

## **GEM CABLES & CONDUCTORS LIMITED.**

Board of Directors	Mr Y Kamesh. Mr Y Malla Reddy. Mr K V S Rao.
Registered Office & Works	Survey No: 434 A & 434 AA, Chitkul Village, Patancheru Mandal, Medak Dist, Pin: 533 103
Bankers	M/s. Indusind Bank Limited.
Auditors	M/s. JBRK & Co., Chartered Accountants, Hyderabad.
Registrars	M/s. Sathguru Management Consultants (P) Ltd., 15, Hindinagar, Panjagutta, Hyderabad 500 034.
Listed At	The Stock Exchanges at Mumbai.
Contact email	<a href="mailto:info@gemcables.com">info@gemcables.com</a>
Investor Service	<a href="mailto:investors@gemcables.com">investors@gemcables.com</a>

## NOTICE.

Notice is hereby given that the **Annual General Meeting** of the Members of the Company will be held on Thursday, the 29<sup>th</sup> September, 2011, at 10.00 AM at the Registered Office of the Company, Survey No 434A & 434AA, Chitkul Village, Patancheru, Medak Dist – 533 103 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31<sup>st</sup> March, 2011, and the Balance Sheet and Cash flow Statement as at that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. Y.Malla Reddy , who, retires by rotation and being eligible, offers himself for reappointment.
3. Appointment of Auditors & fixation of remuneration:

To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. JBRK & Company, Chartered Accountants, Hyderabad, the retiring Auditors be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration of Rs.1,00,000/- plus out of pocket expenses.”

By order of the Board of Directors.  
Gem Cables & Conductors Limited.

Place: Hyderabad.  
Date: 25<sup>th</sup> August, 2011.

Y.Kamesh  
Director.

### Notes:

1. A Member entitled to vote at the Meeting is entitled to appoint a proxy and such proxy need not be a member of the Company.
2. The proxies, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members / Bodies Corporate / Proxies are requested to :
  - a) Notify change, if any, in address with pin Code numbers immediately to the company's registrar & Share Transfer Agents M/s. Sathguru Management Consultants Pvt Limited, 15,Hindi Nagar, Panjagutta, Hyderabad -34. Email : info @ satguru.com
  - b) Bring their copy of the Annual report and Attendance Slip with them at the Annual General Meeting.
  - c) Quote ledger folio in all their correspondence.
  - d) Members, who are holding shares under more than one folio and the name(s) are in the same order ,are requested to send their relative certificate to the registrars and share transfer Agents, for consolidation of the entire holding in one folio.
4. The register of members and Share Transfer books will remain closed from , Tuesday, the 27<sup>th</sup> September, 2011, to Thursday, the 29<sup>th</sup> September, 2011, both days inclusive.

## DIRECTORS' REPORT

To:  
The Members,  
Gem Cables and Conductors Limited.

Your Directors present herewith the Annual Report together with the Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2011.

Despite our best efforts, your Company could not achieve to post a healthy turnover solely owing to the lack of working capital facilities from the Banks and other institutions. However, your company could mitigate upto some extent, by resorting to doing job work for other companies and end users.

### Operating Results:

As part of process of revamping, during the interregnum period your company is under contract manufacturing operations.

The financial results for the period are:

		2010-11	2009-10
1.	Income from Operations	Rs. 845.34 Lakhs	Rs. 63.09 Lakhs
2.	Gross Profit / Loss	Rs. (65.83) Lakhs	Rs. (67.38) Lakhs
3.	Less: Bank Charges	Rs. 1.19 Lakhs	Rs. 3.48 Lakhs
4.	Less: Depreciation	Rs. 82.82 Lakhs	Rs. 82.86 Lakhs
5.	Net Loss for the period before extraordinary & prior period items	Rs.(149.84) Lakhs	(Rs.174.99 Lakhs)

### Market Scenario:

The domestic market, even though buoyant, is entirely propelled by the demand triggered by the ongoing APDERP projects. These projects are being handled by very big contractors on turn key basis and the price bargaining is very high, thereby reducing the value addition to a bare minimum. However, your Company has adopted a model of being outsourcing partner to some of these companies on contract manufacturing basis and this model is helping your Company to stay afloat, it is felt that unless large working capital arrangement are made, it is difficult to revive the market leadership position in the near future.

### Cash Flow Statement :

In Accordance with the listing agreements with stock exchanges, the Cash Flow statement for the year ended 31.03.2011 is enclosed.

### Restructuring :

The plans to restructure the Company's long term debt profile with low cost of funds is being vigorously pursued and the response has been very positive. The efforts of the Company to resolve the issues with all the financial institutions and Banks are yet to bear the fruit.

In spite of the present depressing situation owing to the constricted cash flows and various cases being faced by the Company, with the active support and co-operation from the institutions, banks and the sustained co-operation from the esteemed members and other associates, your directors are very confident of reviving the Company.

The efforts of the Company to induce an investing partner or to sell always some of the assets in pursuance of the resolution passed on 08.08.2008 are bearing fruit and your directors are hopeful to close these deals in the current financial year.

## **Corporate Governance**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance along with a Certificate from the Auditors is furnished forming part of this Report.

### **Energy Conservation:**

Conservation of Energy, technology absorption etc, are enclosed at Annexure 1 as required under Section 217 (1) (e) of the Companies Act, 1956.

### **Auditors and Auditors Report:**

M/s. JBRK & Co., Chartered Accountants, Hyderabad, retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Sec.224(1B) of the Companies Act, 1956.

### **Directors:**

Shri. Y.Malla Reddy, Director, retires at the ensuing Annual General Meeting and is eligible for reappointment.

### **Responsibility Statement:**

Pursuant to the requirement under sec.217(2AA) of the Companies Act, 1956, with respect to Director's responsibility statement, it is hereby confirmed that:

1. in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2011 the applicable accounting standards, except as stated have been followed along with proper explanation relating to material departure.
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review:
3. 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 safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2011 on a "going concern" basis.

### **Particulars of Employees:**

There are no Employees in the company whose particulars are required to be furnished as per Section 217 (2A) of the Companies Act, read with the Companies (particulars of employees) Rule 1975.

