

21st Annual Report 2011 2012



G.R. CABLES LIMITED

G.R. CABLES LIMITED

BOARD OF DIRECTORS

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

STATUTORY AUDITORS

M/s. Srinivas 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 FIRST ANNUAL GENERAL MEETING OF G.R.CABLES LIMITED will be held at 11.00. A.M. on Saturday, 29 September 2012 at Navodaya Colony Welfare Association, Navodaya Colony, Gudimalkapur, Mehdipatnam, Hyderabad-500 028:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the period ended 31st March 2012 and Balance Sheet as on that date together with Cash Flow Statement and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in the place of Sri G.R.Reddy, who retires by rotation being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Dr. S.R. Govinda Rajan, who retires by rotation being eligible offers himself for re-appointment.
4. To appoint M/s. Srinivas P & 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 : 04.09.2012

G.V.B.R. Reddy
Executive Director

NOTES

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and such proxy need not be a member of the company. The proxy forms duly completed and signed shall be deposited at the registered office of the company not less than 48 hours before the time for holdings the meeting.**
2. The Register of Members will be closed from 25.09.2012 to 29.09.2012 (both days inclusive).
3. Members are requested to bring the copies of Annual Reports while attending the Annual General Meeting.

G.R. CABLES LIMITED

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Twenty First Annual Report and Audited Statements of accounts of the Company for the period ended 31st March 2012

FINANCIAL RESULTS

(Rs. in Lakhs)

ITEM	For the Year Ended 31.03.12	For the Year Ended 31.03.11
Sales & Other Income	9.71	5.45
Profit/Loss before interest & Depreciation	(19.63)	(183.56)
Interest	0.04	3.48
Operating Profit/Loss before Depreciation	(19.67)	(187.04)
Depreciation	145.60	148.64
Profit/Loss for the year	(165.27)	(335.68)

REVIEW OF OPERATIONS.

During the period under review, your company could not achieve 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. 9.71 Lakhs for the year ended 31.03.2012 as against Rs.5.45 Lakhs for the previous year ended 31.03.2011. The company incurred an operating Loss of Rs.19.67 Lakhs as against an operating loss of Rs. 187.04 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.R. Reddy, Managing Director and Dr. S.R. Govinda Rajan, Director of the company retires by rotation at the ensuing Annual General Meeting and being eligible, offer him-self for re-appointment.

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 2012, 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 2012 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 thereunder.

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, SPDCL, EPDCL, CPDCL, SPDCL and Transco, Government of Andhra Pradesh, Bank of Baroda, State Bank of Hyderabad, State Bank of Travancore for their support, guidance and help. It thanks 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 : 04.09.2012

(G.R.REDDY)
Chairman & Managing Director

G.R. CABLES LIMITED

ANNEXURE-I

Information as per Section 217 (I) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the Year ended 31st March 2012

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

Place : Hyderabad
Date : 04.09.2012

(G.R.REDDY)
Chairman & Managing Director

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 2011, 11th August 2011, 05th September 2011, 15th November 2011 and 15th February 2012.

G.R. CABLES LIMITED

The Annual General Meeting was held on 30th September 2011 for the Year 2010-11. 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.Mariamamma	5	2	No
5.	Dr.S.R Govinda Rajan	5	5	Yes

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

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

Name of the Director :	Sri G.R.Reddy	Dr.S R Govinda Rajan
Date of Birth	: 01.07.1936	20.07.1939
Date of Appointment	: 29.01.1992	31.01.2006
Qualifications	: B.E.	I A S (Retrd.), LL.B., ACS, ICWAI
Expertise in Specific	: Technical Administration, finance & legal Functional areas	

III. Audit Committee

The 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.

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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. SHARE TRANSFER & SHARE HOLDERS/INVESTORS GRIEVANCE COMMITTEE:

- i) The Committee reviews, records and helps to expedite transfer of shares and resolve any grievances of investors. The Committee meets frequently throughout the year to minimize any delays in the transfer process. The Committee is chaired by Sri G.R.Reddy, Charman and Managing Director and includes Sri P.Ramesh Babu, Director and Sri C,Mariamamma, director as other members.

