

**UNI*STAR***<sup>®</sup>



# **UNIVERSAL CABLES LTD.**

**Annual Report & Accounts  
for the Year Ended  
31st March 2011**





# UNIVERSAL CABLES LIMITED

## ANNUAL REPORT 2010-2011

### DIRECTORS

SHRI HARSH V. LODHA

*Chairman*

SHRI S.N. PRASAD

(ALTERNATE : SHRI S.K. DAGA)

DR. S.R. JAIN

SHRI S.S. KOTHARI

SHRI S.C. JAIN

SHRI J.C. SHARMA

SHRI DINESH CHANDA

(ALTERNATE : SHRI S.P. TAMRAKAR)

### AUDIT COMMITTEE

DR. S.R. JAIN

*Chairman*

SHRI S.S. KOTHARI

SHRI J.C. SHARMA

SHRI DINESH CHANDA

### CHIEF EXECUTIVE OFFICER

SHRI D.R. BANSAL

### PRESIDENT (COMMERCIAL) & SECRETARY

SHRI PANKAJ KALANI

### AUDITORS

S.R. BATLIBOI & COMPANY  
CHARTERED ACCOUNTANTS

### BANKERS

STATE BANK OF INDIA

### REGISTERED OFFICE

P.O. BIRLA VIKAS,  
SATNA - 485 005 (M.P.)

PHONE : + 91 7672 - 257121 to 27, 414000

E-mail : headoffice@unistar.co.in

Website : www.unistar.co.in

IS / ISO 9001:2000



IS / ISO 14001



SA 8000 : 2008



## Notice

### TO THE SHAREHOLDERS

**NOTICE** is hereby given that the Sixty-Sixth Annual General Meeting of Universal Cables Limited will be held at 11.00 A.M. at the Registered Office of the Company at Birla Vikas, Satna (M.P.) on Tuesday, the 2nd August, 2011 to transact the following business :-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with Report of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Harsh V. Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.S. Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S.C. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
6. (i) To appoint Messrs S.R. Batliboi & Co., Chartered Accountants, the retiring auditors, as 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 on such remuneration and reimbursement of out-of-pocket expenses as the Board of Directors may decide, based on the recommendation of the Audit Committee.  
(ii) To appoint Messrs Satish Dhume & Co., Chartered Accountants, Panaji, Goa as Branch Auditors for the Company's Optic Fibre Goa Unit to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration and reimbursement of out-of-pocket expenses as the Board of Directors may decide, based on the recommendation of the Audit Committee.

By order of the Board

Registered Office :  
P.O. Birla Vikas,  
SATNA - 485 005 (M.P.)

**Pankaj Kalani**  
President (Commercial) & Secretary

14th May, 2011

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/Proxies are requested to deposit the duly filled in and signed Attendance Slips attached herewith for attending the meeting.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 27th July, 2011 to Tuesday, the 2nd August, 2011 (both days inclusive).
4. The Members are requested to notify immediately the changes, if any, in their registered addresses along with PIN CODE Number :
  - ◆ to their Depository Participants in respect of equity shares held in electronic form (Demat Account); and
  - ◆ to the Company or its Registrar and Share Transfer Agents viz. M/s Link Intime India Pvt. Ltd. (Unit : Universal Cables Limited), C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai – 400 078 in respect of equity shares held in physical form.
5. Dividends which remain unclaimed/unencashed for a period of 7 years from the date of transfer to the Unpaid Dividend Account, will be transferred by the Company to Investor Education & Protection Fund (IEPF) pursuant to the provisions of Section(s) 205A and 205C of the Companies Act, 1956. Further, under the provisions of Section 205C of the Companies Act, 1956, no claims by the shareholders shall lie against the IEPF or the Company for the Unclaimed Dividend transferred to IEPF. Members who have so far not encashed their dividend warrants for the



- year ended 31st March, 2005 onwards, are therefore requested immediately to write to the Company or Company's Registrar and Share Transfer Agents, viz. M/s Link Intime India Pvt. Ltd. for issuance of demand draft in lieu of unencashed/unclaimed Dividend Warrant, if any.
6. Additional information pursuant to Clause 49 of the Listing Agreement(s) with Stock Exchanges, on Directors recommended for re-appointment at the forthcoming Annual General Meeting, are given in the Annexure to the Notice.
  7. Members are requested to address all their correspondences including Dividend related matters to the Registrar and Share Transfer Agents, M/s Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.
  8. Members who are holding shares in electronic mode are requested to ratify/update their Bank Account details immediately with their respective Depository Participants for availing the ECS facility for receiving dividend.

#### **IMPORTANT COMMUNICATION TO 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 of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to notify their e-mail address to the Registrar and Share Transfer Agents viz. M/s Link Intime India Pvt. Ltd. (Unit : Universal Cables Limited), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, E-mail ID : **universalcablesogreen@linkintime.co.in** quoting the Folio Number and name of the Company. Such registration of e-mail address can also be made with the Company at its Registered Office as per address mentioned above or at the E-mail ID : **greeninitiative@unistar.co.in**. Any changes in the E-mail address may also be communicated from time to time.