### **Human Resources:**

During the period under review your Company continues to enjoy cordial relations with employees at all levels.

### **Foreign Exchange earnings and outgo.**

During the period there was neither earning nor outgo of foreign exchange.

**Acknowledgements:**

Your Directors convey their appreciation for the services rendered by Employees & Staff..  
Your Directors thank M/s. SASF, IDBI and Banks for their continued support.

Your Directors would like to thank all the Customers of the Company for their continued co-operation. Finally, we thank the large family of share holders of your Company and all others who are assisting the Company.

Place: Hyderabad  
Date: 25<sup>th</sup> August, 2011.

By order of the Board.  
Gem Cables & Conductors Limited,

Y.Kamesh  
Director.

K V S Rao.  
Director.

## **Annexure to Directors Report.**

### **Companies (Disclosure of particulars in the report of Board of Directors) Rules.**

#### **A. Conservation of Energy:**

##### **B. Energy Conservation measures:**

No fresh energy conservation measures have been adapted this year, other than continuation the previous years' measures on account of very low production and equipment utilization.

Care is being exercised over putting off the yard lighting and the factory lighting at the first break of dawn. Where ever possible, tube lights and MV Lamps have been replaced with CFL lamps to save energy.

##### **C. Additional investments and proposals, if any, being implemented for the reduction of consumption of energy: None.**

- a. Impact of the measures at (a) and (b) above fore reduction of energy consumption and consequent impact on the cost of production of goods: Insignificant.
- b. Total energy consumption and energy consumption per unit of production as per form A in respect of industries specified in the schedule thereto: Not Applicable.

#### **D. Technology Absorption:**

##### **a. Efforts made in technology absorption as per Form B is given below:**

Form for disclosure of particulars with respect to absorption, Research and Development (R&D):

1. Specific areas in which R&D Efforts have been put in by the Company are: No R&D was carried out during the period under review.
2. Benefits derived as a result of the above R&D: None.
3. Future Plan of action: To develop Elastomeric and special application cables and paper wound wires & strips for transformers.

Technology adoption, adaptation and innovation:

1. Efforts in brief, made towards technology absorption, adaptation and innovation: As there are only skeletal operations, no efforts have been made in this direction by the Company. There is no imported technology.
2. Benefits derived as a result of these efforts: Not applicable.
3. Imported technology: No technology has been imported in the last 6 years, reckoned from the beginning of the financial year.
4. Foreign Exchange earnings and outgo:
  - i. Activities relating to exports: Rs.Nil.
  - ii. Outgo by way of expenses: Rs. Nil.

By order of the Board.  
Gem Cables & Conductors Limited

Place : Hyderabad.  
Date: 25<sup>th</sup> August, 2011.

Y Kamesh.  
Director.

K V S Rao.  
Director.

## **Annexure to the Director's Report.**

### **REPORT ON CORPORATE GOVERNANCE:**

The era of good Corporate Governance came into existence with the insertion of Clause 49 of the listing agreement. Your company believes in attainment of highest levels of transparency in all facets of its operations. The company is committed to maximize the shareholder value by adopting the principles of good corporate governance in line with the provisions stipulated in the listing agreement.

#### **1. BOARD OF DIRECTORS:**

The constitution of the Board is given below:

Director	Whole-time/ Independent	Number of outside Directorships held *	Number of memberships on Board Committees
Mr Y Kamesh	Director	One	0
Mr Y Malla Reddy	Independent	Nil	2
Mr K V S Rao	Independent	Nil	2

#### **2. AUDIT COMMITTEE :**

During the year under review Four (4) meetings were held. The constitution of the Committee and the attendance of each member of the Committee is given below:

Name of the Director	Designation	Whole time/ Independent	Profession	Committee meetings attended
Mr. Y Malla Reddy	Director	Independent	Business	4
Mr. K V S Rao	Director	Independent	Business	4

The meetings of Audit committee are also attended by the concerned officials of the Company as Invitees. The un-audited financial results for each quarter are approved by the audit committee before handing over to the Board of Directors for approval and adoption.

#### **Terms and reference of the Audit Committee include a review of;**

- Financial reporting process;
- Draft financial statements and auditor's report (before submission to the Board);
- Accounting policies and practices;
- Internal controls and internal audit systems;
- Risk management policies and practices;
- Related party transactions;
- Adequacy of internal audit function;

The role of the audit committee includes recommending the appointment and removal of the external auditor, discussion of the audit, plan, fixation of audit fee and also approval of payment of fees for any other services.

### 3. INVESTORS GRIEVANCE COMMITTEE:

The Board constituted an investors grievance committee in which looks into shareholders and investors grievances. The following are the members of the committee:

Sri K V S Rao  
Sri Y Malla Reddy.

Name & Designation of the Compliance officer :

Mr. Y Kamesh.  
Compliance Officer  
Gem cables & Conductors Limited,  
Survey No: 434 A & 434 AA, Chitkul Village,  
Patancheru Mandal, Medak Dist.,  
Andhra Pradesh, Pin: 533 103  
[investors@gemcables.com](mailto:investors@gemcables.com)

### 4. REMUNERATION OF DIRECTORS:

There is no remuneration paid to any of the Directors.

### 5. BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS & ANNUAL GENERAL MEETINGS:

The Board of Directors of the company met four (4) times during the last financial year. The Company placed before the Board the annual operating plans and budgets and performance of the company from time to time. Information, which is materially important were placed before the Board meeting as and when the same takes place.

The attendance at the Board meeting and Annual general meetings was as under:

Director	Attendance at Board meeting	Attendance at Annual General Meeting.
Mr Y Kamesh	4	Yes
Mr Y Malla Reddy	4	Yes
Mr K V S Rao	4	Yes

### 6. DISCLOSURES:

No transactions of material nature is entered into by the company with the promoters, Directors or management or their relatives etc, that may have a potential conflict of interest of the company during the period under review. The company has not entered into any contract with the director, which requires any entry in the register of contracts as required under the provisions of the Companies Act, 1956. There are no pecuniary transactions with the independent / non- executive directors other than payment of remuneration disclosed in point no. 4 above.