Sri G.V.B.R.Reddy, Executive Director is the Compliance officer under the relevant regulations. There were no transfers were pending as on the date 31.03.2012

- 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	2011-2012	
		Received	Attendance to
1	Non-Receipt of Annual Reports	9	9
2.	Others	4	4
	Total	13	13

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 operations, the Wholetime 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
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
31.12.2009	Surana Udyog Auditorium FAPCCI, Red Hills, Hyderabad-500004	3:00 P.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 04.09.2012

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.

G.R. CABLES LIMITED

IX. GENERAL SHAREHOLDERS INFORMATION:

- * **Annual General Meeting Day** : Saturday, 29th September 2012.
Time : 11.00 A.M.
Venue : Navodaya Colony Welfare association
Hall, Navodaya Colony, Gudimalkapur,
Mehdipatnam, Hyderabad
- * **Book Closure Dates** : From 25.09.2012 to 29.09.2012
(both days inclusive)
- * **Financial Calendar for the year 2011 - 12 (Tentative)**
Financial Year Ending : 31.03.2012
First Quarter Results : 14.08.2012
Half Yearly Results : 15.11.2012
Third Quarter Results : On or before 15.02.2013.
Fourth Quarter Results : On or before 15.05.2013
Registered Office : 36, Santosh Nagar, Mehdipatnam,
Hyderabad-500028
- * **Listing on Stock Exchanges:**
Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai - 400 001.
Listing fee paid for the year 2012-13 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 01.04.2011 to 31.03.2012 is given below:

Month	High	Low
April-2011	1.90	1.56
May-2011	1.62	1.27
June-2011	2.01	1.49
July-2011	1.86	1.43
August-2011	1.84	1.41
September-2011	1.75	1.35
October-2011	1.40	1.15
November-2011	1.35	1.00
December-2011	1.12	0.95
January-2012	1.28	0.95
February-2012	1.29	1.04
March-2012	1.23	0.93

G.R. CABLES LIMITED

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

Bigshare Services Pvt. Ltd.,
306, Right Wing, 11th Floor, Amrutha Ville,
Opp: Yashodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad-500 0082
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 31.03.2012**

Share Holding	Numbers of Shareholders	% to Total	No of Shares	% to Total
01 - 500	20364	75.94	3602194	12.47
501 - 1000	2950	11.00	2684891	9.29
1001 - 2000	1577	5.88	2615801	9.05
2001 - 3000	688	2.57	1808686	6.26
3001 - 4000	257	0.96	950810	3.29
4001 - 5000	339	1.26	1648539	5.71
5001 - 10000	353	1.32	2716169	9.40
10001 - Above	287	1.07	12867771	44.53
Total	26815	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, 2012.

* **Dematerialization of Shares:**

86.78% of Shares issued by the company have been dematerialized as on 31.03.2012. 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-500028
Phone No.040-23521246
Email - grcablesLtd@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 2012 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 state that no investor grievances received during the year ended 31st march 2012, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Investors Grievance Committee.

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 : 04.09.2012

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 (PIJF), 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 2011-12.

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 2012 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, 2012 is at Rs. 2889.49 Lakhs comprising of 28894861 Equity Shares of Rs. 10/- each fully paid-up.

Reserves and surplus:

The Reserves and Surplus of the Company as on 31st March 2012 stands at Rs.3109.76 Lakhs.

Secured Loans:

The Working Capital Advances as at 31st March 2012 stand at Rs.361.82 Lakhs.

Unsecured Loans:

The Deferred Sales Tax amount as at 31st March 2012 stand at Rs.851.73 Lakhs.

Fixed Assets:

The Gross Block stood at Rs.3280 Lakhs and the net block stood at Rs.681.84 Lakhs as at 31st March 2012 compared to Rs.3280 Lakhs and Rs. 827.44 Lakhs as at 31st March 2011 respectively. The decrease in the value of the Fixed Assets is on account of depreciation of plant and Machinery.

