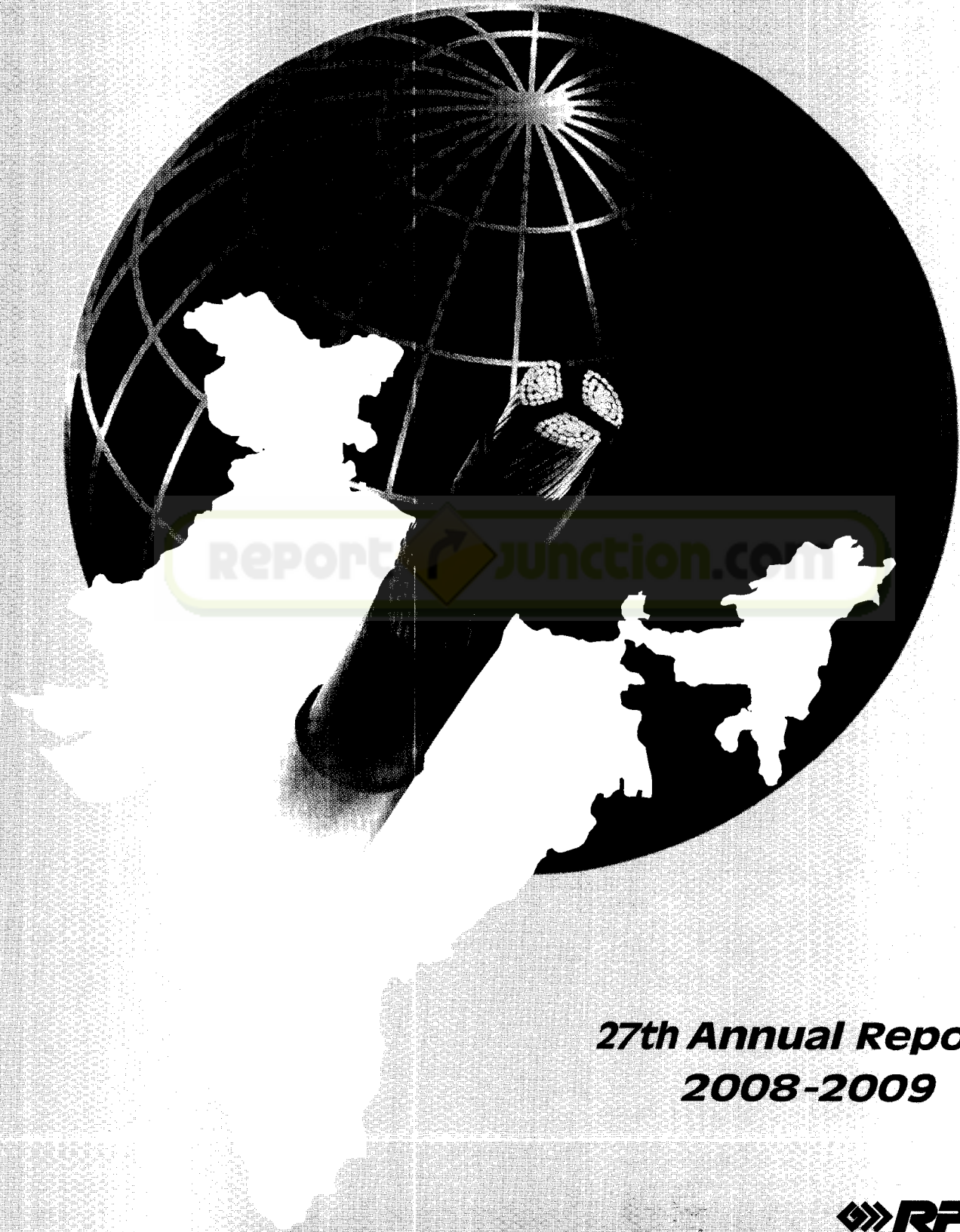




**RPG CABLES LIMITED**

*Your Vital Link*



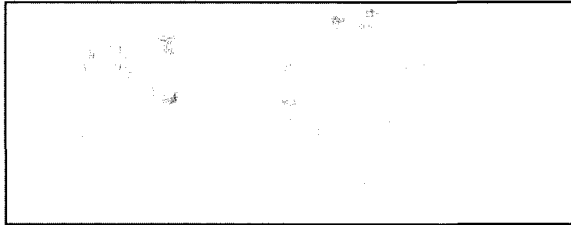
**27th Annual Report  
2008-2009**



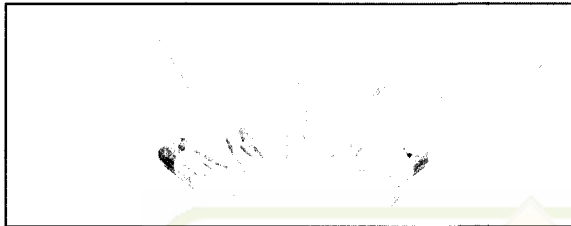
## Our diverse Products Portfolio

We offer a wide range of products which are extremely cost efficient. We adopt an innovative approach to deliver customised solutions suiting our clients' varied demands. Our power cables are of the highest international quality, meeting the most stringent norms. A thoroughly professional approach, superior product quality, timely deliveries, price benefits and personalised customer support justify our position in the league of leaders.

### MV & EHV Cables



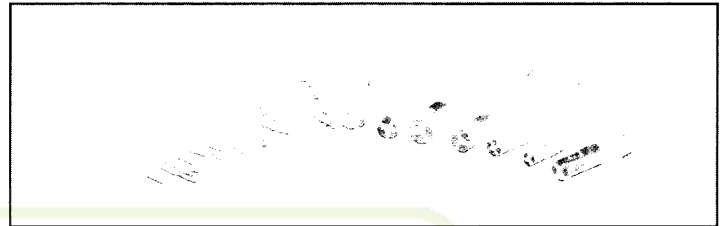
### Telecom Cables



### Exhaustive Range of Power Cables

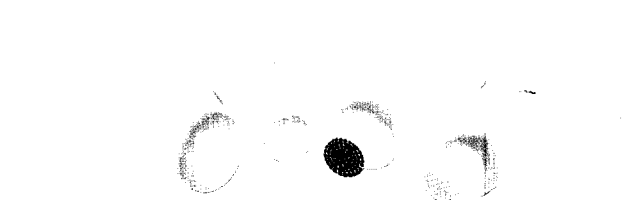


### LT Cables



## Exploring Global Markets

RPG Cables has been making major export thrusts in keeping with its global aspirations. Our Products match international Quality Standards and are made according to BS and IEC specifications. They cross borders to countries such as, Australia, Russia, Malaysia, Zimbabwe, Sri Lanka etc., and are now poised to access more advanced European and North American Markets.



We are amongst the very few EHV cables manufacturing companies from India

As a part of a group that generates, transmits and distributes electrical power, RPG Cables is uniquely positioned within the transmission space. Ever since production commenced in 1959, there has not been a single instance of power cable failure. Our steadfast and long term association with clients are testimony to the high level of customer satisfaction we offer.

## Quality Commitment

Our leadership is characterised by an uncompromising commitment to quality. Adhering to established standards we have graduated from conventional quality control to sophisticated and advanced quality assurance methodology.

### Our Identity

- ISO 9001-2000 & ISO 14001 approved.
- Recipient of the SGA and Kaizan awards
- Winner of RPG Organisational Excellence Awards

**RPG CABLES LIMITED****BOARD OF DIRECTORS**

Mr. R. A. Naik  
 Mr. H. C. Dalal  
 Mr. M. K. Kumar  
 Mr. Ajai Singh  
 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 TRANSFER AGENTS**

Alpha Systems Private Limited  
 30, Ramanna Residency,  
 4<sup>th</sup> Cross, Sampige Road,  
 Malleswaram, Bangalore: 560 003.  
 Phone: 080 - 23460815 / 816 / 817 / 818  
 Fax: 080 - 23460819  
 Email: alfint@vsnl.com

**MANAGEMENT TEAM**

Mr. Nikhil Gupta  
 Mr. Vasant Pandit  
 Mr. Ratish Jha  
 Mr. Sachin Raole  
 Mr. Rajat Passi

**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. Raiji & Co., Chartered Accountants

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The Annual Report can be viewed at [www.rpgcables.com](http://www.rpgcables.com)

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## ***RPG CABLES LIMITED***

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**ANNUAL REPORT 2008-09****NOTICE TO THE SHAREHOLDERS**

Notice is hereby given that the twenty-seventh Annual General Meeting of the Members of RPG Cables Limited will be held on Thursday, the 10<sup>th</sup> day of September, 2009 at Hebbal Industrial Area, Hootagalli, Belavadi Post, Mysore 571186 at 11:00 a.m. to transact the following business:

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2009 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. R. A. Naik, 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. Raiji & 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".

**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 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.
- 3 The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 03, 2009 to Thursday, September 10, 2009 (Both days inclusive).

- 4 Members are requested to send their queries, if any atleast seven days in advance of the meeting so that the information can be made available at the meeting.
- 5 Shareholders of erstwhile Wiltech India Limited, Asian Cables & Industries Limited and Upcom Cables Limited, who have yet not surrendered their share certificate/s are advised to surrender the same immediately to the Registrars & Share Transfer Agents of the Company so as to enable them to issue shares of the Company in exchange thereof at the earliest.
- 6 Members are requested to:
  - a) refer to the shareholders' guide annexed to the Corporate Governance Report in the Annual Report for general information / FAQs.
  - b) bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
  - c) quote folio Nos. / DP ID and Client ID in all their correspondence.
- 7 Pursuant to the provisions of the Companies Act, 1956 dividend declared for the financial year 2001-02 at the Annual General Meeting of the Company held on September 27, 2002, if not claimed within seven years of such declaration i.e. upto September 26, 2009 will be transferred to Investor Education and Protection Fund (IEPF). Members who have not encashed their dividend warrant for the financial year 2001-02 are requested to lodge their Claims at the Corporate office of the Company at Ceat Mahal, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030 under the heading 'Dividend Revalidation'. It may also be noted that once the unclaimed dividend is transferred to IEPF, as above, no claim shall lie in respect thereof.

Place: Mumbai  
Date: June 30, 2009

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



## DIRECTORS' REPORT

Your Directors hereby present the twenty-seventh Annual Report together with Statement of Audited Accounts of the Company for the year ended March 31, 2009.

### FINANCIAL RESULTS

(Rs. in Lacs)

	2008-2009	2007-2008
Turnover (Inclusive of other income)	38782.41	35552.11
Gross Profit/(Loss) (before depreciation, interest & tax)	2426.16	2323.77
Less: Depreciation	359.39	346.61
Interest	2757.67	2685.70
Profit/(Loss) before Tax	(690.90)	(708.54)
Add/(Less): Provision for Taxation (including fringe benefit tax)	(14.27)	(13.91)
Profit/(Loss) after Tax	(705.17)	(722.45)
Balance brought forward from previous year	(15247.00)	(14524.55)
Balance carried to Balance Sheet	(15952.17)	(15247.00)

### REVIEW OF OPERATIONS

The Company's business volumes & profitability continue to improve. During the year, the Company has increased the exports business to Rs. 10,990.65 Lacs and converted a part of its Jelly Filled Telecom Cables facility at Mysore to manufacture Low Tension Power Cables.

### CHANGE IN EQUITY SHARE CAPITAL

During the year, 61,01,511 equity shares of Rs. 10/- each were allotted to Deutsche Bank, AG, Hong Kong Branch upon exercise of option for conversion of 500 Fully Convertible Debentures of Rs. 5,65,000/- at a premium of Rs. 36.30 per share, aggregating to Rs. 28250 Lacs

The promoters also exercised the option to convert the balance 20,58,500 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 them on March 30, 2007. Accordingly, 20,58,500 equity shares were allotted to the promoters.

The Share Capital of the Company as on March 31, 2009 stands increased from Rs.3330.13 Lacs to Rs. 4146.13 Lacs.

### 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. R. A. Naik 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. R. A. Naik as Director of the Company.

Brief resume of Mr. R. A. Naik along with other particulars as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, are provided in the Report on Corporate Governance forming part of the Annual Report.

In terms of the Sanctioned Scheme, Mr. Ajai Singh has been appointed as a special Director on the Board of the Company by the Board for Industrial and Financial Reconstruction (BIFR) for a period of three years.

### DEPOSITS

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

### REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR)

BIFR vide its Order dated January 27, 2009 sanctioned the rehabilitation scheme for the Company. Necessary steps are being taken to implement the provisions of the scheme.

### 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;
- 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, 2009 and the loss of the Company for the year ended on that date;
- Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act,

**ANNUAL REPORT 2008-09**

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, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s. N. M. Raiji & Co., Chartered Accountants to the effect that their reappointment, if made, would be within the limits under section 224(1B) of the Companies Act, 1956.

Note no. 12 of the Notes to the Accounts is self explanatory in respect of the comment made by Auditors in their report.

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

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 2009-10.

**MANAGEMENT DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

**Power Cables**

Slowdown in orders is observed due to global meltdown and financial constraints. Government of India is planning Infrastructure projects with 80000 MW power generation in next five years. Many new capacities would be generated in near term in view of continuous demand of cables. The Company obtained certain short term credit facilities for working capital requirements, thereby resulting in improved turnover and margins during the year under report. The Company commenced manufacturing of LT Cables at its Mysore factory with an installed capacity of 5000 km per annum. The Company successfully executed a single export order of about Rs. 110 crores for supply of Power Cables to Afghanistan.

**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 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 Lacs)

Particulars	31.03.2009	31.03.2008
Profit before Depreciation, Interest and Tax	2426.16	2323.77
Financial Expenses	2757.67	2685.70
Depreciation	359.39	346.61
Profit before tax	(690.90)	(708.54)
Tax (Net)	14.27	13.91
Profit after Tax	(705.17)	(722.45)

**Segment wise performance**

(Rs. in Lacs)

Sales	31.03.2009	31.03.2008
Telecom Cables	2227.11	5919.85
Power Cables	36250.16	29004.98
Others	28.45	63.75
Total	38505.72	34988.58

**RISKS, CONCERNS AND THREATS**

The company is experiencing continuous delay in realisation of dues from customers. Increase in cycle time from receipt of order to realization of cash affecting cash flow of the company. Economic situation globally as well as raw material and forex volatility are impacting business and the same is likely to impact next financial year.

The Company has been sanctioned a suitable rehabilitation scheme from the BIFR. However, one of the parties has challenged the said scheme before the Appellate Authority and the same is pending.

**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, 2009 were 411.

### **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

Place : Mumbai

Dated : June 30, 2009

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**ANNUAL REPORT 2008-09****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 31<sup>ST</sup> MARCH 2009

**A. CONSERVATION OF ENERGY****(a) Energy Conservation Measures Taken:**

- Power Factor maintained near unity.
- Use of screw compressor instead of reciprocating compressor for plant Air requirement.
- Monitoring of electrical energy enhanced to have more control on energy consumption.
- Replacement of conventional Tube lamps and Compact Fluorescent Lamps (CFL) with LED lamps in phased manner.
- Major steps taken in electrical energy conservation through lighting load & other modifications.

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

- Installation of AC drives and Thyristorised Temperature control system to reduce Energy consumption.
- Installation of Solar street lights and solar emergency lighting.

**(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 approximately Rs.1 crore in plant expenses.
- About 30% reduction in Lighting Energy costs.

**B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT (R&D)****1. Specific areas in which R & D is carried out by the company:**

- Development of water tight conductors.
- Improve manufacturing processes for better product quality and reduction of wastes.
- Reduction of conductor diameter.

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

- Saving of about Rs. 50 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

**3. Future Plan of Action**

- To take up development of power cables for voltages upto 220 KV. Plans are afoot also to develop new types of cables for diverse applications.

**4. Expenditure on R & D:**

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

**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 .
- We are in consultation with Waste Heat recovery Boiler manufacturers to explore possibilities of utilising heat generated in Incinerator for heating curing tank.
- Alternate method for on line curing to minimise the usage of hot water generator is under trial.

**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 reducing material consumption in cables.
- The above initiatives will save atleast 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.10,990.65 Lacs

Outgo:

ClF value of imports: Rs. 1,781.01 Lacs

Expenditure in foreign currency: Rs. 214.95 Lacs

For and on behalf of the Board

Nikhil Gupta  
Managing Director

R. A. Naik  
Director

Place : Mumbai  
Dated : June 30, 2009

# RPG CABLES LIMITED

## 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 5 (Five) members comprising of One Executive Director, three Non-Executive Independent Directors and one Special Director nominated by Hon'ble Board for Industrial and Financial Reconstruction, the Chairman being Non-Executive Independent 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 held in Financial Year 2008-09 and previous Annual General Meeting (AGM):

Name of 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, 2009
					Member	Chairman	
Mr. R. A. Naik	Non-Executive/ Independent	4	Yes	1	Nil	Nil	Nil
Mr. H. C. Dalal	Non-Executive/ Independent	3	Yes	Nil	N.A.	N.A.	Nil
Mr. M. K. Kumar	Non-Executive/ Independent	2	Yes	Nil	N.A.	N.A.	15
Mr. Nikhil Gupta (Managing Director)	Executive	4	Yes	Nil	N.A.	N.A.	19742
*Mr. Ajai Singh	Special Director	N.A.	N.A.	Nil	N.A.	N.A.	N.A.

\*Appointed w.e.f. 01-04-2009 on the Board of the Company by Hon'ble Board for Industrial & Financial Reconstruction. Mr. Ajai Singh has held various positions as joint & additional secretary in the Government of India during 1992-2007.

Minimum four Board Meetings are held each year by giving advance notice and circulating the agenda to all the Directors in advance. In case of business exigencies or urgency of matters, resolutions are passed by circulation. All departments of the Company are encouraged to communicate well in advance to the Company Secretary the matters requiring discussion/approval/decision at the Board/ Committee meetings.

#### c. Number and dates of the Board Meetings:

During the financial year 2008-09, four Board Meetings were held. The dates on which meetings held, total strength and number of Directors present are as under:

Sr. No	Date of Board Meeting	Total Board Strength	No. of Directors Present
1	20.05.2008	4	3
2	25.07.2008	4	4
3	27.10.2008	4	3
4	29.01.2009	4	3