## 7. NOTES ON DIRECTORS APPOINTMENT/ RE-APPOINTMENT:

Pursuant to clause 49 of the listing Agreement the particulars of directors who are proposed to be appointed / re - appointed at the ensuing Annual General Meeting are given below :

Mr. Y.Malla Reddy retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

## 8. SHARE TRANSFERS:

The trading of equity shares of the company is mandatory in the dematerialized form. To expedite the transfer process in the physical segment authority has been delegated to the share transfer committee, which comprises of the members of the investor's grievances committee.

Share transfers/ transmissions approved by the committee are reported to the Board from time to time.

## SHAREHOLDER INFORMATION:

### 1. Annual General meeting

Date and time : 29<sup>th</sup> September, 2011 at 10.00 A.M.  
Venue : Registered Office of the Company,  
Survey No: 434 A & 434 AA, Chitkul Village,  
Patancheru Mandal, Medak Dist.,  
Andhra Pradesh, Pin: 533 103

2. Financial Year : 01<sup>st</sup> April2010 to 31<sup>st</sup> March2011

### Financial Calendar (Tentative) For 2011-12:

Quarter ending 30 <sup>th</sup> June, 2011	Last week of July, 2011
Quarter ending 30 <sup>th</sup> September, 2011	Last week of October, 2011
Quarter ending 31 <sup>st</sup> December, 2011	Last week of January, 2012
Quarter ending 31 <sup>st</sup> March, 2012	Last week of April, 2012

1. Dates of Book Closure : Tuesday, 27<sup>th</sup> Sept, 2011, To  
Thursday, 29<sup>th</sup> Sept, 2011.
2. Registered Office : Survey No: 434 A & AA, Chitkul Village,  
Patancheru Mandal, Medak Dist,  
Andhra Pradesh, Pin: 533 103
3. Equity shares are listed at: : The Stock Exchange – Mumbai
4. Listing Fees for the FY 2010-11: Paid to The Bombay Stock Exchange Ltd.  
MUMBAI.

### 5. Registrars and share transfer Agents :

M/s. Sathguru Management Consultants P Ltd.,  
15, Hindi Nagar, Panjagutta, Hyderabad 500 034.  
e.mail: info @ staguru.com

6. Market Price Data:

Since the Company's Equity Shares have been suspended from trading on the Stock Exchanges, the market price data is not available.

7. General Body Meetings: Location and time for last three Annual General Meetings:

Year	Date	Time	
2007-08	24.09.2008	10.00 am	Registered office of the Company.
2008-09	29.09.2009	10.00 am	
2009-10	30.09.2010	11.30 am	

No Postal Ballots were used for voting at these meetings. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

8. Share transfer system

All shares have been transferred and Returned with in 30 days from the date of receipt, so long as the documents have been clear in all respects.

9. The share transfer committee generally meets once a month.

10. Investors relations: All complaints received from shareholders have been cleared within the financial year. The complaints are generally replied with in 10 working days from their lodgment with the company. The investors can contact the company on its e mail id: investors@gemcables.com

11. Distribution of shareholding as at 31<sup>st</sup> March, 2011:

Share Holding of nominal Value of		Share Holders		Share Amount	
Rs.	Rs.	Number	% to Total	In Rs.	% to Total
(1)	(2)	(2)	(3)	(4)	(5)
Upto - 5000		9875	93.38%	13434410	19.57%
5001 - 10000		420	3.97%	3692220	5.38%
10001 - 20000		149	1.41%	2270920	3.31%
20001 - 30000		42	0.40%	1085000	1.58%
30001 - 40000		22	0.21%	769680	1.12%
40001 - 50000		21	0.20%	1005760	1.46%
50001 - 100000		15	0.14%	1005980	1.47%
100001 and above		32	0.29%	45373530	66.11%
<b>TOTAL</b>		<b>10576</b>	<b>100.00%</b>	<b>68637500</b>	<b>100.00%</b>

According to categories of shareholders as at 31<sup>st</sup> March, 2011:

	<b>CATEGORY</b>	<b>No. of Shares held</b>	<b>% age of shareholding</b>
A	<b>PROMOTER'S HOLDING:</b>		
1.	Promoters* - Indian Promoters - Foreign Promoters	3375307	49.18%
2.	Persons acting in Concert #	0	0
B.	<b>NON-PROMOTERS HOLDING</b>		
3.	Institutional Investors	0	0
a.	Mutual Funds	0	
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions / Non-government Institutions)	500000	7.28%
c.	FIs	0	0
4.	<b>OTHERS</b>		0
a.	Private Corporate Bodies	161380	2.35%
b.	Indian Public	2781168	40.52%
c.	NRIs / OCBs	45895	0.67%
d.	Any other (please specify)	0	0
	<b>TOTAL</b>	<b>6863750</b>	<b>100%</b>

**12. Dematerialization of shares:**

As on 31<sup>st</sup> March, 2011 out of the total shareholding of 68,63,750 equity shares 14,72,417 shares representing 21.45% of equity shares are in dematerialized form.

13. As of date, the Company has no outstanding convertible instruments.

**AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE:**

To the Board of Directors of  
GEM CABLES AND CONDUCTORS LIMITED.

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of M/s.Gem Cables & Conductors Ltd. ("the company") for the year ended 31<sup>st</sup> March, 2011 as stipulated in clause 49 of the listing agreement of the said company with the stock exchanges.

The compliance of the conditions of the Corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above-mentioned listing agreement.

We 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.

For JBRK & CO  
Chartered Accountants  
Firm Reg, No.05775S

P Jitendra Kumar.  
Partner  
Membership No: 22109

Place: Hyderabad  
Date: 25th August, 2011.

## **AUDITORS' REPORT**

To  
The Members,  
M/s Gem Cables & Conductors Limited,  
Hyderabad

We have audited the Balance sheet of Gem Cables & Conductors Limited as at 31.03.2011 and also the annexed the Profit & Loss Account and the Cash flow statement for the year ended on the date. 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.

