by the company:

- Development of cables for different applications.
- Improve manufacturing processes for better product quality and reduction of wastes.

2. Benefits derived as a result of the above R & D.

- Saving of about Rs. 5 Lacs/ annum in material cost.
- Above efforts have helped the company to diversify its product portfolio and establishing presence in emerging technology sectors, stay competitive and achieve greater customer satisfaction.
- Commercialise new cable product such as LSZH Cables, Multi-Core Flexible Cable and Aerial Bunch Cables.

3. Future Plan of Action

- To take up development of water tight conductors and power cables for voltages upto 220 KV. Plans are afoot also to develop cost effective and improved speciality compound and new types of cables for diverse applications.

ANNUAL REPORT 2007-08**4. Expenditure on R & D :**

- (a) Capital : Nil
- (b) Recurring : Rs.0.66 lacs
- (c) Total : Rs.0.66 lacs
- (d) Total R & D expenditure as a percentage of total turnover is negligible.

Technology Absorption, Adaptation and Innovation**1. Efforts, in brief, made towards technology absorption, adaptation and innovation :**

- Active efforts were made to optimize material consumption in cable manufacturing and usage of state of art drum wrapping material.
- Active efforts are being taken to optimise diesel consumption in the Hot Water Boiler Section by putting Bio-gas based Boiler.

2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. :

- The above initiatives have resulted in minimizing material consumption and less usage of wood for drum packaging.

- The above initiatives will gives saving of at least 8 to 10 KL Diesel consumption per month.

3. No new Technology is imported during the financial year**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:****Earnings:**

F. O. B. Value of exports: Rs. 7.09 Crores

Outgo:

CIF value of imports: Rs. 35.30 Crores

Expenditure in foreign currency: Rs. 4.31 Crores

For and on behalf of the Board

Nikhil Gupta
Managing DirectorR. A. Naik
DirectorBangalore
Dated: May 20, 2008**REPORT ON CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement a Report on Corporate Governance is given below.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes in maintaining global standards of corporate governance towards all its stakeholders in order to integrate the stakeholder's interests with corporate goals. Your Company is focused to operate within the well accepted parameters of ethics, justice and equity. Your Company has adopted best practices of Corporate Governance for ensuring protection of its stakeholders since the Company believes in transparency and fair dealing, thus gaining stakeholders confidence.

2. BOARD OF DIRECTORS**a. Composition:**

Board of Directors presently has strength of 4(four) members comprising of One Executive Director and Three Non-Executive Independent Directors, the Chairman being Non- Executive Director. The day to day management of the Company is conducted by the Managing Director subject to the supervision and control of Board of Directors.

b. Attendance of each Director at Board Meeting and previous Annual General Meeting (AGM):

Name of Director Director	Category	No. of Board Meetings attended (Out of 4 Meetings held)	Attendance at the last AGM	Directorship in other Companies including private companies in India	No. of Committees in which chairman/ Member (other than RPG Cables Limited)		No. of shares held as on March 31, 2008
					Member	Chairman	
Mr. R. A. Naik	Non-Executive /Independent	4	Yes	1	Nil	Nil	Nil
Mr. H. C. Dalal	Non-Executive /Independent	4	Yes	Nil	N.A.	N.A.	1000
Mr. M. K. Kumar	Non-Executive /Independent	1	Yes	Nil	N.A.	N.A.	15
Mr. Nikhil Gupta (Managing Director)	Executive	4	Yes	Nil	N.A.	N.A.	19742