Revenue:

During the year, the Company achieved sales Rs.9.71 Lakhs compared to Rs.5.45 Lakhs in the previous year ended 31st March 2011.

ENVIRONMENT AND SAFETY

The company maintains and effects continual improvement in environmental standards and complies with the safety requirements. In this regard, your factory at Rangareddyguda is also a receipt of environmental management system certification ISO 14001. The company cares for the safety of its employees and safety training is imparted to the employees in the factory. Personal protective equipment is provided to the employees in conformity with statutory requirement.

HUMAN RESOURCES

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

CAUTIONARY STATEMENT

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

AUDITORS REPORT

To
The Members of
G R Cables Limited

1. We have audited the attached Balance Sheet of G.R. Cables Limited as at 31st March 2012, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 and amendment thereto by the Companies (Auditor's Report) (Amendment) Order 2004 (hereinafter referred to as "Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the Books of Account;
 - iv. In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - v. On the basis of written representations received from Directors as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956;

G.R. CABLES LIMITED

- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - 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 period ended on that date.

for **Srinivas P & Associates**
Chartered Accountants
F.R.NO: 006987S

P. Srinivas

Proprietor

M.No. 204098

Place : Hyderabad

Date : 04.09.2012

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

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

G.R. CABLES LIMITED

- (e) The company has not taken loans from parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4 (iii) (f) and 4 (iii) (g) of the Order are not applicable *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. The company has no outside internal audit system commensurate with its size and the nature of its business.
8. According to the information and explanations given to us, the cost records required to be maintained under section 209 (1) (d) of the Companies Act, 1956 are under compilation.
9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has been regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it except provident fund and employees' state insurance.
- (b) According to the information and explanations given to us, there is an amount of Rs. 9516/- with respect to Employees' State Insurance and Rs. 68816/- with respect to Provident Fund as at 31st March 2012, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues in respect of sales tax, income tax, customs duty, wealth tax, service tax, excise duty, and cess that have not been deposited with the appropriate authorities on account of any dispute.

G.R. CABLES LIMITED

10. The company have accumulated losses of Rs.3261 Lacs exceeding fifty percent of its net worth at the end of the financial year and has incurred a cash loss of Rs. 19.67 lacs in the financial year and a cash loss of Rs.187.04 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 : 04.09.2012

G.R. CABLES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	Note	As at	As at
		31.03.2012	31.03.2011
		Rs.	Rs.
A. EQUITY AND LIABILITIES			
I. Shareholders' Funds			
(a) Share Capital	2	28,89,48,610	28,89,48,610
(b) Reserves & Surplus	3	(31,09,76,065)	(28,91,65,484)
II. Long Term Liabilities			
(a) Secured Loans	4	3,61,82,232	3,61,82,232
(b) Unsecured Loans	5	9,88,84,285	9,85,73,780
III. Current Liabilities			
(a) Sundry Creditors	6	89,300	3,25,160
(b) Provisions	7	4,79,003	1,46,436
TOTAL		<u>11,36,07,365</u>	<u>13,50,10,734</u>
B. ASSETS			
I. Non-current assets			
(a) Fixed Assets	8	6,81,84,025	8,27,44,788
(b) Deferred Tax Asset		1,34,38,374	1,34,38,374
(c) Other non-current assets	9	71,53,914	76,56,476
II. Current Assets			
(a) Trade Receivables	10	0	55,32,984
(b) Inventories	11	2,48,14,106	2,56,03,716
(c) Cash & Bank Balances	12	16,946	34,396
TOTAL		<u>11,36,07,365</u>	<u>13,50,10,734</u>
Significant accounting policies	1		

