

22nd Annual Report

2012
2013



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 P & Associates
Chartered Accountants
Flat No.301, Madhava Apartments
Hill colony, Khairtabad
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 TWENTY SECOND ANNUAL GENERAL MEETING OF G.R.CABLES LIMITED will be held at 11.00. A.M. on Saturday 24th August 2013 at Navodaya Colony Welfare association Hall, Navodaya Colony, Gudimalkapur, Medhipatnam, Hyderabad-500 028. To transact the following business

ORDINARY BUSINESS

1. The receive, consider and adopt the Profit & Loss Account for the year ended 31 st March 2013 and Balance Sheet as on that date together with Cash Flow Statement and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Sri G.V.B.R.Reddy, who retires by rotation being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Sri P. Ramesh Babu, who retires by rotation being eligible offers himself for re-appointment.
4. To appoint M/s. Srinivas P & 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 : 12.07.2013

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 holding the meeting.
2. Explanatory Statement pursuant section 173(2) of the Companies Act,1956 is annexed herewith
3. The Register of Members will be closed from 20.08.2013 to 24.08.2013 (both days inclusive).
4. Members are requested to bring the copies of Annual Reports while attending the Annual General Meeting.

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the **Twenty second** Annual Report and Audited Statements of accounts of the Company for the year ended **31st March 2013**

FINANCIAL RESULTS

(Rs. in Lakhs)

ITEM	For the Year Ended 31.03.13 (12 months)	For the Year Ended 31.03.12 (12 months)
Sales & Other Income	8.64	9.71
Profit/Loss before interest & Depreciation	(19.47)	(19.63)
Interest	0.048	0.04
Operating Profit/Loss before Depreciation	(19.52)	(19.67)
Depreciation	145.37	145.60
Profit/Loss for the year	(164.89)	(165.27)

REVIEW OF OPERATIONS.

During the year under review, your company could not achieve any significant turnover as operations could not be carried due to lack of working capital facilities from the banks and could achieve a turnover of Rs. 8.64 Lakhs for the year ended 31.03.2013 as against Rs.9.71 Lakhs for the previous year ended 31.03.2012. The company incurred an loss of Rs. 19.52 Lakhs as against an loss of Rs. 19.67 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 there under.

CONSOLIDATED FINANCIAL STATEMENTS

As prescribed by Accounting Standards-21 issued by the Institute of Chartered Accountants of India the Audited Consolidated Financial Statements are annexed

G.R. CABLES LIMITED

DIRECTORS

In accordance with the Section 256 of the Companies Act, 1956 read with the Article 102 of the Articles of Association of the Company Sri G.V.B.R Reddy, Executive Director and Sri.P. Ramesh Babu, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offer him-self for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the accounts for the period ended 31st March 2013, 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 2013 on a "going concern" basis.

AUDITORS

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

CORPORATE GOVERNANCE

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

PARTICULARS OF TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

G.R. CABLES LIMITED

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 there under.

ACKNOWLEDGMENTS

Your Directors are grateful to the large number of shareholders of the Company, the Government of India, the Bharat Sanchar Nigam Limited, our main customer, MTNL, NPDCL, EPDGL, CPDCL, SPDC and Transco, Government of Andhra Pradesh, Bank of Baroda, State Bank of Hyderabad, State Bank of Travancore for their support, guidance and help. We thank the vendors, suppliers, stake holders and the dedicated employees of the company for their continued cooperation, assistance and support to the company.

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

Place : Hyderabad
Date : 12.07.2013

(G.R.REDDY)
Chairman & Managing Director

G.R. CABLES LIMITED

ANNEXURE-I

Information as per Section 217 (l) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the Year ended 31st March 2013

A. CONSERVATION OF ENERGY

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

B. RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R&D carried : Efforts are being made to manufacture new products and to improve the quality of the Existing products. This has resulted in wider product range of telcom and power cables.
2. Benefits derived as a result of the Above Research & Development : --- do ---
3. Future plan of Action : --- do ---
4. Expenditure on R & D : --- do ---