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 misstatements. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1 As required by the Companies ( Auditors Reports ) Order, 2003, issued by the Central Government in terms of section 227(4-A) of Companies Act,1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order;
- 2 Further to our comments in the Annexure referred to in paragraph 1 above, and the following, viz.:
  - a) Sundry Debtors and Sundry Creditors, Loans and advances are subject to confirmation and reconciliation.
  - b) Though the Depreciation is provided on the cost of equipment procured with IDBI equipment finance, no depreciation is provided on the amounts capitalized after 01-01-1998 and also on the amount of materials utilized for trial / test production of the H.V. Cables and transferred to Capital work – in – progress.
  - c) The Raw Material is valued at average cost, stores and spares are valued at cost and finished stocks are valued at Company's list price / purchase order price. The cost formulas used by the company for determining the cost of inventories is in conformity to the norms prescribed under accounting standard-2 issued by the Institute of Chartered Accountants of India.
  - d) Bank balances and Loan from Industrial Development Bank are subject to reconciliation and confirmation.
  - e) In the absence of adequate information, the value of raw material and closing stock is considered on the basis of values/ amounts given and certified by the management. The closing stock of Rs. 156.56 Lacs is not physically verified by us.
  - f). No provision is made for the penal interest, if any payable on the unpaid amounts of PF, ESI, Professional tax dues to the respective authorities.
  - g). In the absence of any details, we are unable to express an opinion about the correctness of the Contingent liabilities of Rs 623.27 lakhs, as to the nature and the amount.
  - h). The company has become a sick industrial company with in the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and intimation to that effect was made to BIFR in the year 2003 during which 50% of the net worth of the company was eroded

- i). Company's management decided to treat items dealt under schedule Q of Financial Statements (Extraordinary and prior year Items) on which, no evidence other than management opinion is available.
3. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
  4. On the basis of written representations received from the Directors as on 31<sup>st</sup> March 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2011 from being appointed as a Director in terms of Clause (g) of sub section (l) of Sec.274 of the Companies Act, 1956.
  5. In our opinion proper books of accounts as required by Law have been kept by the Company in so far as appears from our examinations of such books.
  6. The Balance Sheet and Profit & Loss Account as required by Law have been kept by the Company in so far as appears from our examination of such books.
  7. Save otherwise stated hereinabove, in our opinion, these accounts comply with the Mandatory Accounting Standards issued by the ICAI and as referred to in Section 211(3C) of the Companies Act,1956.
  8. Subject to observations in para 2, In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss account read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required by the Companies Act,1956 and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a. In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2011;
    - b. In the case of Profit & Loss Account, of the Loss of the Company for the period ended 31<sup>st</sup> March, 2011; and
    - c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For JBRK & CO  
Chartered Accountants  
Firm Reg, No.05775S

P Jitendra Kumar.  
Partner  
Membership No: 22109

Place: Hyderabad  
Date: 25<sup>th</sup> August, 2011.

## ANNEXURE TO AUDITORS REPORT

(Referred to in Paragraph 1 of our Report of even date)

1. a. The Fixed Assets register is being updated.  
  
b. It is explained to us that the physical verification of most of the fixed assets has been done by the management during the year under audit and no discrepancies were noticed on such verification.  
  
c. As per the information made available for us there are no disposals of fixed assets during the period covered under audit.
2. In respect of inventories:
  - d. In our opinion and according to the explanations given to us, the physical verification of stores, spares and Raw Materials was conducted by the Management, at reasonable intervals during the year.
  - e. The Company has a reasonable system of physical verification of inventories which in our opinion is reasonable having regard to the size of the company.
  - f. The Company has to improve the maintenance of records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the books of records.
3. The Company has neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. Hence the sub-clause (b), (c) and (d) of clause 3 of the Companies (Auditors Report) Order, 2005 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 and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods. In our opinion and according to the information and explanations given to us there has been no continuing failure to correct major weaknesses in internal control during the year.
5. The Company has not entered into any transactions exceeding Rs. Five lakhs in respect of any party mentioned in the Register maintained under section 301 of the Companies act, 1956 during the period under audit.  
  
(b) In view of the above, clause 5 (b) of the paragraph 4 of the Companies (Auditors Report) order 2005 is not applicable to the company for the current year.
6. The Company did not accept any deposits from the public within the meaning of section 58-A and 58 AA of the Companies Act, 1956.
7. The Company has an internal audit system which is in our opinion is commensure with the size of the company and nature of its business. During the year no internal audit has been conducted.
8. The Company, according to the information and explanations given to us, is not required to maintain the accounts and records prescribed by the Central Government under section 209(1) (d) of the Companies, Act, 1956.
9. The company is a sick company and has been registered for a period of not less than 5 years. The company's financial accumulated losses at the end of the financial year

exceeds 100% of its net worth and the company has incurred a cash loss during this year.

10. According to the information and explanations given to us, there were no undisputed Income Tax, Custom duty and Excise duty, as at last day of the accounting period. According to the information and explanations given to us there are no disputed statutory dues outstanding as at 31-03-2011.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. The Company is not a chit fund, Nidhi or Mutual benefit fund/society.
13. As per the information and explanations made available to us, the company has not defaulted in repayment of dues to banks or financial institutions.
14. In our opinion and according to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments. All long-term investments have been held by the company in its own name.
15. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for the loans taken by others from bank or financial institutions.
16. The Company has not taken any term loans during the period under audit.
17. According to the information and explanations given to us, during the period under audit, the company has not applied any short term borrowings for long term use and vice versa.
18. No debentures have been issued by the company during the year.
19. The company has not raised money during the year by way of public issue.
20. The Company has not made any preferential allotments of shares during the period.
21. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For JBRK & CO  
Chartered Accountants  
Firm Reg, No.05775S

P Jitendra Kumar.  
Partner  
Membership No: 22109

Place: Hyderabad  
Date: 25<sup>th</sup> August, 2011.