As per our report of even date attached

for **SRINIVAS P & ASSOCIATES**

Chartered Accountants

F.R.NO: 006987S

For and on behalf of the Board

P. Srinivas

Proprietor

M.No. 204098

Place: Hyderabad

Date : 04.09.2012

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, 2012

PARTICULARS	Note	Year ended	Year ended
		31.03.2012	31.03.2011
		Rs.	Rs.
I. REVENUE			
Revenue from Operations		8,55,975	5,45,370
Other Income	12	1,15,295	-
II. Total Revenue		9,71,270	5,45,370
III. EXPENSES			
Stock Decrease	13	5,56,450	3,39,142
Material Consumed	14	2,33,160	1,31,422
Power & Fuel	15	6,74,803	6,54,648
Employee Cost	16	7,59,167	10,14,102
Depreciation	8	1,45,60,763	1,48,64,274
Administration & Selling Expenses	17	7,10,109	7,61,584
Financial Charges	18	3,833	3,48,331
Inventories Written Off		-	1,59,99,998
IV. Total Expenses		1,74,98,285	3,41,13,501
V. Profit/(Loss) before Tax (II-IV)		(1,65,27,015)	(3,35,68,131)
VI. Priorperiod/ Exceptional Items	19	(52,83,566)	1,61,04,323
VII. Profit/(Loss) after Tax		(2,18,10,581)	(1,74,63,808)
VIII. Loss brought forward from previous years		32,61,18,283	30,86,54,475
IX. Balance Carried forward		(34,79,28,864)	(32,61,18,283)
X. Earnings per share (Face Value Rs.10/- each)	20		
Basic		(0.75)	(0.60)

As per our report of even date attached

for **SRINIVAS P & ASSOCIATES**

Chartered Accountants

F.R.NO: 006987S

For and on behalf of the Board

P. Srinivas

Proprietor

M.No. 204098

Place: Hyderabad

Date : 04.09.2012

G.R. Reddy

Chairman & Managing Director

G.V.B.R. Reddy

Executive Director

G.R. CABLES LIMITED

NOTES TO FINANCIAL STATEMENTS

Note	As at 31.03.2012 Rs.	As at 31.03.2011 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 (Previous year 28894861 Equity Shares of Rs. 10/- each)	28,89,48,610	28,89,48,610
	<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	(34,79,28,864)	(32,61,18,283)
	<u>(31,09,76,065)</u>	<u>(28,91,65,484)</u>

G.R. CABLES LIMITED

NOTES TO FINANCIAL STATEMENTS

Note	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
4. SECURED LOANS		
Working Capital Loans from Banks (Hypothicated against current & fixed assets of the Company)	3,61,82,232	3,61,82,232
5. UN-SECURED LOANS		
Sales Tax Deferment Loan	8,51,73,022	8,51,85,518
From Directors	1,12,11,788	1,10,83,787
Other	24,99,475	23,04,475
	9,88,84,285	9,85,73,780
6. CURRENT LIABILITIES		
Current Liabilities		
Trades Payable	-	3,25,160
Advances from Customers	89,300	-
	89,300	3,25,160
7. PROVISIONS		
Provision for expenses	4,79,003	1,46,436
	4,79,003	1,46,436

G.R. CABLES LIMITED

Note - 8 FIXED ASSETS

Amount : in Rupees

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Deletions	Total 31.03.2012	As at 01.04.2011	Additions	Deletions	Total 31.03.2012	As at 31.03.2012	As at 31.03.2011
	Land	22,38,760	-	-	22,38,760	-	-	-	-	22,38,760
Building	3,33,19,722	-	-	3,33,19,722	1,26,97,623	8,42,830	-	1,35,40,453	1,97,79,269	2,06,22,099
Plant and Machinery	28,34,07,956	-	-	28,34,07,956	22,41,70,429	1,34,61,878	-	23,76,32,307	4,57,75,649	5,92,37,527
Furniture & Fixtures	9,05,145	-	-	9,05,145	8,89,240	15,905	-	9,05,145	-	15,905
Other Equipment	56,81,165	-	-	56,81,165	56,73,429	7,736	-	56,81,165	-	7,736
Vehicles	24,46,467	-	-	24,46,467	18,23,706	2,32,414	-	20,56,120	3,90,347	6,22,761
	32,79,99,215	-	-	32,79,99,215	24,52,54,427	1,45,60,763	-	25,98,15,190	6,81,84,025	8,27,44,788
Previous Year	32,79,99,215	-	-	32,79,99,215	23,03,90,154	1,48,64,274	-	24,52,54,427	8,27,44,788	9,76,09,062