C. TECHNOLOGY ABSORPTION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation : Employees are being trained continuously. Modifications in equipment are made wherever feasible.
2. Benefits derived as a result of the above efforts : Improvement in quality and factory practices.
3. Particulars of imported technology (imported during the last 5 years Reckoned from the beginning of the Financial Year) : Not applicable as there has been no import of technology.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Foreign Exchange Earnings
(a) FOB value of exports : NIL
2. Foreign Exchange outgo
(a) Import of Raw Materials and Components : NIL
(b) Import of Capital Goods : NIL
(c) Traveling Expenses : NIL
(d) Other Expenses : NIL

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

(G.R.REDDY)

Chairman & Managing Director

Place : Hyderabad

Date : 12.07.2013

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

I) Companies philosophy on corporate governance:

The Company is committed to Good Corporate Governance to ensure that all functions of the company are discharged in a professionally sound and competent manner. Given view is the requisite information relating to corporate functioning of your company at apex level for the purpose of due transparency on this aspect.

II) Board of Directors

The Board has a fair representation of the Executive, Non-Executive and Independent Directors in compliance with code of Corporate Governance. Out of Five Directors on the Boards of the company only two are promoter **Directors**. The Board has whole time chairman

i) The composition of the Board of Directors is as follows:

Sl. No.	Name	Category	In other Directorship	Companies Committee Membership
1.	Sri G.R.Reddy	Promoter/ Executive (Chairman)	Nil	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)	5	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, Five Board meetings were held. The dates on which the Board Meetings were held are as follows:

14th May 2012, 14th August 2012, 04th September 2012, 15th November 2012 and 15th February 2013.

G.R. CABLES LIMITED

The Annual General Meeting was held on 29th September 2012 for the Year 2011-12. 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	5	5	Yes
2.	Sri G.V.B.R.Reddy	5	5	Yes
3.	Sri P.Ramesh Babu	5	3	No
4.	Smt C.Mariamma	5	2	No
5.	Dr.S.R Govinda Rajan	5	5	No

iii) Details of Directors seeking the re-Appointment at the ensuing AGM

Pursuant to **clause-49** of the Listing Agreement with the Stock Exchange on Corporate Governance the details of the Directors seeking the Re-Appointment is given below.

Name of the Director : Sri G.V.B.R.Reddy Sri P. Ramesh Babu

Date of Birth : 05.12.1971 08.05.1956

Date of Appointment : 29.01.1992 27.03.2000

Qualifications : B.E (Polymers) M.A.(Sociology)

Expertise in Specific : Technical Administration

III. Audit Committee

The company had constituted an Audit Sub-Committee in the year 1997. 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.

G.R. CABLES LIMITED

The Committee is chaired by Dr. **S.R.Govinda** Rajan, Director and includes Sri P. **Ramesh** Babu Director and Smt C. **Mariamamma**, Director as other members.

There were Four Audit Committee Meetings held during the Year under review.

IV. SHARETRANSFER & 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, Mariamma, director as other members.

Sri **G.V.B.R.Reddy**, Executive Director is the Compliance officer under the relevant regulations. There were no transfers were pending as on the date **31.03.2013**.

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	2012 - 2013	
		Received	Attendance to
1	Non-Receipt of Annual Reports	7	7
2.	Others	5	5
	Total	12	12

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

Due to low level of operation, the whole time Directors have not been paid any remuneration.

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VI. GENERAL BODY MEETINGS:

Details of the last Three Annual General were as follows:

Date	Venue	Time
29.09.2012	Navodaya Colony Welfare Association Navodaya Colony, Gudimalkapur, Mehadipatnam, Hyderabad -500028	11.00 A.M
30.09.2011	Telangana Udyogi Bhavan 10.02.289/4. Opp: Mahavir Hospital Masab tank Hyderabad-500027	11:00 A.M
31.12.2010	Surana Udyog Auditorium FAPCCI, Red Hills, Hyderabad-500004	11:00 A.M

No resolution was put through postal ballot in any of the General Meetings so far held by the Company.

VII. CEO/CFO CERTIFICATION

In terms of the requirements of clause 49(V) of the Listing Agreement, the **Chairman** and Managing Director and **Executive** Director have submitted necessary **certificate** to the Board stating the particulars specified under the said clause. This certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors at the respective meeting held on **12.07.2013**.