**GEM CABLES & CONDUCTORS LIMITED**  
**BALANCE SHEET AS ON 31.03.2011**

					(Amount Rs)
Particulars	SCHEDULE		2010-11		2009-10
<b>SOURCE OF FUNDS</b>					
Share Capital	A		<b>68,637,500</b>		68,637,500
Capital Reserve			<b>37,800,000</b>		37,800,000
Central Subsidy			<b>645,520</b>		645,520
Secured Loans	C		<b>327,432,733</b>		327,432,733
Unsecured Loans	D		<b>4,499,480</b>		6,794,901
<b>Total</b>			<b>439,015,233</b>		<b>441,310,654</b>
<b>APPLICATION OF FUNDS</b>					
Fixed Assets	E	<b>238,953,285</b>		238,953,285	
<b>Less: Depreciation Fund</b>		<b>102,014,462</b>	<b>136,938,823</b>	93,732,918	145,220,367
Deferred Tax Asset			<b>15,944,127</b>		
Current Assets, Loans & Advances	F	<b>274,869,294</b>		262,075,064	
<b>Less: Current Liabilities &amp; Provisions</b>	G	<b>286,004,323</b>	<b>(11,135,029)</b>	263,252,084	(1,177,020)
Profit & Loss Account Balance	B		<b>297,267,313</b>		297,267,307
<b>Total</b>			<b>439,015,233</b>		<b>441,310,654</b>
Notes to Accounts	S				

As per our annexed Report of even date  
for JBRK & Co.,  
Chartered Accountants  
(Firm Reg No 05775S)

P.Jitendra Kumar  
Partner  
Membership No.22109

Place : Hyderabad  
Date: 25.08.2011

For and on behalf of Board of Directors  
Gem Cables & Conductors Limited

Y.Kamesh  
Director

K V S Rao  
Director

**GEM CABLES & CONDUCTORS LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-03.2011**

				(Amount Rs)
	SCHEDULE	2010-11		2009-10
<b>INCOME</b>				
Sale of Goods	H	<b>83,425,298</b>		2,128,268
Contract Manufacturing Receipts	I	<b>1,081,540</b>		4,181,098
Other Income	J	<b>27,008</b>		107,441
Accretion /Decretion of Stock	Q	<b>14,933,178</b>		57,000
<b>Total</b>		<b>99,467,024</b>		<b>6,473,807</b>
<b>EXPENDITURE</b>				
Purchase of Materials		<b>73,877,435</b>		154,000
Manufacturing Expenses	K	<b>26,328,580</b>		8,531,719
Employee's Remuneration & Benefits	L	<b>4,073,514</b>		4,516,143
Interest & Finance Charges	M	<b>118,538</b>		348,044
Selling and Distribution Expenses	N	<b>308,453</b>		285,204
Administration Expenses	O	<b>1,463,088</b>		1,851,822
Depreciation	E	<b>8,281,543</b>		8,285,993
<b>Total</b>		<b>114,451,151</b>		<b>23,972,925</b>
Loss for the Year before extraordinary items & Prior year expenses		<b>(14,984,127)</b>		(17,499,118)
Extraordinary items & Prior year adjustments	P	<b>960,000</b>		(3,757,143)
Less:				
Current Tax		<b>0</b>		0
Deferred Tax		15,944,127		0
Net Profit		<b>0</b>		<b>(13,741,975)</b>
Amount carried to Balance Sheet		<b>0</b>		<b>(13,741,975)</b>

As per our annexed Report of even date  
for JBRK& Co.,  
Chartered Accountants  
(Firm Reg No 05775S)

P.Jitendra Kumar  
Partner  
Membership No.22109

Place: Hyderabad  
Date: 25.08.2011

For and on behalf of Board of Directors  
Gem Cables & Conductors Limited

Y.Kamesh  
Director

K V S Rao  
Director

**GEM CABLES & CONDUCTORS LIMITED**  
**ANNEXURE TO BALANCE SHEET**

<b>SCHEDULE – A</b>		<b>2010-11</b>		<b>2009-10</b>
Authorised Capital :				
7800000 Equity Share of Rs.10/- each		<b>78,000,000</b>		78,000,000
3200000 Redeemable preferences shares of Rs. 10/- each		<b>32,000,000</b>		32,000,000
<b>Total</b>		<b>110,000,000</b>		<b>110,000,000</b>
Issued, Subscribed & Paid up Capital				
6863750 Equity Shares of Rs.10/- each		68,637,500		68,637,500
<b>Total</b>		<b>68,637,500</b>		<b>68,637,500</b>

**SCHEDULE- B**

		<b>2010-11</b>		<b>2009-10</b>
Opening Balance		<b>297,267,308</b>		283,525,332
Profit & Loss Account		<b>0</b>		13,741,975
<b>Total</b>		<b>297,267,308</b>		<b>297,267,307</b>

**SCHEDULE - C**

<b>Secured Loans:</b>		<b>2010-11</b>		<b>2009-10</b>
Industrial Development Bank of India ( SASF)		<b>68,200,000</b>		68,200,000
Term Loan secured by first charge on the Land Buildings, Plant & Machinery both Present and future				
Indusind Bank Limited		<b>141,730,516</b>		141,730,516
Secured by first charge on Raw Material, Book debts, Bills, Finished and Semi- Finished goods both present and future				
Interest Accured Due		<b>117,502,217</b>		117,502,217
<b>Total</b>		<b>327,432,733</b>		<b>327,432,733</b>

Note: All the above Loans are secured by the Personal Guarantee of Directors Y.Kamesh & KVS Rao .

**SCHEDULE - D**

<b>Unsecured Loans:</b>		<b>2010-11</b>		<b>2009-10</b>
Unsecured Loans from Directors		0		2,295,421
Unsecured loan from Gem Telecom Limited		4,000,000		4,000,000
IFST Loans		499,480		499,480
<b>Total</b>		<b>4,499,480</b>		<b>6,794,901</b>

**Gem Cables & Conductors Limited**  
**SCHEDULE: E - FIXED ASSETS**

Amounts in Rs.