G.R. CABLES LIMITED

Note	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
9. OTHER NON CURRENT ASSETS		
i) Cenvat	40,29,142	42,92,496
ii) Long Term Deposits	31,24,772	33,63,980
Total NON CURRENT ASSETS	71,53,914	76,56,476
CURRENT ASSETS		
10. TRADES RECEIVABLES		
Due for over six months	-	49,33,815
Others	-	5,99,169
	-	55,32,984
11. INVENTORIES (As certified by the Management)		
Raw Materials	41,43,640	43,76,800
Semifinished Goods	54,74,292	54,74,292
Finished Goods	1,41,57,874	1,47,14,324
Scrap	10,38,300	10,38,300
	2,48,14,106	2,56,03,716
12. CASH AND CASH EQUIVALENTS		
Cash in Hand	5,483	247
Cash at Bank	11,463	34,149
	16,946	34,396

G.R. CABLES LIMITED

Note	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
12. OTHER INCOME		
Interest Earned on EMDs	1,15,295	-
	<u>1,15,295</u>	<u>-</u>
13. STOCK INCREASE/(DECREASE)		
A. WORK - IN - PROGRESS		
Opening Stock	54,74,292	94,36,834
Less: Written Off	-	36,23,400
Closing Stock	54,74,292	54,74,292
	<u>-</u>	<u>(3,39,142)</u>
A. FINISHED GOODS		
Opening Stock	1,47,14,324	2,24,02,624
Less: Written Off	-	76,88,300
Closing Stock	1,41,57,874	1,47,14,324
Increase/(Decrease)	5,56,450	-
(A+B)	<u>5,56,450</u>	<u>(3,39,142)</u>
14. MATERIALS CONSUMED		
Opening Stock:		
Raw Materials and Packing Materials	43,76,800	73,90,220
Scrap	10,38,300	28,44,600
	-	1,02,34,820
Less: Written Off	-	46,88,298
	-	55,46,522
Less: Closing Stock		
Raw Materials and Packing Materials	41,43,640	43,76,800
Scrap and Stores & Spares	10,38,300	10,38,300
Consumption	2,33,160	1,31,422
15. POWER AND FUEL		
Electricity Charges	6,74,803	6,54,648
	<u>6,74,803</u>	<u>6,54,648</u>
16. EMPLOYEE COST		
Salaries and Wages	5,56,800	7,82,616
Employee's Retirement Benefit	87,344	1,55,154
Provident Fund & E.S.I.	1,15,023	76,332
	<u>7,59,167</u>	<u>10,14,102</u>

G.R. CABLES LIMITED

Note	Year ended 31.03.2012 Rs.	Year ended 31.03.2011 Rs.
17. ADMINISTRATION & SELLING EXPENSES		
Security Services Charges	60,000	2,60,000
Listing Fee	66,917	-
Printing & Stationary	62,510	55,290
Postate and Telegram	15,500	56,323
Repairs and Maintainence	-	1,510
Remuneration to Audirors	25,000	50,000
Directors Sitting fees	29,000	12,000
Meeting Expenses	28,500	33,000
General Expenses	4,22,682	2,93,461
	<u>7,10,109</u>	<u>7,61,584</u>
18. FINANCIAL CHARGES		
Interest On Working Capital Loans	0	2,88,771
Bank Charges	3,833	59,560
	<u>3,833</u>	<u>3,48,331</u>
19. EXCEPTIONAL ITEMS/PRIOR PERIOD ITEM		
Advance from Customers Credit	0	53,450
Creditor for Capital goods Credit	0	32,24,859
Sr. Creditor for expenses Credit	0	7,02,884
Sr. Creditor for Purchase Credit	0	1,21,23,130
Old Debit Balances from customers	(55,34,983)	0
Other Debit Balances	(9,47,181)	0
Old Provisions/Credits	11,98,598	0
	<u>(52,83,566)</u>	<u>1,61,04,323</u>
20. EARNINGS PER SHARE (Face value Rs.10/- each)		
A. Numerator for earning per share	(2,18,10,581)	(1,74,63,808)
B. Denominator for basic earning per share	2,88,94,861	2,88,94,861
C. Basic earning per share (A/B)	(0.75)	(0.60)