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 Business standard, Hyderabad and **Andhra Prabha** (Vernacular) - Hyderabad.

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

X. GENERAL SHAREHOLDERS INFORMATION:

- * **Annual General Meeting Day** : Saturday 24th August 2013.
Time : 11:00. A.M.
Venue : Navodaya Colony Welfare association
Hall, Navodaya Colony, Gudimalkapur,
Mehdipatnam, Hyderabad
- * **Book Closure Dates** : From 20.08.2013 to 24.08.2013
(both days inclusive)
- * **Financial Calendar for the year 2013 - 14 (Tentative)**
Financial Year Ending : 31.03.2014
First Quarter Results : on 12.07.2013
Half Yearly Results : on or before 15.11.2013
Third Quarter Results : On or before 15.02.2014.
Fourth Quarter Results : On or before 31.05.2014.
Registered Office : 36, Santosh Nagar, Mehdipatnam,
Hyderabad-500028
- * **Listing on Stock Exchanges:**
Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers, Dalai Street,
Mumbai - 400 001.
Listing fee is to be paid for the year 2013-14 to the Bombay Stock Exchange,
Mumbai
- * **Stock Code:**
Bombay Stock Exchange Ltd, Mumbai : 517564.
- * **Stock Price Data**

Monthly high and low price of shares traded on Bombay Stock Exchange during the year from 01.04.2012 to 31.03.2013 is given below.

Month	High	Low
April-12	1.10	0.86
May-12	1.02	0.82
June-12	1.05	0.78
July-12	0.92	0.72
August-12	0.76	0.67
Septmeber-12	0.81	0.63
October-12	0.91	0.67
November-12	0.69	0.57
Decemeber-12	0.79	0.58
January -13	0.87	0.63
February -13	0.73	0.51
March-13	0.60	0.44

G.R. CABLES LIMITED

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

Bigshare Services Pvt. Ltd.,

306, Right Wing, IIIrd Floor, Amrutha Ville,

Opp: Yashodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad-500 082

Ph. No: 040 - 23374967, Fax No. 040 - 23370295.

Email- bsshyd@bigshareonline.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 31.03.2013**

Share Holding	Numbers of Shareholders	% to Total	No of Shares	% to Total
01 - 500	20106	76.03	3537330	12.24
501 - 1000	2886	10.91	2625903	9.08
1001 - 2000	1543	5.83	2558124	8.85
2001 - 3000	681	2.57	1790454	6.20
3001 - 4000	250	0.94	920418	3.18
4001 - 5000	332	1.25	1612217	5.57
5001 - 10000	348	1.32	2668315	9.23
10001 - Above	298	1.13	13182100	45.62
Total	26444	100.00	28894861	100.00

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

The were no such outstanding instruments as on 31st March, 2013.

* **Dematerialization of Shares:**

86.78% of Shares issued by the company have been dematerialized as on 31.03.2013. 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), Balanager (Mandal),

Mahaboobnagar (Dist), Andhra Pradesh - 509 202.

* **Address for Communication:**

36, Santosh nagar, Mehdiapatnam,

Hyderabad-500 028

Phone No.040-23521246

Email - grcables10@gmail.com

G.R. CABLES LIMITED

CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
M/s. G.R. CABLES LIMITED
Hyderabad.

I have examined the compliance of conditions of Corporate Governance by **M/s. G.R. CABLES LIMITED** ("the Company") for the year ended on **31st March 2013** as stipulated in clause 49 of the **Listing Agreement** of the said company with the Stock **Exchange(s)** 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 the compliance of the conditions of the 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 further state that such compliance is neither an assurance as to the future viability of the company **nor** the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad
Date : **12.07.2013**

K.V. CHALAMA REDDY
Company Secretary in Practice
C.P. No.5451

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(It forms part of Director's 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 (PtJF), Switch Board Cables, Domestic Flexible and PVC Power and Control Cables. It is also an ISO 9002 company. 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 prospectus 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 by of additional equity and 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 year 2012-13.