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on	Additions/	Deletion	As on	As on	Additions	Deletion	As on	As on	As on
	01.04.2010	Adjustments		31.03.2011	01.04.2010			31.03.2011	31.03.2011	31.03.2010
Land	2700665	0	0	2700665	0	0		0	2700665	2700665
Buildings			0							
A) Factory Building	20996697	0	0	20996697	9271301	701290		9972591	11024106	11725396
B) Office Building	0	0	0	0	0			0		0
Plant & Machinery	105466150	0	0	105466150	53531974	5009642		58541616	46924534	51934176
Laboratory	51908043	0	0	51908043	27198980	2465632		29664612	22243431	24709064
Office Furniture & Fixtures	252238	0	0	252238	252238	0		252238	0	0
Miscellaneous Fixed Assets & Office Eqpt	2073592	0	0	2073592	1634961	98496		1733457	340135	438631
Vehicles	1676079		0	1676079	1676079	0		1676079	0	0
Library	30426	0	0	30426	30426	0		30426	0	0
Tools & Tackles	35834	0	0	35834	35834	0		35834	0	0
Patents & Copy Rights	310604	0	0	310604	88744	0		88744	221860	221860
Computers	40000	0	0	40000	12382	6484		18866	21134	27618
Capital Work in Progress	53462957	0	0	53462957	0	0		0	53462957	53462957
<b>Total</b>	<b>238953285</b>	<b>0</b>	<b>0</b>	<b>238953285</b>	<b>93732919</b>	<b>8281543</b>	<b>0</b>	<b>102014462</b>	<b>136938823</b>	<b>145220367</b>

**GEM CABLES & CONDUCTORS LIMITED**

**SCHEDULE – F**

<b>Current Assets &amp; Loans &amp; Advances</b>	<b>2010-11</b>		<b>2009-10</b>
<b>Inventories:</b>			
As taken, valued and certified by the Management			
Raw Materials including packing Materials, at average cost and stores and spares at cost.	300804		300804
Finished Goods ( At Company's PO/List Price ) & Semi Finished Goods at cost	15355563		422385
<b>Sundry Debtors: (Unsecured and considered good)</b>			
Less than 6 months	1834661		153870
more than 6 months	231461983		231129724
<b>TOTAL</b>	<b>233296644</b>		<b>231283594</b>
<b>Cash &amp; Bank Balances:</b>			
Bank Balance with Schedule Banks	5,627,703		12,523,222
Cash on Hand	189,039		38,495
Deposits with schedule Banks including margin money deposits	2,079,225		2,041,055
Earnest Money deposits	194,000		409,170
<b>TOTAL</b>	<b>8,089,967</b>		<b>15,011,942</b>
<b>Loans &amp; Advances</b>			
Income Tax Receivables	283,370		259,101
Loans & Advances, Unsecured, recoverable in cash or kind or value to be received:	16,974,183		14,797,238
VAT Input Credit	568,763		0
<b>TOTAL</b>	<b>17,826,316</b>		<b>15,056,339</b>
<b>Total</b>	<b>274869294</b>		<b>262075064</b>

**SCHEDULE – G**

<b>Current Liabilities &amp; Provisions</b>	<b>2010-11</b>		<b>2009-10</b>
Sundry Creditors	53,529,312		14,959,224
Creditor for Expenses, Other Liabilities & Provisions	16,976,911		15,052,879
Salaries and Gratuity Payable	29,051,705		29,303,173
Other Liabilities	186,446,395		203,936,808

<b>Total</b>	<b>286,004,323</b>		<b>263,252,084</b>
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**GEM CABLES & CONDUCTORS LIMITED**  
**ANNEXURE TO PROFIT & LOSS ACCOUNT.**  
**SCHEDULE – H**

<b>Income:</b>	<b>2010-11</b>		<b>2009-10</b>
Sales Cables & Conductors	23,738,996		2,030,783
Trading Sales - Cables & Conductors	59,686,302		97,485
<b>Total :</b>	<b>83,425,298</b>		<b>2,128,268</b>

**SCHEDULE – I**

<b>Contract Manufacturing Receipts</b>	<b>2010-11</b>		<b>2009-10</b>
Contract Manufacturing Income received	1,081,540		4,181,098
<b>Total :</b>	<b>1,081,540</b>		<b>4,181,098</b>

**SCHEDULE – J**

<b>Other Income</b>	<b>2010-11</b>		<b>2008-09</b>
Interest from Banks	27,008		50,973
Misc. Income	0		33,320
Other Income	0		23,148
<b>Total :</b>	<b>27,008</b>		<b>107,441</b>

**SCHEDULE – K**

<b>Manufacturing Expenses :</b>	<b>2010-11</b>		<b>2009-10</b>
Electricity Charges	1,075,891		1,179,353
Labour Charges	143,951		3,417,898
Spares & Consumables Consumed	149,913		202,887
Material Inward & Weighment	180		8,085
Purchase of Semi finished Goods	21,996,260		0
Repairs & Maintenance	9,702		474,137
Job work Charges	259,769		0
Raw material Consumed	2,458,685		1,976,934
Packing Materials	10,230		53,128
Calibration Charges	25,945		6,500
Generator Maintenance	54,880		22,354
Testing Charges	25,926		593,539
Transport Charges	28,026		34,034
Engraving Charges	1,650		2,500
Power & Fuel	0		46,230
Unloading Charges	550		0
Factory Maintenance	77,597		38,309
Repairs & Maintenance - Factory Buildings	9,425		472,831
<b>Total :</b>	<b>26,328,580</b>		<b>8,528,719</b>

**GEM CABLES & CONDUCTORS LIMITED****SCHEDULE – L**

<b>Employees Remuneration &amp; Benefits</b>	<b>2010-11</b>		<b>2009-10</b>
Salaries, Wages & Perquisites	3,854,892		3,478,656
Perquisites to MD	0		58,427
Employees welfare	26,184		199,374
Employer Contribution to ESI	38,393		90,498
Employer Contribution to PF	43,249		110,176
Others	110,796		42,300
<b>Total :</b>	<b>4,073,514</b>		<b>3,979,431</b>

**SCHEDULE – M**

<b>Interest &amp; Finance Charges</b>	<b>2010-11</b>		<b>2009-10</b>
Bank Charges	118,538		65,889
Interest Others	0		406,578
LC Charges	0		6,831
Interest Paid to GTB	0		30,180,937
<b>Total :</b>	<b>118,538</b>		<b>30,660,235</b>