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 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	As at
	31.03.2012	30.09.2011
	Rs. in Lakhs	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	
		2011-12	2010-11	2011-12	2010-11
Jelly Filled Telecom Cables	LCKM	15	15	0.01	0.01
Power Cables	-	-	-	-	-

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

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

(b) Turnover:

Particulars	Unit	Quantity		Value (Rs. In Lakhs)	
		2011-12	2010-11	2011-12	2010-11
Jelly Filled Telecom Cables	LCKM	0.01	0.01	8.55	5.99
Power Cables	-	-	-	-	0.90

(c) Opening and Closing Stock of Finished Goods:

Particulars	Opening Stock				Closing Stock			
	Quantity		Value Rs. Lacs		Quantity		Value Rs. Lacs	
	2011-12	2010-11	2011-12	2010-11	2010-11	2010-11	2011-12	2010-11
Jelly Filled Telecom Cables (LCKM)	0.28	0.28	147.14	224.03	0.28	0.28	141.57	147.14

G.R. CABLES LIMITED

	31.03.2012	31.03.2011
	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	-	-
	31.03.2012	31.03.2011
	Rs.	Rs.
6) Managerial Remuneration under Section 198 of the Companies Act, 1956		
Salary (Managing Director & Executive Director)	-	-
Contribution to Provident Fund	-	-
	31.03.2012	31.03.2011
	Rs.	Rs.
7) Payment to Auditors:		
Audit Fees	25,000	50,000
	2011-12	2010-11
	Rs. in Lakhs	Rs. in Lakhs
8) Exceptional and Prior Period Items include the following:		
Advance to customers Credit	-	53,450
Creditors for Capital goods Credit	-	32,24,859
Creditors for Expenses Credit		7,02,884
Creditors for Purchaser Credit	-	1,21,23,130
Old debit Balance from customers written off	(55,34,983)	
Other Debit Balance	(9,47,181)	
Old Provisions/Credits	11,98,598	
TOTALS	(52,83,566)	<u>1,61,04,323</u>
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.23.04 Lakhs. Transactions during the year was 1.95 Lakhs. Closing credit balance was Rs.24.99 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 31.03.2012	Period Ended 31.03.2011
Profit after tax Rs.	(2,18,10,581)	(1,74,63,808)
Number of Equity Shares	2,88,94,861	2,88,94,861
Nominal value per share	Rs. 10/-	Rs. 10/-
Basic / Diluted EPS Rs.	-0.75	-0.60

16) Unsecured loans include: Deferred sale tax loan of Rs. 8.52 Crores. Unsecured Loans from Directors remuneration payable include un paid remuneration pertaining to previous years of Rs.30.99 lacs, also includes Rs.24.99 Lakhs from a related party.

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

18) Paise rounded off to nearest Rupee.