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 of 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, 2013 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, 2013 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, 2013 stands at Rs. 3274.65 Lakhs.

3. Secured Loans:

The Working Capital Advances as at 31st March, 2013 stand at Rs. 361.82 Lakhs

4. Unsecured Loans:

The Deferred Sales Tax amount as at 31st March 2013 stand at Rs.851.73 Lakhs.

5. Fixed Assets:

The Gross Block stood at Rs.3280 Lakhs and the net block stood at Rs.536.46 Lakhs as at 31st March, 2013 compared to Rs. 3280 Lakhs and Rs. 681.84 Lakhs as at 31st March, 2012 respectively. The decrease in the value of the Fixed Assets is on account of depreciation of plant and Machinery.

6. Revenue:

During the year, the Company achieved sales Rs.8.64 Lakhs compared to Rs. 9.71 Lakhs in the previous year ended 31st March 2012.

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.

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
GR Cables Limited.

We have audited the accompanying financial statements of GR Cables Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow **Statement** for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, **financial** performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("**the Act**"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to **express an** opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan **and perform** the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the **auditor's** judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the **Company's** preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit **opinion**.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2013;
 - b) In the case of the Profit and Loss Account, of the loss for **the** year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that **date**.
1. As required by the Companies (Auditor's Report) Order, 2003 ("**the Order**") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

G.R. CABLES LIMITED

2. As required by section 227(3) of the Act, we report that:
- a) 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;
 - b) 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
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books **of account**.
 - d) In our opinion, the Balance Sheet, Statement of Profit and **Loss**, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of **section 211** of the Companies Act, **1956**;
 - e) On the basis of written representations received from the directors as on March **31, 2013**, and taken on record by the Board of Directors, none of the directors is disqualified as on March **31, 2013**, from being appointed as a director in terms of clause (g) of sub-section (1) of section **274** of the Companies **Act, 1956**.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section **441A** of the Companies Act, **1956** nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for Srinivas P & Associates

Chartered Accountants

F.R.NO: 006987S

P. Srinivas

Proprietor

M.No. 204098

Place : Hyderabad

Date : 12.07.2013

The annexure referred to in the Para 1 of the our report of even date to the members of G.R. Cables Limited on the accounts of the company for the year ended 31st March'13 on the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our Audit, we report that:

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.

G.R. CABLES LIMITED

- (c) In our opinion, the Company is maintaining proper records of inventory.
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.
- (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 *subject to Para no. 16 of the note to accounts schedule -19 forming of this report.*
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 **completion**.
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. 24,401/- with respect to Employees' State Insurance and Rs. 68,200/- with respect to Provident Fund as at 31st March 2013, 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. The company has a deferred sales tax loan of Rs. 851.73 lakhs as its liability.

G.R. CABLES LIMITED

10. The company have accumulated losses of **Rs.3644.18** Lacs **exceeding** fifty percent of its net worth at the end of the financial year and has incurred a cash loss of Rs. 19.52 lacs in the financial year and a cash loss of Rs. 19.67 lacs in the financial year immediately preceeding such financial year.
11. In our opinion and according to the information and explanations given to us, **the lending banks has 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 year. 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 year. 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

F.R.NO: 006987S

P.Srinivas

Proprietor

M.No. 204098

Place : Hyderabad

Date : 12.07.2013

G.R. CABLES LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2013**

PARTICULARS	Note	As at	As at
		31.03.2013	31.03.2012
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	28,89,48,610	28,89,48,610
Reserves & Surplus	3	(32,74,65,388)	(31,09,76,065)
Long Term Liabilities			
Secured Loans	4	3,61,82,232	3,61,82,232
Unsecured Loans	5	9,95,64,285	9,88,84,285
Current Liabilities			
Sundry Creditors	6	•	89,300
Provisions	7	6,27,120	4,79,003
TOTAL		<u>9,78,56,859</u>	<u>11,36,07,365</u>
ASSETS			
Non-current assets			
Fixed Assets	8	5,36,46,903	6,81,84,025
Deferred Tax Asset		1,34,38,374	1,34,38,374
Other non-current assets	9	68,01,866	71,53,914
Current Assets			
Trade Receivables	10	-	-
Inventories	11	2,39,46,219	2,48,14,106
Cash & Bank Balances	12	23,497	16,946
TOTAL		<u>9,78,56,859</u>	<u>11,36,07,365</u>
Significant accounting policies	1		

As per our report of even date attached

for **SRINIVAS P & ASSOCIATES**

Chartered Accountants

F.R.NO: 006987S

P. Srinivas

Proprietor

M.No. 204098

Place: Hyderabad

Date: 12.07.2013

For and on behalf of the Board

G.R. Reddy

Chairman & Managing Director

G.V.B.R. Reddy

Executive Director

G.R. CABLES LIMITED**PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2013**

PARTICULARS	Note	Year ended	Year ended
		31.03.2013	31.03.2012
		Rs.	Rs.
REVENUE			
Revenue from Operations		7,39,258	8,55,975
Other Income	12	1,25,203	1,15,295
Total Revenue		<u>8,64,461</u>	<u>9,71,270</u>
EXPENSES			
Stock Decrease	13	4,27,000	5,56,450
Material Consumed	14	3,11,437	2,33,160
Power & Fuel	15	7,51,201	6,74,803
Employee Cost	16	5,59,234	7,59,167
Depreciation	8	1,45,37,122	1,45,60,763
Administration & Selling Expenses	17	7,63,007	7,10,109
Financial Charges	18	4,783	3,833
Inventories Written Off			
Total Expenses		<u>1,73,53,784</u>	<u>1,74,98,285</u>
Profit/(Loss) before Tax		(1,64,89,323)	(1,65,27,015)
Prior period/ Exceptional Items	19	•	(52,83,566)
Profit/(Loss) after Tax		(1,64,89,323)	(2,18,10,581)
Loss brought forward from previous years		34,79,28,864	3,26,118,283
Balance Carried forward		<u>(36,44,18,187)</u>	<u>(34,79,28,864)</u>
Earnings per share (Face Value Rs.10/- each)	20		
Basic		(0.57)	(0.75)
Diluted			

As per our report of even date attached

for **SRINIVAS P & ASSOCIATES**

For and on behalf of the Board

Chartered Accountants

F.R.NO: 006987S

P. Srinivas

Proprietor

M.No.204098

Place: Hyderabad

Date : 12.07.2013

G.R. Reddy

Chairman & Managing Director

G.V.B.R. Reddy

Executive Director

G.R. CABLES LIMITED

NOTES TO FINANCIAL STATEMENTS

Note	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
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2. SHARE CAPITAL

AUTHORISED CAPITAL

34000000 equity shares of Rs.10/- each	34,00,00,000	34,00,00,000
	<u>34,00,00,000</u>	<u>34,00,00,000</u>

ISSUED,SUBSCRIBED AND

PAID UP

28894861 Equity Shares of Rs. 10/- each	28,89,48,610	28,89,48,610
(Previous year 28894861 Equity Shares of Rs. 10/- each)		
	<u>288,948,610</u>	<u>28,89,48,610</u>

Reconciliation of No. of Equity Shares outstanding at the beginning and end of the year

	Nos	Nos
Balance at the beginning of the year	2,88,94,861	2,88,94,861
Add/(Less) shares issued and allotted during the year	-	-
Less: Shares bought back during the year	-	-
Balance at the end of the year	2,88,94,861	2,88,94,861

Persons holding shares consisting of more than 5% of Share Capital: Nil

3. RESERVES & 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
Debit Balance in Profit & Loss Account	(36,44,18,187)	(34,79,28,864)
	<u>(32,74,65,388)</u>	<u>(31,09,76,065)</u>