**SCHEDULE – N**

<b>Selling and Distribution Expenditure:</b>	<b>2010-11</b>		<b>2009-10</b>
Boarding & Lodging	16,391		0
Discounts allowed	0		32,189
Packing Material	0		20,750
Bad debts written off	0		1,042,242
Marketing Exp.	0		436,497
Material Outward	700		28,470
Central Excise Duty	244,544		65,797
Inspection Charges	19,323		10,539
Others	5,881		107,563
Business Promotion	11,608		0
Tender Forms	10,006		0
<b>Total</b>	<b>308,453</b>		<b>1,744,047</b>

**GEM CABLES & CONDUCTORS LIMITED**  
**SCHEDULE – O**

<b>Administration Expenses</b>	<b>2010-11</b>		<b>2009-10</b>
Advertisement & Publicity	4,263		0
Misc. Expenses	107,567		46,690
Rates & Taxes	28,236		110,360
Postage & Telegram	18,834		71,620
Printing & Stationery & Periodicals	37,105		43,640
Conveyance	107,642		148,257
Professional & Consultancy Charges	212,722		385,335
Office Maintenance	53,443		88,255
Traveling Expenses	17,475		45,096
Insurance	2,270		98,087
Communication Charges	67,057		205,458
Repairs to Vehicle	3,900		69,259
Office Electricity Charges	0		22,583
Audit Fee	0		0
Statutory	110,300		110,300
Others	0		24,787
Security Charges	(38,449)		543,170
Transport & Hamali Charges	0		12,408
Donation	10,000		15,000
Listing Fees	0		150,750
Tender Document charges	0		21,240
loss on sale of Motor cycle	0		4,772
Membership & Subscription	196,076		0
Professional Tax for Directors	10,000		0
License Renewal Fee	263,715		0
Exp. For Professional Consultancy	5,000		0
Sales Tax Paid	91,285		0
ROC fee	20,500		0
ESI Arrears	68,000		0
Pooja Exp.	2,620		0
Gram Panchyath Fee	63,527		0
<b>Total</b>	<b>1,463,088</b>		<b>2,217,067</b>



**GEM CABLES & CONDUCTORS LIMITED****SCHEDULE –P**

<b>Extraordinary and prior year Items</b>	<b>2010-11</b>		<b>2009-10</b>
Loans & Advances Written off	0		3,927,564
Deposits Written off	0		301,000
Prepaid Exp. Written Off	0		1,963,525
Sales tax Paid in Advance	0		3,993,764
Debit balances in Sundry Creditors Written off	0		1,323,345
Amounts receivable written off	0		506,883
Sundry receivables written off	0		11,808,674
Debit balances in creditors - written off	0		2,864,153
Credit balances in Debtors accounts- treated as income	0		(9,259,308)
Unclaimed Sundry Creditors Written back	0		(21,186,743)
Prior Period Expenses	960,000		0
	<b>960,000</b>		<b>(3,757,143)</b>

**SCHEDULE –Q**

<b>Accretion/ Decretion of stocks :</b>	<b>2010-11</b>		<b>2009-10</b>
Closing Stock			
1. Finished Goods & Semi Finished Goods	15,298,563		365,385
Less : Opening Stock			
1. Finished Goods & Semi Finished Goods	365,385		365,385
Accretion/ Decretion stock	14,933,178		0

**SCHEDULE – S**

2010-11

2009-10

**NOTES FORMING PART OF ACCOUNTS:**

- |      |  |                      |                      |
|------|--|----------------------|----------------------|
| 1    | Contingent liabilities not provided for.   |                      |                      |
|      | a) Bank Guarantee  | 0                    | 0                    |
|      | b) Liabilities   | 62327819             | 62327819             |
| 2    | Particulars of remuneration payable to Managing Director:  |                      |                      |
|      |  | Managing<br>Director | Managing<br>Director |
|      | Salary & Perquisites (Only perquisites - no salary drawn)  | 0                    | 58427                |
|      | Contribution to P.F. other funds   | 0                    | 0                    |
| 3    | Payment to Statutory Auditors:   |                      |                      |
|      | Audit Fees   | 100000               | 100000               |
| 4    | Secured loans granted to company are also Secured by Personal Guarantees of Director and Executive Director, apart from the primary securities.  |                      |                      |
| 5    | Accounting Policies  |                      |                      |
| a)   | Depreciation is provided on all depreciable assets on straight line method at the rates prescribed in schedule XIV of the companies Act, 1956 as amended from time to time and is calculated from the date on which asset is installed/brought to use.   |                      |                      |
| b)   | Valuation of Inventory   |                      |                      |
|      | i) Raw Material at average cost.   |                      |                      |
|      | ii) Stores and Spares at cost.   |                      |                      |
|      | iii) Finished goods at purchase order price.   |                      |                      |
| c)   | Foreign currency Transactions: There are no foreign currency transactions during the year.   |                      |                      |
| d)   | Provision for Gratuity and Bonus is not made in the accounts for this Financial year.  |                      |                      |
| 6)   | Sundry Debtors/ Sundry Creditors and Loans and Advances balances are subject to confirmation.  |                      |                      |
| 7)   | Figures for the previous year have been regrouped to make them comparable with those of current year wherever practicable  |                      |                      |
| 8)   | Please refer to the Directors report regarding OTS / financial restructuring with FI's & Banks.  |                      |                      |
| 9)   | The company made negotiated settlements with its lenders but the benefits, arising out of such settlements are recognised and given effect to, only when the terms and conditions including the total repayment in accordance with their terms and conditions of the settlement are complied with in totality. |                      |                      |
| 10)  | The retirement benefits such as gratuity, leave encashment etc., are not provided for in the accounts, since the same are met /paid on as and when need arose basis.   |                      |                      |
| 11). | Additional information pursuant to the provisions of paragraph 3,4c, 4d of schedule VI, quantitative information in respect of goods manufactured.   |                      |                      |

As certified by the Management.