19) 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

For and on behalf of the Board

P. Srinivas

Proprietor

M.No. 204098

Place: Hyderabad

Date : 04.09.2012

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, 2012

PARTICULARS	31.03.2012 Rupees	31.03.2011 Rupees
A. Cash Flow from operating Activities		
Net Profit/(Loss) before tax	(1,65,27,015)	(3,35,68,131)
Adjustment for:		
Depreciation	1,45,60,763	1,48,64,274
Interest	3,833	3,48,331
Miscellaneous Expenses written off	-	1,59,99,998
Other Income	(1,15,295)	-
Operating Profit/(Loss) before working capital changes	(20,77,714)	(23,55,528)
Adjustment for:		
Increase/(Decrease) in Working Capital From Bank	-	3,38,771
(Increase)/Decrease in Trade Receivables	55,32,984	8,93,536
(Increase)/Decrease in Inventories	7,89,610	1,64,70,562
Increase/(Decrease) in Current Liabilities	96,707	(1,49,75,178)
Increase/(Decrease) in Other Liabilities	3,10,505	-
Cash generated from Operations	46,52,092	3,72,163
Interest Paid	3,833	3,48,331
Prior Period Items	52,83,566	(1,61,04,323)
Inventories Written off	-	1,59,99,998
Net Cash Flow from Operating Activities	(6,35,307)	1,28,157
B. Cash Flow from investing Activities		
(Increase)/Decrease in Fixed Assets	-	-
(Increase)/Decrease in Non-Current Assets	5,02,562	-
Other Income Received	1,15,295	-
Net Cash used in investing activities	6,17,857	-
C. Cash Flow from Financing Activities		
Increase/(Decrease) in Term Loan	-	(95,864)
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	-	(95,864)
Cash & Cash equivalents utilised (A+B+C)	(17,450)	32,293
Cash & Cash equivalents (Opening Balance)	34,396	2,102
Cash & Cash equivalents (Closing Balance)	16,946	34,395

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 : 04.09.2012

For and on behalf of the Board

G.R. Reddy

Chairman & Managing Director

G.V.B.R. Reddy

Executive Director

Important communication to the members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including annual report can be sent by e-mail to its members. To support this green initiative, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants and in respect of physical holding with their Registrar & Share Transfer Agent (RTA). i.e. Bigshare Services Pvt. Ltd. Members holding shares in physical form may send their requests to RTA address or placing request through website www.sathguru.com or Company E-mail: grcables10@gmail.com

E-Mail ID for receiving the documents through Electronic Mode

I/We do hereby authorize, M/s. G.R. Cable Limited to send the documents to me on the below mentioned e-mail ID in accordance with the Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011 issued by the MCA.

1. Folio No./DP ID and Client ID :
2. Name of the sole/joint holder :
3. E-mail ID :

Signature of the Member

G.R. CABLES LIMITED

G.R. Cables Limited

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

ATTENDANCE SLIP

TWENTY FIRST ANNUAL GENERAL MEETING

Day: Saturday, 29th September, 2012 at 11.00 A.M.

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

I state that I am a member / proxy for the member of the Company. I hereby record my presence at the 21st Annual General Meeting at Navodaya Colony Welfare Association , Navodaya Colony, Gudimalkapur, Mehdiapatnam, Hyderebad-500 028

.....
Signature of Attending Member / Proxy

* Applicable for investors holding shares in Electronic Form.

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

G.R. Cables Limited

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

PROXY FORM

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

I / We of
..... being the member / member(s) of G.R. Cables Limited hereby appoint
..... of
..... or failing him
..... of as
my / our Proxy to attend and vote for me / us and on my / our behalf 21st Annual General Meeting of the Company to be held at Navodaya Colony Welfare Association , Navodaya Colony, Gudimalkapur, Mehdiapatnam, Hyderebad-500 028 on Saturday, 29th September, 2012 at 11.00 A.M. and at any adjournment thereof.

Affix
Revenue
Stamp
Re.1/-

Signed this day of 2012.

* Applicable for investors holding shares in Electronic Form.

(Signature of the Member
across the stamp)

NO GIFTS WILL BE GIVEN

**Printed Matter
Book - Post**

If undelivered, please return to

G.R. Cables Limited

Registered office: 36, Santosh Nagar,
Mehdipatnam,
Hyderabad - 500 028,
Andhra Pradesh