NOTES TO FINANCIAL STATEMENTS

Note	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
4. SECURED LOANS		
Working Capital Loans from Banks	3,61,82,232	3,61,82,232
5. UN-SECURED LOANS		
Sales Tax Deferment Loan	8,51,73,022	8,51,73,022
From Directors	1,16,11,788	1,12,11,788
Other	27,79,475	24,99,475
	<u>9,95,64,285</u>	<u>9,88,84,285</u>
CURRENT LIABILITIES & PROVISIONS		
6. Current Liabilities		
Trades Payable	-	-
Advances from Customers	-	89,300
	-	<u>89,300</u>
7. PROVISIONS		
Provision for expenses	6,19,391	4,76,403
Vat Payable	7,729	2,600
	<u>6,27,120</u>	<u>4,79,003</u>

**Note - 8
FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at	As at	Total	As at	Additions	Deletions	Total	As at	As at	
	01.04.2012	31.03.2013	01.04.2012	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	
Land	22,38,760	-	-	22,38,760	-	-	-	22,38,760	22,38,760	
Building	3,33,19,722	-	1,35,40,453	3,33,19,722	8,42,830	-	1,43,83,283	1,89,36,439	1,97,79,269	
Plant and Machinery	28,34,07,956	-	23,76,32,307	28,34,07,956	1,34,61,878	-	25,10,94,185	3,23,13,771	4,57,75,649	
Furniture & Fixtures	9,05,145	-	9,05,145	9,05,145	-	-	9,05,145	-	-	
Other Equipment	56,81,165	-	56,81,165	56,81,165	-	-	56,81,165	-	-	
Vehicles	24,46,467	-	20,56,120	24,46,467	2,32,414	-	22,88,634	1,57,933	3,90,347	
	32,79,99,215	-	25,98,15,190	32,79,99,215	1,45,37,122	-	27,43,52,312	5,36,46,903	6,81,84,025	
Previous Year	32,79,99,215	-	24,52,54,427	32,79,99,215	1,45,60,763	-	25,98,15,190	6,81,84,025	8,27,44,788	

Amount : in Rupees

G.R. CABLES LIMITED

Note	As at 31.03.2013 Rs.	As at 31.03.2012 Rs.
9. OTHER NON CURRENT ASSETS		
i) Cenvat	37,44,144	40,29,142
ii) Long Term Deposits	30,57,722	31,24,772
Total NON CURRENT ASSETS	68,01,866	71,53,914
CURRENT ASSETS		
10. TRADES RECEIVABLES		
Due for over six months	-	-
Others	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
11. INVENTORIES (As certified by the Management)		
Raw Materials	41,43,640	41,43,640
Semifinished Goods	54,74,292	54,74,292
Finished Goods	1,36,01,424	1,41,57,874
Scrap	7,26,863	10,38,300
	2,39,46,219	2,48,14,106
12. CASH AND CASH EQUIVALENTS		
Cash in Hand	6,843	5,483
Cash at Bank	16,654	11,463
	23,497	16,946

G.R. CABLES LIMITED

Note	Year ended 31.03.2013 Rs.	Year ended 31.03.2012 Rs.
12. OTHER INCOME		
Interest Earned on EMDs	1,25,203	1,15,295
	<u>1,25,203</u>	<u>1,15,295</u>
13. STOCK INCREASE/(DECREASE)		
A. WORK - IN - PROGRESS		
Opening Stock	54,74,292	54,74,292
Less: Written Off	-	-
Closing Stock	54,74,292	54,74,292
	<u>-</u>	<u>-</u>
B. FINISHED GOODS		
Opening Stock	1,41,57,874	1,47,14,324
Less: Written Off	-	-
Closing Stock	1,36,01,424	1,41,57,874
Increase/(Decrease)	4,27,000	5,56,450
(A+B)	<u>4,27,000</u>	<u>5,56,450</u>
14. MATERIALS CONSUMED		
Opening Stock		
Raw Materials and Packing Materials	41,43,640	43,76,800
Scrap	10,38,300	10,38,300
	<u>51,81,940</u>	<u>54,15,100</u>
Less : Closing Stock		
Raw Materials and Packing Materials	41,43,640	41,43,640
Scrap and Stores & Spares	7,26,863	10,38,300
Consumption	3,11,437	2,33,160
	<u>3,11,437</u>	<u>2,33,160</u>
15. POWER AND FUEL		
Electricity Charges	7,51,201	6,74,803
	<u>7,51,201</u>	<u>6,74,803</u>
16. EMPLOYEE COST		
Salaries and Wages	4,72,300	5,56,800
Employee's Retirement Benefit	9,727	87,344
Provident Fund & E.S.I	77,207	1,15,023
	<u>5,59,234</u>	<u>7,59,167</u>

G.R. CABLES LIMITED

Note	Year ended	Year ended
	31.03.2013	31.03.2012
	Rs.	Rs.
17. ADMINISTRATION & SELLING EXPENSES		—
Security Services Charges	55,000	60,000
Listing & Depository Fee	2,07,102	66,917
Printing & Stationary	52,610	62,510
Postate and Telegram	1,500	15,500
Remuneration to Auditors	25,000	25,000
Directors Sitting fees	33,500	29,000
Meeting Expenses	10,000	28,500
General Expenses	3,78,295	4,22,682
	<u>7,63,007</u>	<u>7,10,109</u>
18. FINANCIAL CHARGES		
Interest On Working Capital Loans	-	-
Bank Charges	4,783	3,833
	<u>4,783</u>	<u>3,833</u>
19. EXCEPTIONAL ITEMS/PRIOR PERIOD ITEM		
Old Debit Balances from customers	-	(55,34,983)
Other Debit Balances	-	(9,47,181)
Old Provisions/Credits	-	11,98,598
	-	<u>(52,83,566)</u>
20. EARNINGS PER SHARE (Face value Rs.10/- each)		
A. Numerator for earning per share	(1,64,89,323)	(2,18,10,581)
B. Denominator for basic earning per share	2,88,94,861	2,88,94,861
C. Basic earning per share (A/B)	(0.57)	(0.75)

NOTES TO FINANCIAL STATEMENTS**NOTES TO ACCOUNTS****1) 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 ever 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.

2) CONTINGENT LIABILITIES:

	As at 31.03.2013 Rs. in Lakhs	As at 30.09.2012 Rs. in Lakhs
i) Guarantees issued	-	-
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	
		2012-13	2011-12	2012-13	2011-12
Jelly Filled Telecom Cables	LCKM	15	15	001	001
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. tn Lakhs)	
		2012-13	2011-12	2012-13	2011-12
Jelly Filled Telecom Cables	LCKM	001	001	7.39	8.55

(c) Opening and Closing Stock of Finished Goods:

Particulars	Opening Stock				Closing Stock			
	Quantity		Value Rs. Lacs		Quantity		Value Rs. Lacs	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Jelly Filled Telecom Cables (LCKM)	0.28	0.28	141.57	147.14		0.28	136.01	141.57

G.R. CABLES LIMITED

	31.03.2013	31.03.2012
	Rs. in Lakhs	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	-	-
	31.03.2013	31.03.2012
	Rs.	Rs.
6) Managerial Remuneration under		
Section 198 of the Companies Act, 1956		
Salary (Managing Director & Executive Director)	-	-
Contribution to Provident Fund	-	-
A provision for Rs. 27.68 lakhs (Rs. 27.95 lakhs) towards salaries and wages not provided in the books of accounts for the financial year 2012-13 (2011-12)		
	31.03.2013	31.03.2012
	Rs.	Rs.
7) Payment to Auditors:		
Audit Fees	25,000	25,000
	2012-13	2011-12
	Rs. in Lakhs	Rs. in Lakhs
8) Exceptional and Prior Period Items include the following:		
Old Debit Balance from customers	-	(55,34,983)
Other Debit Balance	-	(9,47,181)
Old Provisions/credit	•	11,98,598
Creditors for Purchaser Credit	-	-
TOTALS	-	(52,83,566)
9) Confirmation of balances has not been received in respect of Secured loans, Sundry Creditors, Sundry Debtors, Loans & Advances and margin money. These accounts are subject to reconciliation and adjustments, if any.		
10) 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.		
11) Related Party Disclosure:		
Key personnel - Sri G.V.B.R. Reddy , No remuneration was paid during the year.		
Noven Life Sciences Pvt. Ltd had opening credit balance of Rs. 24.99 Lakhs. Transactions during the year was 2.10 lakhs. Closing balance was Rs.27.09 Lakhs.		

G.R. CABLES LIMITED

12) Deferred Tax

Due to large accumulated losses no deferred tax **asset/liability** was identified during the year as per AS-22 Deferred Tax Asset / Liability for the current year is recognized, due to large accumulated losses and very low level of operations during the year as per AS-22

13) All products are wires and cables, Hence no segment wise results are reported As per A.S - 17.

14) Basic and diluted EPS

Particulars	Period Ended 31.03.2013	Period Ended 31.03.2012
Profit after tax Rs.	(16,489,323)	(2,18,10,581)
Number of Equity Shares	2,88,94,861	2,88,94,861
Nominal value per share	Rs. 10/-	Rs. 10/-
Basic/Diluted EPS Rs.	-0.57	-0.75

15) Un secured loans include: Deferred sale tax loan of Rs. 8.52 Crores and Directors remuneration payable **pertaining** to previous years of **Rs.30.99** lacs and Loans and advances from Directors amounting to Rs.27.79 lacs.

16) Previous year's figures have been regrouped wherever necessary to conform to current **year's** classification.

17) Paise rounded off to nearest Rupee.

18) 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

F.R.NO: **006987S**

P. Srinivas

Proprietor

M.No. 204098

Place: Hyderabad

Date: 12.07.2013

For and on behalf of the Board

G.R. Reddy

Chairman & Managing Director

G.V.B.R. Reddy

Executive Director

G.R. CABLES LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2013

PARTICULARS	31.03.2013	31.03.2012
	Rupees	Rupees
A. Cash Flow from operating Activities		
Net Profit/(Loss) before tax	(1,64,89,323)	(1,65,27,015)
Adjustment for:		
Depreciation	1,45,37,122	1,45,60,763
Interest	4,783	3,833
Miscellaneous Expenses written off	-	-
Other Income	(1,25,203)	(1,15,295)
Operating Profit/(Loss) before working capital changes	<u>(20,72,621)</u>	<u>(20,77,714)</u>
Adjustment for:		
(Increase)/Decrease in Working Capital From Bank	-	-
(Increase)/Decrease in Trade Receivables	-	55,32,984
(Increase)/Decrease in Inventories	8,67,887	7,89,610
Increase/(Decrease) in Current Liabilities	58,817	96,707
Increase/(Decrease) in Other Liabilities	6,80,000	3,10,505
Cash generated from Operations	<u>(4,65,917)</u>	<u>46,52,092</u>
Interest Paid	(4,783)	(3,833)
Prior Period Hems	-	(52,83,566)
Inventories Written off	-	-
Net Cash Flow from Operating Activities	<u>(4,70,700)</u>	<u>(6,35,307)</u>
B. Cash Flow from investing Activities		
(Increase)/Decrease in Fixed Assets	-	-
(Increase)/Decrease in Non-Current Assets	3,52,048	5,02,562
Other Income Received	1,25,203	1,15,295
Net Cash used in investing activities	<u>4,77,251</u>	<u>6,17,857</u>
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Term Loan	-	-
Increase/(Decrease) in Share Capital	-	-
Increase/(Decrease) in Warrants Foreiture	-	-
Increase/(Decrease) in Share Application Money	-	-
Repayment of Cash Credit (SBH CC A/c)	-	-
Net cash generated from Financing Activities	<u>-</u>	<u>-</u>
Cash & Cash equivalents utilised (A+B+C)	6,551	(17,450)
Cash & Cash equivalents (Opening Balance)	16,946	34,396
Cash & Cash equivalents (Closing Balance)	23,497	16,946

As per our report of even date attached

for **SRINIVAS P & ASSOCIATES**

Chartered Accountants

F.R.NO: 006987S

P. Srinivas

Proprietor

M.No. 204098

Place: Hyderabad

Date: 12.07.2013

For and on behalf of the Board

G.R. Reddy

Chairman & Managing Director

G.V.B.R. Reddy

Executive Director

If undelivered, please return to

G.R. Cables Limited

Registered office: 36, Santosh Nagar,

Mehdipatnam,

Hyderabad - 500 028,

Andhra Pradesh