a) Licensed Capacity	Not Applicable		Not Applicable	
	2010-11		2009-10	
b)'Opening & Closing stock (CKM)	QTY	Value in Rs	QTY	Value in Rs
Opening stock	0.791	422385	0.751	365385
Closing Stock	52.479	15355563	0.791	422385
e) Consumption of Raw Materials (MT)				
A). Aluminium	0	0	2.200	226880
B). PVC/XLPE Compound:	0	0	4.769	271021
C). GI Wire/Strip:	34.136	1639725	7.206	356312
D). Copper / Film:	0	0	2.470	938860
E). ACSR	0	0	0	0.300
F). Others:	0	0	3.071	161276
G).Wooden Drums(Nos)	0	0	02	7585
Imported:				
f) Value of Imports on CIF Basis:	0	0	0	0
Raw Materials:	0	0	0	0
Details of Sales:	0	0	0	0
Cables/Conductors:	0	0	0	0
g) Foreign Currency out going:	0	0	0	0
A) on import of Raw Material	0	0	0	0
B) on Travelling Expenses	0	0	0	0
C) on Capital Goods	0	0	0	0
h)'Earnings in Foreign Currency on FOB basis	0	0	0	0

As per our Annexed report of even date  
for JBRK & Co.,  
Chartered Accountants  
Firm Reg. No.5775S

for and on behalf of the Board  
Y.Kamesh  
Director

K V S Rao.

P Jitendra Kumar  
Partner  
Membership number 22109

Director

Place: Hyderabad  
Date: 25th Aug 2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL PROFILE AS PER  
SCHEDULE VI. PART (IV) OF THE COMPANIES ACT, 1956**

I. Registration No. 2833 State Code 1  
Balance Sheet Date 31.03.2011

II. Capital Raised during the year ( Amount in Rupees Thousands)  
Public Issue (Calls in arrears) NIL Rights Issued NIL

Bonus Issue NIL Private Placement NIL

III. Position of Mobilization and deployment of funds ( Amount in Rupees Thousands)

Total Liabilities 439015 Total Assets 439015

Source of Funds

Paid up Capital 68637 Reserves and surplus 38446

Secured Loans 327432 Un secured loans 4499

Application of Funds

Net Fixed Assets 136938 Investments 0

Net Current Assets -11350 Miscellaneous Exp 0

Accumulated Loss 313211

IV. Performance of Company (Amount in Rupees Thousands )

Turnover (Inclusive of stock adjustment & other income) 101116 Total Expenditure 114451

Profit before Tax -15944 Profit after Tax -15944

Earning per share 0 Dividend Rate % 0

V. Generic Names of three Principal Products/Services of Company ( as per monetary terms)

Item code No. 854420.12  
Product description High Voltage Power Cables  
Low Voltage Power Cables  
Control & Instrumentation cables  
AAAC/ACSR conductors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 st March 2011.**  
**( PURSUANT TO CLAUSE-32 OF THE LISTING AGREEMENT)**

	2010-11 (Rs.in lakhs)	2009-10 (Rs.in lakhs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary items	-159.44	-174.99
Adjustment for Depreciation	82.82	82.86
Interest ( Provision)	1.19	3.48
Miscellaneous Exp.written off	0.00	0.00
Interest Earned & Other Income	0.00	37.57
Operating Profit Before Working Capital Charges	<b>-75.44</b>	<b>-51.08</b>
<u>Adjustment for changes in assets and Liabilities</u>		
Reduction in sundry Debtors	-20.13	-80.43
Increase in inventories	-149.33	-0.57
Increase in loans & Advances	-25.93	113.02
Decrease/ Increase Trade payables	0	0
Increase/ Decrease in Current liabilities & Provisions	227.52	71.99
Cash Generated from Operations	<b>-43.31</b>	<b>52.94</b>
Other Income	0.00	0.00
Taxes Paid	0	0.00
Net Cash from operating activities	<b>-43.31</b>	<b>52.94</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	0.00	0.00
Deferred revenue Expenditure	0.00	0.00
Sale of Vehicle	0.00	0.00
Net Cash used in investing activities	<b>0.00</b>	<b>0.00</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from short term borrowings	0	0.00
Repayment of short term borrowings	0	0.00
Proceeds from long term borrowings	-22.95	-58.08
Repayment of long term borrowings	0	0.00
Other payments & Interest Paid	-1.19	-3.48
Net Cash from financing activities	<b>-24.14</b>	<b>-61.56</b>
Net increase in cash & cash Equivalents(A+B+C)	<b>-67.45</b>	<b>-8.62</b>
Cash & Cash Equivalents of Opening Balance	125.62	134.24
Cash & Cash Equivalent as at the end of the year	<b>58.17</b>	<b>125.62</b>

As per our Annexed report of even date  
for JBRK & Co.,  
Chartered Accountants  
Firm Reg. No.5775S

P Jitendra Kumar  
Partner  
Membership number 22109

Place: Hyderabad  
Date: 25th Aug 2011

for and on behalf of the Board  
Y.Kamesh  
Director

K V S Rao.  
Director



**Gem Cables & Conductors Limited.**  
 Survey No: 434 A & AA, Chitkul Village, Patancheru Mandal, Medak Dist, Pin: 533 103  
 Tel: 040 66668624. Fax: 040 6651044. email: [info@gemcables.com](mailto:info@gemcables.com)

**Proxy Form.**

Regd. Folio No:

No.of Shares held:

1 / We, .....

of .....

in the district of .....

Being a member / members of the above name company hereby appoint .....

..... Of in the district of .....

as my / our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, the 29<sup>th</sup> September, 2011 at 10.00 AM and at any adjournment thereof.

Signed this the                      day of September 2011.

Signature  
across  
Revenue  
Stamp.

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy and vote instead of himself.
2. A proxy need not me a member.
3. This proxy for duly completed should be deposited at the Registered Office of the Company not less than 48 ( forty eight) hours before the time fixed for holding the meeting.



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**Attendance Slip.**

*(Please present this slip at the entrance of the meeting venue.)*

Regd.Folio. No:

No.of Shares held:

I hereby record my presence at the Annual General Meeting of the Company to be held on 29<sup>th</sup> Sept, 2011, at 10.00 AM at the Registered Office of the Company.

Name of the share holder:

Name of the proxy:

Signature of the Member / Proxy: