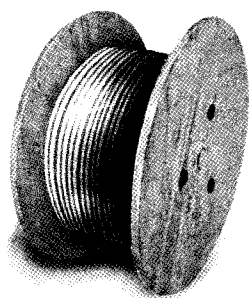


19th Annual Report 2009-2010



G.R. CABLES LIMITED

G.R. CABLES LIMITED

BOARD OF DIRECTORS

Sri G.R. Reddy	- Chairman & Managing Director
Dr. S.R. Govinda Rajan, IAS (Retd)	
Sri P. Ramesh Babu	
Smt. C. Mariamma	- APIDC Nominee
Sri G.V.B.R. Reddy	- Executive Director

STATUTORY AUDITORS

M/s. Srinivas & Co.
Chartered Accountants
Flat No.301, Madhava Apartments
Hill colony, Khairatabad
Hyderabad - 500 004.

BANKERS

Bank of Baroda
State Bank of Hyderabad
State Bank of Travancore

REGISTERED OFFICE

36, Santosh Nagar,
Mehdipatnam,
Hyderabad - 500 028

FACTORY

Rangareddyguda	(Village)
Balanagar	(Mandal)
Mahaboobnagar	(District)

G.R. CABLES LIMITED

NOTICE

Notice is hereby given that the NINETEENTH ANNUAL GENERAL MEETING OF G.R.CABLES LIMITED will be held at 11.00. A.M. on Friday, The 31st December 2010 at Surana Udyog Auditorium, FAPCCI, Red Hills, Hyderabad - 500 004 to transact the following business:

ORDINARY BUSINESS

1. The receive, consider and adopt the Profit & Loss Account for the period ended 31st March 2010 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.R.Reddy, who retires by rotation being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Dr. S R Govinda Rajan, 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.

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

Place : Hyderabad
Date : 03.12.2010

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. The Register of Members will be closed from 28.12.2010 to 31.12.2010 (both days inclusive).
3. Members are requested to bring the copies of Annual Reports while attending the Annual General Meeting.

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 period ended 31st March 2010

FINANCIAL RESULTS

(Rs.in Lakhs)

ITEM	For the Period Ended 31.03.10 (6 months)	For the Year Ended 30.09.09 (12 months)
Sales & Other Income	14.46	15.72
Profit/Loss before interest, Depreciation & Exceptional items	(13.59)	(87.31)
Interest	26.42	61.27
Operating Profit/Loss before Depreciation& Exceptional items	(40.01)	(148.58)
Depreciation & ammortisation	67.70	164.97
Exceptional Items	21.26	622.55
Profit/Loss for the year	(128.98)	(936.10)

REVIEW OF OPERATIONS

Your company closed annual accounts on 31.03.2010 for the year 2009-10 for six months period in order to maintain the uniformity with financial year closing.

During the period under review, your company could not achieve the significant turnover as operations could not carried due to lack of working Capital facilities from the banks and made a little turnover of Rs 14.46 Lakhs as against Rs .15.72 Lakhs for the previous year ended 30.09.2009.It made a Loss of Rs.128.98 Lakhs as against loss of Rs 936.10 Lakhs in the previous year.

A detail analysis of future outlook and financial performance of the company is given in the management and analysis report which is elsewhere given in this report.

PUBLIC DEPOSITS

The company has not accepted any Deposit from public within the meaning of Section 58-A of the Companies Act, 1956 and Rules made thereunder.

DIRECTORS

During the period under review, Mr. Y J Venkat Rao, resigned as s director of the Company w.e.f 12.03.2010

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.R Reddy, Managing director and Dr.S R Govinda Rajan , Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offer him-self for re-appointment.

G.R. CABLES LIMITED

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that

- (i) In the preparation of the accounts for the period ended 31st March 2010, 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 period ended 31st March 2010 on a "going concern" basis.

AUDITORS

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

CORPORATE GOVERNANCE

Pursuant to the Clause 49 of the Listing Agreement with Stock Exchange, the Management Discussion and Analysis Report, Report on Corporate Governance and Auditors Certificate regarding the Compliance of conditions of the Corporate Governance are made part of this Annual Report.

PARTICULARS OF TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under Section 217(i) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given by way of an Annexure-1 which forms part of this Report.

PARTICULARS OF EMPLOYEES

There are no employees whose particulars are required to be furnished pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the relevant rules thereunder.

ACKNOWLEDGMENTS

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

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

(G.R.REDDY)

Chairman & Managing Director

Place : Hyderabad

Date : 03.12.2010

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 period ended 31st March 2010

A. CONSERVATION OF ENERGY

1. Energy Conservation measure taken : a) Continuous monitoring and Maintaining optimum load on diesel Generator
b) Controlled Lighting inside factory sheds depending on the needs
2. Additional Investments and proposals, if any being implemented for reduction of consumption of energy : NIL
3. Impact of measures at 1 and 2 on energy consumption and consequent impact on cost of production of goods : MARGINAL
4. Total energy consumption and energy consumption per unit of production : NOT APPLICABLE

B. RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R & D carried out by the company : NIL
2. Benefits derived as a result of the Above Research & Development : NIL
3. Future Plan of Action : NIL
4. Expenditure on R & D : NIL

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

(G.R.REDDY)

Chairman & Managing Director

Place : Hyderabad

Date : 03.12.2010

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

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

04th December 2009 and 30th January 2010, (for six months period ended on 31.03.2010 i.e. from 01.10.2009 to 31.03.2010)

G.R. CABLES LIMITED

The Annual General Meeting was held on 31st December 2009 for the year 2008-09.

Following are the details of attendance of Directors at Board Meetings and Annual General Meeting (AGM) held during the period .

Sl. No	Name of the Director	Board Meetings held during tenure of Director	Attendance Board Meetings	Last AGM
1.	Sri G.R.Reddy	2	/ 2	Yes
2.	Sri G.V.B.R.Reddy	2	2	Yes
3.	Sri P.Ramesh Babu	2	2	Yes
4.	Smt C.Mariamamma	2	1	No.
5.	Dr.S.R Govinda Rajan	2	1	No.
6.	Sri Y.J.Venkata Rao*	2	1	No.

* Sri Y.J Venkata rao resigned as a director of the company w.e.f :12.03.2010

iii) Details of Directors seeking the e-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.R.Reddy	Dr.S R Govinda Rajan
Date of Birth	: 01.07.1936	20.07.1939
Date of Appointment	: 29.01.1992	31.01.2006
Qualifications	: B.E.	I A S (Retrd.), LL.B., ACS, ICWAI
Expertise in Specific	: Technical	Administration, finance & legal functional areas

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.

G.R. CABLES LIMITED

There were two Audit Committee Meetings held during the period under review. 04th December 2009 and 30th January 2010, (for six months period ended on 31.03.2010 i.e. from 01.10.2009 to 31.03.2010)

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, Charman and Managing Director and includes Sri P.Ramesh Babu, Director and Sri C,Mariamamma ,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 31.03.2010

- ii) The company has received the following complaints from the share holders during the period under review, to the best of knowledge of the company; these complaints were resolved to the satisfaction of shareholders.

Sl. No.	Nature of Compliant	2009-2010	
		Received	Attendance to
1	Non-Receipt of Annual Reports	5	5
Total		5	5

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.

G.R. CABLES LIMITED

VI. GENERAL BODY MEETINGS:

Details of the last Three Annual General were as follows:

Date	Venue	Time
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
30.12.2007	KLN Prasad 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 03.12.2010.

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 period 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 period.

IX. MEANS OF COMMUNICATIONS:

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

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

G.R. CABLES LIMITED

X. GENERAL SHAREHOLDERS INFORMATION:

- * **Annual General Meeting Day** : Friday , 31st December 2010.
Time : 11.00.A.M.
Venue : Surana Udyog, Auditorium, FAPCCI,
Red Hills, Hyderabad-500 004
- * **Book Closure Dates** : From 28.12.2010 to 31.12.2010 (both days inclusive)
- * **Financial Calender for the next year 2010-11 (Tentative)**
Financial Year Ending : 31st March, 2010
First Quarter Results : On or before 15th May, 2010
Half Yearly Results : On or before 15th November, 2010.
Third Quarter Results : On or before 15th February, 2011.
Fourth Quarter Results : On or before 15th May, 2011
Registered Office : 36, Santosh Nagar, Mehdiapatnam,
Hyderabad-500028
- * **Listing on Stock Exchanges:**
Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
- * **Stock Code:**
BSE : 517564.

Listing fee paid for the year 2010-11 to The Bombay Stock Exchange, Mumbai.

*** Stock Price Data**

Monthly high and low price of shares traded on Bombay Stock Exchange during the period from 1st October, 2009 to 31st March, 2010 is given below:

Month	High	Low
October - 2009	2.82	1.57
November - 2009	2.38	1.70
December - 2009	2.21	1.76
January - 2010	2.29	1.73
February - 2010	2.06	1.70
March - 2010	1.82	1.23

G.R. CABLES LIMITED

* **Address of Demat Registrars & Share Transfer Agents:**

Sathguru Managemant Consultants Pvt. Ltd.,
Plot No. 15, Hindi Nagar, Near Saibaba Temple,
Punjagutta, Hyderabad - 500 034.
Ph. No: 040 - 23356507, 23350586, Fax No. 040 - 23354042.
Email- info@sathguru.com

Share Transfer System: Transfer of Securities in Physical form are registered and duly transferred share certificates are dispatched within 30 days of receipt provided transfer documents are in order.

* **Distribution of Share Holdings as on 31.03.2010**

Share Holding	Numbers of Shareholders	% to Total	No of Shares	% to Total
01 - 500	21077	75.61	37811110	13.09
501 - 1000	3155	11.32	28726660	9.94
1001 - 2000	1673	6.00	27668640	9.58
2001 - 3000	714	2.56	18789270	6.50
3001 - 4000	267	0.96	9900010	3.43
4001 - 5000	347	1.24	16954680	5.87
5001 - 10000	355	1.27	27468040	9.51
10001 - above	289	1.04	121630200	42.09
Total	27877	100.00	28894861	100.00

* **Outstanding GDRS/ADRS/Warrants or any convertible instruments, conversion date and likely impact on equity.**

There were no such outstanding instruments as on 31st March, 2010.

* **Dematerialization of Shares:**

86.62% of Shares issued by the company have been dematerialized as on 31.03.2010. Trading in equity shares of your company on any stock Exchange is permitted only in Dematerialized mode. Demat ISIN Number allotted by NSDL & CDSL: INE769B01010.

* **Plant Location:**

Ranga Reddy Guda (Village), Balanagar (Mandal),
Mahaboobnagar (Dist), Andhra Pradesh - 509 202.

* **Address for Communication:**

36, Santosh nagar, Mehdiapatnam,
Hyderabad-500028
Phone No. 040-23521286
Email- grcables10@gmail.com

G.R. CABLES LIMITED

Certificate on compliance of conditions of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchange in India

To
The Shareholders of G.R. Cables Limited

I have examined the compliance of conditions of Corporate Governance of G R Cables Limited, for the period ended 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that in respect of investor grievances received during the period ended 31st March, 2010, no investor grievances are pending against the Company as per the records maintained by the Company and presented to the Investor Services Committee.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad

Date : 03.12.2010

K.V. CHALAMA REDDY

Company Secretary in Practice

C.P. No. 5451

G.R. CABLES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(It forms part of Directors' Report)

Management Discussion and Analysis Report on the business of the Company as applicable and to the extent relevant is given below:

INDUSTRY STRUCTURE AND DEVELOPMENT

The company is primarily engaged in the manufacture of Polythene Insulated Jelly Filled Under Ground Telecom Cables (PIJF), Switch Board Cables, Domestic Flexible and PVC Power and Control Cables. Demand for Telecom Cables is mainly depends on requirement of BSNL and MTNL and policies of the Government. BSNL and MTNL float tenders every year for procurement of Cables for their requirement and finalise the Tenders on competitive basis. The lowest quoted sale price for each size of cable will be applicable to all the suppliers for that tender. There is an excess capacity for the manufacture of Jelly Filled Telecom Cables in India. The Power cable tenders are floated by different Discoms and State electricity boards (SEBs) and tenders are finalized on competitive basis.

OPPORTUNITIES

JFTC is used for non-metros and rural areas where the volume of traffic does not justify usage of optical fiber due to higher capital investment. The Company foresees the increase in demand for small pairs of JFTC from various circles of BSNL as the Government thrust for development of rural telephone density. The company also for sees good demand in power cables both for housing and infrastructure development. The increasing emphasis by the government for better infrastructure will further enhance its growth. So the demand for power cables is expected to be increased substantially in coming years.

THREATS

Usage of Optical Fiber Cables in high traffic / density areas and introduction of wireless technology by telecom operators, the requirement of JFTC is expected to decline in future.

FUTURE OUTLOOK

The Company is baring good prospects in garnering orders generally in PIJF and particularly power cables in the longer run, however due to non-availability of sufficient working capital facilities was unable to execute the same. In this content the management is exploring various options to raise the required funds and revive the company such as additional equity/debt.

SEGMENT-WISE/PRODUCT-WISE PERFORMANCE

As the company has only one line of product i.e. Wires and Cables, segment-wise or product-wise performance is not applicable for the period 2009-10.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate Internal Control System to commensurate with the size of operations of the company. Further, the Audit Committee reviews the procedures periodically.

G.R. CABLES LIMITED

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

A. Financial Conditions:

1. Capital Structure:

The Authorized Share Capital of the Company as at 31st March, 2010 is Rs. 3400 Lakhs divided into 340 Lakhs Equity Shares of face value of Rs. 10/- each. The Share Capital of the Company consists of only Equity Shares. The Paid-up Capital of the Company as on 31st March, 2010 is at Rs. 2889.49 Lakhs comprising of 28894861 Equity Shares of Rs. 10/- each fully paid-up.

2. Reserves and surplus:

The Reserves and Surplus of the Company as on 31st March, 2010 stands at Rs.369.53 Lakhs.

3. Secured Loans:

The Working Capital Advances as at 31st March 2010, stand at Rs. 358.43 Lakhs compared to Rs. 358.83 Lakhs as at 30th September, 2009.

4. Fixed Assets:

The Gross Block stood at Rs.3280 Lakhs and the net block stood at Rs.976.10 Lakhs as of 31st March, 2010 compared to Rs. 3280 Lakhs and Rs. 1043.79 Lakhs as at 30th September, 2009 respectively. The decrease in the value of the Fixed Assets is on account of depreciation of plant and Machinery.

5. Revenue:

During the period, the Company achieved sales Rs.14.47 Lakhs in the period compared to Rs. 15.72 Lakhs in the previous year ended 30th September, 2009.

ENVIRONMENT AND SAFETY

The company maintains and effects continual improvement in environmental standards and complies with the safety requirements. The company cares for the safety of its employees and safety training is imparted to the employees in the factory. Personal protective equipment is provided to the employees in conformity with statutory requirement.

HUMAN RESOURCES

The company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunity to equip them with skills, which would enable them to adapt contemporary technological advances. The employee strength is 7, of which executives and staff accounts for 3 and the rest are workmen.

CAUTIONARY STATEMENT

Statement in this "Management Discussion & Analysis" may be considered to be "forward looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, increased installed capacity, finished goods prices, raw materials availability and prices, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax regimes, besides other factors.

AUDITORS' REPORT

To

The Members of

G R Cables Limited

1. We have audited the attached Balance Sheet of G.R. Cables Limited as at 31st March 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and amendment thereto by the Companies (Auditor's Report) (Amendment) Order 2004 (hereinafter referred to as "Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
 - iv. **Subject to Point No. (1) (E) of Notes of Accounts in Schedule 18 to Financial Statements**, in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - v. On the basis of written representations received from Directors as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956;

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

for **Srinivas P & Associates**
Chartered Accountants

Place : Hyderabad
Date : 03.12.2010

P.Srinivas
Proprietor
M.No. 204098

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDIT REPORT OF EVEN DATE

- 1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets during the year so as to affect the going concern status of the company.
- 2. (a) The physical verification of inventory has been conducted at reasonable intervals by the management during the year.
- (b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3. (a) The company has not granted loans to parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and hence clause 4 (iii) (a) to clause 4 (iii) (d) of the Order are not applicable.

G.R. CABLES LIMITED

- (e) The company has not taken loans from parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4 (iii) (f) and 4 (iii) (g) of the Order are not applicable
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods; there is no sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered in to the register maintained under section 301 of the Companies Act, 1956 are entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs with such party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public to which the provisions of Sections 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under would apply.
7. In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
8. According to the information and explanations given to us, the cost records required to be maintained under section 209 (1) (d) of the Companies Act, 1956 are under compilation.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it except provident fund and employees' state insurance.
- (b) According to the information and explanations given to us, there is an amount of Rs. 3918/- with respect to Employees' State Insurance and Rs. 39823/- with respect to Provident Fund as at 31st March 2010, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.

G.R. CABLES LIMITED

10. The company have accumulated losses of Rs.3087 Lacs exceeding fifty percent of its net worth at the end of the financial year and has incurred a cash loss of Rs. 61.27 lacs in the current financial period and a cash loss of Rs.771.13 lacs in the financial year immediately preceeding such financial period.
11. In our opinion and according to the information and explanations given to us, the lending banks have initiated legal proceedings against the company for recovery of loan amounts. The Company has not issued any debentures.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4 (xii) of the Order is not applicable.
13. The company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4 (xiii) of the Order is not applicable.
14. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4 (xiv) of the Order is not applicable.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4 (xv) of the Order is not applicable.
16. The company has not raised any Term Loans during the period. Accordingly, clause 4 (xvi) of the Order is not applicable.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we are of the opinion that the no funds raised on short-term basis have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act. Accordingly, the question of reporting on whether the price at which such shares have been issued is prejudicial to the interest of the Company does not arise.
19. The company has not issued any debentures. Accordingly, the question of creating a security or charge for debentures does not arise.
20. The company has not raised any money by public issues during the period. Accordingly, clause 4 (xx) of the Order is not applicable.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

for Srinivas P & Associates
Chartered Accountants

Place : Hyderabad
Date : 03.12.2010

P.Srinivas
Proprietor
M.No. 204098

G.R. CABLES LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2010**

PARTICULARS	Schedule Number	As at 31.03.2010 Rs.	As at 30.09.2009 Rs.
I. SOURCES OF FUNDS:			
1. SHARE HOLDERS FUNDS			
(a) Share Capital	01	28,89,48,610	28,89,48,610
(b) Reserves & Surplus	02	3,69,52,799	3,69,52,799
		<u>32,59,01,409</u>	<u>32,59,01,409</u>
2. LOAN FUNDS			
(a) Secured Loans	03	3,59,39,325	3,60,27,723
(b) Unsecured Loans	04	8,51,85,518	8,51,27,019
		<u>12,11,24,843</u>	<u>12,11,54,742</u>
TOTAL		<u>44,70,26,252</u>	<u>44,70,56,151</u>
II. APPLICATION OF FUNDS:			
1. FIXED ASSETS:	05		
(a) Gross Block		32,79,99,216	32,79,99,216
(b) Less: Depreciation		23,03,90,153	22,36,19,910
(c) Net Block		<u>9,76,09,063</u>	<u>10,43,79,306</u>
2. CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	06	4,20,74,278	4,56,47,181
(b) Sundry Debtors	07	58,36,588	58,76,405
(c) Cash and Bank Balances	08	2,102	6,70,376
(d) Loans and Advances	09	62,60,420	64,90,041
		<u>5,41,73,388</u>	<u>5,86,84,003</u>
LESS: CURRENT LIABILITIES & PROVISIONS	10		
(a) Liabilities		2,68,49,044	2,48,05,311
(b) Provisions		-	3,340
NET CURRENT ASSETS		<u>2,73,24,344</u>	<u>3,38,75,352</u>
DEFERRED TAX ASSET (Net)		<u>1,34,38,374</u>	<u>1,34,38,374</u>
4 (a) Profit & Loss Account		<u>30,86,54,475</u>	<u>29,53,63,118</u>
TOTAL		<u>44,70,26,252</u>	<u>44,70,56,151</u>
NOTES TO ACCOUNTS	18		

As per our report of even date attached
for **SRINIVAS P & ASSOCIATES**
Chartered Accountants

For and on behalf of the Board

P. Srinivas
Proprietor
M.No. 204098

G.R. Reddy
Chairman & Managing Director

G.V.B.R. Reddy
Executive Director

Place: Hyderabad
Date : 03.12.2010

G.R. CABLES LIMITED**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2010**

PARTICULARS	Schedule Number	For the period ended 31.03.2010 Rs.	For the year Ended 30.09.2009 Rs.
INCOME:			
Sales		14,46,625	15,71,878
Less: Excise Duty		1,11,576	1,80,226
Net Sales		13,35,049	13,91,652
Other Income	11	87,120	-
Increase/(Decrease) in Stocks	12	(14,46,623)	(12,57,502)
		<u>-24,454</u>	<u>1,34,150</u>
EXPENDITURE			
Materials Consumed	13	-	-
Power & Fuel	14	2,73,696	10,21,919
Employee Cost	15	7,65,853	18,03,008
Admn. & Selling Expenses	16	2,36,234	55,77,045
Sales Tax		58,499	4,62,892
Financial Charges	17	26,42,535	61,27,199
Depreciation		67,70,243	1,64,97,797
Inventories Written off		21,26,280	5,24,23,906
Loss on Impairment of Fixed Assets		-	98,30,667
		<u>1,28,73,340</u>	<u>9,37,44,433</u>
Profit/(Loss) for the Year		(1,28,97,794)	(9,36,10,283)
Prior Period Adjustments (Net)		3,93,563	10,51,31,635
Profit/(Loss) before Taxation		(1,32,91,357)	(19,87,41,918)
Profit/(Loss) after tax		(1,32,91,357)	(19,87,41,918)
Loss brought forward from previous years		29,53,63,118	9,66,21,200
Loss carried to Balance Sheet		<u>30,86,54,475</u>	<u>29,53,63,118</u>
Basic & Diluted Earning per Share (Rs.)		(0.46)	(6.88)
Notes to Accounts	18		

As per our report of even date attached
for **SRINIVAS P & ASSOCIATES**
Chartered Accountants

For and on behalf of the Board

P. Srinivas

Proprietor

M.No. 204098

Place: Hyderabad

Date : 03.12.2010

G.R. Reddy

Chairman & Managing Director

G.V.B.R. Reddy

Executive Director

G.R. CABLES LIMITED

SCHEDULES TO BALANCE SHEET

	As at 31.03.2010 Rs.	As at 30.09.2009 Rs.
SCHEDULE - 1		
SHARE CAPITAL:		
AUTHORISED		
3,40,00,000 Equity Shares of Rs.10/- each	34,00,00,000	34,00,00,000
ISSUED, SUBSCRIBED AND PAID UP		
2,88,94,861 (previous year 2,88,94,861)		
Equity Shares of Rs.10/- each fully paid up	28,89,48,610	28,89,48,610
	28,89,48,610	28,89,48,610
SCHEDULE - 2		
RESERVES AND SURPLUS		
Share premium	2,56,95,722	2,56,95,722
State Subsidy	15,00,000	15,00,000
Capital Reserve	97,57,077	97,57,077
	3,69,52,799	3,69,52,799
SCHEDULE - 3		
SECURED LOANS		
Working Capital Loans from Banks	3,58,43,461	3,58,83,049
Vehicle Loan from HDFC	95,864	1,44,674
	3,59,39,325	3,60,27,723
(The Working Capital loans from Banks are secured by a Pari Passu First Charge on all immovable properties of the company, both present and future and Hypothecation of Finished Stocks, Raw materials, Stores & Spares and Book Debts and also guaranteed by Two Directors and Other guarantors in their personal capacity)		
SCHEDULE - 4		
UNSECURED LOANS		
Deferred Sales Tax	8,51,85,518	8,51,27,019
	8,51,85,518	8,51,27,019

SCHEDULE - 5
FIXED ASSETS

Amount : in Rupees

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 30.09.2009	Additions	Deductions	As on 31.03.2010	Up to 30.09.2009	For the period	Deductions	Up to 31.03.2010	As on 31.03.2010	As on 30.09.2009
LAND	22,38,760	-	-	22,38,760	-	-	-	-	22,38,760	22,38,760
BUILDINGS	3,33,19,722	-	-	3,33,19,722	1,14,33,377	4,21,415	-	1,18,54,792	2,14,64,930	2,18,86,345
PLANT & MACHINERY *	28,34,07,956	-	-	28,34,07,956	20,46,02,680	61,05,871	-	21,07,08,551	7,26,99,405	7,88,05,276
FURNITURE & FIXTURES	9,05,145	-	-	9,05,145	8,03,296	28,648	-	8,31,944	73,201	1,01,849
OTHER EQUIPMENTS	56,81,165	-	-	56,81,165	53,05,472	98,102	-	54,03,574	2,77,591	3,75,693
VEHICLES	24,46,467	-	-	24,46,467	14,75,085	1,16,207	-	15,91,292	8,55,175	9,71,382
TOTAL	32,79,99,215	-	-	32,79,99,216	22,36,19,911	67,70,243	-	23,03,90,153	9,76,09,062	10,43,79,305
PREVIOUS YEAR:										
Fixed Assets	36,23,89,189	11,34,483	3,55,24,457	32,79,99,216	23,28,15,902	1,64,97,797	25693789	22,36,19,910	10,43,79,305	12,95,73,287

G.R. CABLES LIMITED

	As at 31.03.2010 Rs.	As at 30.09.2009 Rs.
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SCHEDULE - 6

INVENTORIES

(As certified by the Management)

Raw Materials	73,90,220	94,66,500
Semi Finished Goods	94,36,834	1,08,83,457
Finished Goods	2,24,02,624	2,24,02,624
Scrap	28,44,600	28,94,600
	<u>4,20,74,278</u>	<u>4,56,47,181</u>

SCHEDULE - 7

SUNDRY DEBTORS (Net)

(Unsecured Considered good)		
Due Over Six Months	55,86,484	56,55,262
Other Debts	2,50,104	2,21,143
	<u>58,36,588</u>	<u>58,76,405</u>

SCHEDULE - 8

CASH AND BANK BALANCES

Cash on Hand	120	620
Balance with Scheduled Banks:		
- In Current Accounts / Margin Accounts	1,982	6,69,756
	<u>2,102</u>	<u>6,70,376</u>

SCHEDULE - 9

LOANS AND ADVANCES

(Unsecured Considered good and recoverable
in cash or kind or for value to be received)

Advances	23,06,506	27,28,276
Deposits	39,53,914	37,61,765
	<u>62,60,420</u>	<u>64,90,041</u>

G.R. CABLES LIMITED

	As at 31.03.2010 Rs.	As at 30.09.2009 Rs.
SCHEDULE - 10		
CURRENT LIABILITIES AND PROVISIONS		
A. CURRENT LIABILITIES		
Sundry Creditors for		
Raw Materials		
- Due to Others	1,83,08,789	92,10,987
Expenses	31,04,471	1,11,23,303
Capital Goods	32,24,859	32,24,858
Advances from Customers	22,10,925	12,46,163
	<u>2,68,49,044</u>	<u>2,48,05,311</u>
B. PROVISIONS		
Provision for Taxation	-	3,340
	-	<u>3,340</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the period ended 31.03.2010 Rs.	For the year ended 30.09.2009 Rs.
SCHEDULE - 11		
OTHER INCOME		
Interest Earned	87,120	-
	<u>87,120</u>	<u>-</u>

G.R. CABLES LIMITED

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the period ended 31.03.2010 Rs.	For the year ended 30.09.2009 Rs.
SCHEDULE - 12		
STOCK INCREASE/(DECREASE)		
A. WORK - IN - PROGRESS:		
Opening Stock	1,08,83,457	4,40,14,957
Less: Written Off	-	3,31,31,500
Closing Stock	94,36,834	1,08,83,457
Increase/(Decrease)	(14,46,623)	-
B. FINISHED GOODS		
Opening Stock	2,24,02,624	3,40,88,860
Less: Written Off	-	1,04,28,734
Closing Stock	2,24,02,624	2,24,02,624
Increase/(Decrease)	-	(12,57,502)
(A+B)	(14,46,623)	(12,57,502)
SCHEDULE - 13		
MATERIALS CONSUMED		
Opening Stock:		
Raw materials and Packing materials	94,66,500	1,90,35,772
Scrap	28,94,600	21,89,000
	1,23,61,100	2,12,24,772
Add: Purchases	-	-
Less: Written Off	21,26,280	88,63,672
	1,02,34,820	1,23,61,100
Less: Closing Stock		
Raw materials and Packing materials	73,90,220	94,66,500
Scrap and Stores & Spares	28,44,600	28,94,600
Consumption	-	-
SCHEDULE - 14		
POWER AND FUEL		
Electricity Charges	2,73,696	9,95,330
Diesel	-	26,589
	2,73,696	10,21,919
SCHEDULE - 15		
EMPLOYEE COST		
Salaries and Wages	6,05,286	14,17,005
Employee's Retirement Benefit	1,16,826	1,37,603
Provident Fund	39,823	2,01,757
E.S.I.	3,918	46,097
Welfare Expenses	-	546
	7,65,853	18,03,008

G.R. CABLES LIMITED

	For the period ended 31.03.2010 Rs.	For the year ended 30.09.2009 Rs.
SCHEDULE - 16		
ADMINISTRATION & SELLING EXPENSES		
Security Service Charges	1,00,000	3,47,079
Printing & Stationery	-	864
Postage and Telephones	-	51,088
Repairs and Maintenance	-	2,840
Insurance	21,233	18,353
Advertisement	-	3,666
Travelling and Conveyance	-	7,267
Remuneration to Auditors	50,000	90,917
Directors sitting fees	3,000	21,000
Meeting Expenses	7,000	33,000
NPV Benefit on Sales tax deferment	-	47,84,918
General Expenses	55,000	2,16,052
	<u>2,36,234</u>	<u>55,77,044</u>

SCHEDULE - 17

FINANCIAL CHARGES

Interest On Working Capital Loans	24,42,056	60,10,774
Bank Charges	2,00,479	1,16,425
	<u>26,42,535</u>	<u>61,27,199</u>

R. CABLES LIMITED

SCHEDULE - 18

NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Company follows the Mercantile System of accounting and recognizes income and expenditure on accrual basis (except deferred sales tax loan, which have been accounted on Net Present Value basis) and as going concern. The Accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to otherwise are consistent with Generally Accepted Accounting Principles.

B. FIXED ASSETS:

Fixed assets are shown at cost less depreciation. Cost comprises of purchase price and attributable other expenses less Excise Duty.

C. DEPRECIATION ON FIXED ASSETS:

Depreciation on Fixed Assets is provided on the straight-line method at the rates specified in Schedule XIV of the Companies Act, 1956.

D. INVENTORIES:

Raw Materials, Stores and Spares, Work-in-progress and Finished Goods are valued at cost or market price whichever is low, scrap is valued at net realizable value.

E. TREATMENT OF RETIREMENT BENEFITS:

Gratuity liability and Leave Encashment benefits are determined by the company on accrual basis according to the eligibility of the employees.

F. FOREIGN CURRENCY TRANSACTIONS:

1. Investments in shares of foreign subsidiary are expressed in Indian Currency at the rates of exchange prevailing at the time when the original investments are made.
2. Foreign Currency Transactions are accounted at the exchange rates prevailing at the date of transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

CONTINGENT LIABILITIES:

	As at 31.03.2010 Rs. in Lakhs	As at 30.09.2009 Rs. in Lakhs
In respect of		
i) Guarantees issued	15.82	15.82
ii) Demand from customers consequent to reduction in Customs Duty	23.23	23.23

G.R. CABLES LIMITED

- 3) Sales are being shown in composite price, which includes Excise Duty, Sales Tax, Insurance and Transportation charges.
- 4) Additional information pursuant to the provisions of Paragraph 3, 4C and 4D of part II, Schedule VI, of Companies Act, 1956.

(a) Capacity and Production:

Particulars	Unit	Installed Capacity		Production	
		2009-10	2008-09	2009-10	2008-09
Jelly Filled Telecom Cables	LCKM	15	15	0.01	0.01
Power Cables	-	-	-	-	-

Note: 1) In view of different range of power and conductor cables of different sizes, quantitative information could not be furnished in respect of power cables.

2) The Installed Capacities are as certified by the Management and not verified by the Auditors, being a technical matter."

(b) Turnover:

Particulars	Unit	Quantity		Value (Rs. In lakhs)	
		2009-10	2008-09	2009-10	2008-09
Jelly Filled Telecom Cables	LCKM	0.01	0.01	14.46	14.82
Power Cables	-	-	-	-	0.90

(c) Opening and Closing Stock of Finished Goods:

Particulars	Opening Stock				Closing Stock			
	Quantity		Value Rs. Lacs		Quantity		Value Rs. Lacs	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Jelly Filled Telecom Cables (LCKM)	0.28	0.29	224.03	340.89	0.28	0.28	224.03	224.03

(d) Raw materials consumed : ---NIL---

(e) Consumption of Raw materials : ---NIL---

G.R. CABLES LIMITED

	31.03.2010 Rs. in lakhs	30.09.2009 Rs. in lakhs
5) A. Value of Imports on C.I.F basis		
Raw Materials	-	-
B. Expenditure in Foreign Currency Travelling	-	-
C. Earnings in Foreign Currency	-	-
	2009-10 Rs.	2008-09 Rs.
6) Managerial Remuneration under Section 198 of the Companies Act, 1956		
Salary (Managing Director & Executive Director)	-	-
Contribution to Provident Fund	-	1,568
	2009-10 Rs.	2008-09 Rs.
7) Payment to Auditors:		
Audit Fees	50,000	50,000
Tax Audit	0	40,000
8) Sundry Debtors include Net of Debit and Credit balances. During the period old and unrecoverable debtors to the tune of Rs.4.07/- Lakhs were written off.		
	2009-10 Rs. in lakhs	2008-09 Rs. in lakhs
9) Prior period items include the following items:		
(a) Financial Expenses pertaining to previous periods:	-	114.43
(b) Loans and Advances:	(0.14)	236.24
(c) Un-recoverable debtors:	4.07	561.19
(d) Other Miscellaneous items	-	139.44
	<u>3.93</u>	<u>1051.31</u>
10) During the period Depletions/Obsolete values to the extent of Rs.21.26 Lakhs from Raw materials were identified and written off.		
11) Confirmation of balances has not been received in respect of Sundry Creditors, Sundry Debtors, Loans & Advances and margin money. These accounts are subject to reconciliation and adjustments, if any.		

G.R. CABLES LIMITED

- 12) Sundry creditors include outstanding dues to Micro, Small and Medium Undertakings, to the extent possible ascertained and identified from the available information, is Nil and Previous Year: NIL.
- 13) Related Party Disclosure:
Key personnel – Sri G.V.B.R. Reddy, No remuneration was paid during the period.
- 14) Deferred Tax
Due to large accumulated losses no deferred tax asset/liability was identified during the year as per AS-22
- 15) All products are wires and cables, Hence no segment wise results are reported As per A.S - 17.
- 16) Basic and diluted EPS

Particulars	Period Ended 31.03.2010	Year Ended 30.09.2009
Profit after tax Rs.	(1,32,91,357)	(19,87,41,918)
Number of Equity Shares	2,88,94,861	2,88,94,861
Nominal value per share	Rs. 10/-	Rs. 10/-
Basic / Diluted EPS Rs.	-0.46	-6.88

- 17) Deferred Sales Tax loan Rs.8.52 Crores is being shown Under Un-secured loans.
- 18) Previous year's figures have been regrouped wherever necessary to conform to current period classification.
- 19) Paise rounded off to nearest Rupee.
- 20) Schedules 1 to 18 form an integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date attached

for **SRINIVAS P & ASSOCIATES**
Chartered Accountants

For and on behalf of the Board

P. Srinivas
Proprietor
M.No. 204098

G.R. Reddy
Chairman & Managing Director

G.V.B.R. Reddy
Executive Director

Place: Hyderabad
Date : 03.12.2010

G.R. CABLES LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2010

(Figures in Rupees)

PARTICULARS	For the period ended 31.03.10	For the year ended 30.09.09
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/ (Loss) for the period as per P & L A/c	(1,28,97,794)	(9,36,10,283)
ADJUSTMENTS FOR		
Depreciation	67,70,243	1,64,97,797
Interest	26,42,535	61,27,199
Write Offs	21,26,280	6,22,54,573
Other Income	(87,120)	-
Operating Profit Before Working Capital Changes	(14,45,856)	(87,30,714)
ADJUSTMENTS FOR		
Increase/(Decrease) in Working Capital from Banks	(39,588)	(9,82,634)
(Increase)/Decrease in Trade and Other Receivables	2,69,438	10,11,93,966
(Increase)/Decrease in Inventories	35,72,903	5,36,81,408
Increase/(Decrease) in Liabilities & Provisions	20,40,393	30,90,748
CASH GENERATED FROM OPERATIONS	58,43,146	15,69,83,488
Interest Paid	26,42,530	61,27,199
Inventories Written off	21,26,280	-
Net of Prior Period Adjustments and Exceptional Items	3,93,563	16,73,86,208
NET CASH FLOW FROM OPERATING ACTIVITIES	(7,65,083)	(2,52,60,633)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/Decrease in Fixed Assets	-	3,43,89,973
Depreciation Adjustment	-	(2,56,93,789)
Capital Work - in - Progress	-	11,34,483
(Increase)/Decrease in Investments	-	-
Interest Received	87,120	-
NET CASH USED IN INVESTING ACTIVITIES	87,120	98,30,667
C. CASH FLOW FROM FINANCING ACTIVITIES :		
(Increase)/Decrease in Term Loans	(48,810)	(1,30,242)
(Increase)/Decrease in Sales Tax Deferment Loan	58,499	48,42,563
NET CASH USED IN FINANCING ACTIVITIES	9,689	47,12,321
NET INCREASE/(-) DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(6,68,274)	(1,07,17,645)
Opening Cash and Cash Equivalents	670,376	1,13,88,023
Closing Cash and Cash Equivalents	2,102	6,70,378

As per our report of even date attached
for **SRINIVAS P & ASSOCIATES**

Chartered Accountants

P. Srinivas

Proprietor

M.No. 204098

Place: Hyderabad

Date : 03.12.2010

For and on behalf of the Board

G.R. Reddy

Chairman & Managing Director

G.V.B.R. Reddy

Executive Director

G.R. CABLES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE 2009-2010

I REGISTRATION DETAILS

Registration No.

1	3	7	7	2
---	---	---	---	---

State Code

0	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

Date Month Year

II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue

			N	I	L			
--	--	--	---	---	---	--	--	--

Rights Issue

			N	I	L			
--	--	--	---	---	---	--	--	--

Bonus Issue

			N	I	L			
--	--	--	---	---	---	--	--	--

Private Placements

			N	I	L			
--	--	--	---	---	---	--	--	--

III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities

			4	4	7	0	2	6
--	--	--	---	---	---	---	---	---

Total Assets

			4	4	7	0	2	6
--	--	--	---	---	---	---	---	---

SOURCES OF FUNDS

Paid up Capital

			2	8	8	9	4	9
--	--	--	---	---	---	---	---	---

Reserves and Surplus

			3	6	9	5	3
--	--	--	---	---	---	---	---

Secured Loans

			3	5	9	3	9
--	--	--	---	---	---	---	---

Unsecured Loans

			8	5	1	8	6
--	--	--	---	---	---	---	---

APPLICATION OF FUNDS

Net Fixed Assets

			9	7	6	0	9
--	--	--	---	---	---	---	---

Investments

			N	I	L		
--	--	--	---	---	---	--	--

Net Current Assets

			2	7	3	2	4	3
--	--	--	---	---	---	---	---	---

Misc. Expenditure

			N	I	L		
--	--	--	---	---	---	--	--

Accumulated Losses

			3	0	8	6	5	4
--	--	--	---	---	---	---	---	---

Deffered Tax Asset

			1	3	4	3	8
--	--	--	---	---	---	---	---

G.R. CABLES LIMITED

/ PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover

					1	4	4	7
--	--	--	--	--	---	---	---	---

Total Expenditure

					1	2	8	7	3
--	--	--	--	--	---	---	---	---	---

Profit/Loss before Interest, Depreciation and tax

					1	3	2	9	1	4
--	--	--	--	--	---	---	---	---	---	---

Profit after tax

					1	9	8	7	4	2
--	--	--	--	--	---	---	---	---	---	---

Earnings per share (in Rs.)

					-	0	.	4	6
--	--	--	--	--	---	---	---	---	---

Dividend %

					N	I	L			
--	--	--	--	--	---	---	---	--	--	--

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No.

(ITC Code)

8	5	2	4	9	0	0	9	.	1	0
---	---	---	---	---	---	---	---	---	---	---

Product

J	E	L	L	Y	F	I	L	L	E	D
---	---	---	---	---	---	---	---	---	---	---

Description

T	E	L	E	C	O	M	M	U	N	I	C	A	T	I	O	N
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

C	A	B	L	E	S
---	---	---	---	---	---

For and on behalf of the Board

Place: Hyderabad
Date : 03.12.2010

G.R. Reddy
Chairman & Managing Director

G.V.B.R. Reddy
Executive Director

G.R. CABLES LIMITED

G.R. Cables Limited

Registered Office: 36, Santosh Nagar, Mehdipatnam, Hyderabad - 500 028

ATTENDANCE SLIP

NINTEENTH ANNUAL GENERAL MEETING

Day: Friday, 31st December, 2010 at 11.00 A.M.

Regd. Folio No. :	No. of Shares :
Client ID* :	DP ID No. :
Name of the Member / Proxy	
Attendance by <input type="checkbox"/> Member <input type="checkbox"/> Proxy <input type="checkbox"/> Authorised Representative	
(Please tick the appropriate box)	

I state that I am a member / proxy for the member of the Company. I hereby record my presence at the 19th Annual General Meeting at Surana Udyog Auditorium, FAPCCI, Red Hills, Hyderabad - 500 004.

Signature of Attending Member / Proxy

* Applicable for investors holding shares in Electronic Form.

Note: Please complete and sign this Attendance Slip and hand it over at the entrance of the hall.

G.R. Cables Limited

Registered Office: 36, Santosh Nagar, Mehdipatnam, Hyderabad - 500 028

PROXY FORM

Regd. Folio No. :	No. of Shares :
Client ID* :	DP ID No. * :

I / We of being the member / member(s) of G.R. Cables Limited hereby appoint of or failing him of as my / our Proxy to attend and vote for me / us and on my / our behalf 19th Annual General Meeting of the Company to be held at Surana Udyog Auditorium, FAPCCI, Red Hills, Hyderabad - 500 004 on Friday, 31st December, 2010 at 11.00 A.M. and at any adjournment thereof.

Affix
Revenue
Stamp
Re.1/-

Signed this day of 2010.

* Applicable for investors holding shares in Electronic Form.

(Signature of the Member
across the stamp)

NO GIFTS WILL BE GIVEN

Printed Matter
Book - Post

If undelivered, please return to:

G.R. CABLES LIMITED

Registered Office: 36, Santosh Nagar,
Mehdipatnam,
Hyderabad - 500 028