## ANNEXURE TO NOTICE

Details of Directors seeking re-appointment in the ensuing Annual General Meeting scheduled to be held on 2nd August, 2011.

<b>Name of Director</b>	<b>Shri Harsh V. Lodha</b>
<b>Date of Birth</b>	13.02.1967
<b>Date of appointment</b>	24.04.1998
<b>Expertise in specific functional areas</b>	He is a Chartered Accountant and has served as Partner of M/s Lodha & Co., Chartered Accountants. He has been actively involved in significant assignments in the areas of takeovers and mergers/reconstructions and rehabilitations, international and domestic financing, project structuring, capital mobilisation, joint-ventures and collaborations. He is serving on the Managing Committee of ASSOCHAM. He has served on the Executive Committee of FICCI and as Chairman of its Corporation Laws and Governance Committee and Co-Chairman of its Young Leaders Forum. He has served as a Member of Working Group on Corporate Governance set up by the Department of Company Affairs, Government of India and Working Group to frame guidelines for the registration and operations of the securitisation Companies and Asset Reconstruction Companies constituted by the Reserve Bank of India. He has served as Member of the Accounting Standards Board of The Institute of Chartered Accountants of India. He has served as Vice President of the Indian Chamber of Commerce, Calcutta and as Chairman of its Economic Affairs Committee, Banking & Finance and Direct Tax Committees. He has served as Honorary Consul of the Government of Romania for West Bengal, Orissa and Bihar. Also served as the Vice Consul of the Republic of Philippines for Eastern India.
<b>List of outside Directorships held*</b>	Alfred Herbert (India) Ltd. Birla Corporation Ltd. Birla Ericsson Optical Ltd. Birla Furukawa Fibre Optics Ltd. Fenner (India) Ltd. Hindustan Gum & Chemicals Ltd. Punjab Produce Holdings Ltd. Sicpa India Ltd. Vindhya Telelinks Ltd.
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	None
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	Chairman – Audit Committee of Sicpa India Ltd. – Share Transfer and Shareholders'/Investors' Grievance Committee of Birla Corporation Ltd. – Investors Grievance Committee of Alfred Herbert (India) Ltd. Member – Audit Committee of Fenner (India) Ltd. – Audit Committee of Punjab Produce Holdings Ltd.
<b>Shareholding of the Non-Executive Director</b>	7950 Shares
<b>Relationship between Directors inter-se</b>	None

---

<b>Name of Director</b>	<b>Shri S.S. Kothari</b>
<b>Date of Birth</b>	25.03.1931
<b>Date of appointment</b>	26.10.2005
<b>Expertise in specific functional areas</b>	He is a graduate Engineer in Mechanical & Electrical streams from Banaras Hindu University. While working as Chief Executive in large Cement Plants at his young age, he also looked after the Commercial, Legal and Labour matters. At the age of 45, he chartered his own course by starting a consultancy organization in New Delhi, specially in Cement and Mineral Processing fields. He is very well known



in his field of operation and at present he is leading Cemtech Consultants Pvt. Ltd. which provides basic and detailed Design and Engineering to the cement industry and has successfully completed large Cement Project(s).

<b>List of outside Directorships held*</b>	None
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Member – Audit Committee
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	None
<b>Shareholding of the Non-Executive Director</b>	100 Shares
<b>Relationship between Directors inter-se</b>	None

<b>Name of Director</b>	<b>Shri S.C. Jain</b>
<b>Date of Birth</b>	01.08.1940
<b>Date of appointment</b>	27.10.2004
<b>Expertise in specific functional areas</b>	He did his graduation from Lucknow Christian College in 1958 and he is also a Law Graduate of Calcutta University. He obtained the Master's degree in Social Work with specialisation in Labour Relations and Personnel Management from J. K. Institute, University of Lucknow. He is life member of National Institute of Personnel Management and was Examiner and Paper Setter for the DPM Course of the Institute. He was also chairman of the Labour Sub-committee of the Chamber of Commerce and a nominee of the Chamber on the Minimum Wages Advisory Board constituted by the Government of West Bengal. He has over 40 years experience in management of Industrial Relations. He has also written a book on "Calcutta High Court 50 years Digest of Important Labour Cases" which is a unique digest of such cases and a very useful guideline to employers, employees, trade unions and to practicing managers.

<b>List of outside Directorships held*</b>	Utkal Asbestos Limited
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Member – Share Transfer and Shareholders'/Investor's Grievance Committee
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	None
<b>Shareholding of the Non-Executive Director</b>	100 Shares
<b>Relationship between Directors inter-se</b>	None

\* Number of other Directorships held by the Directors, as mentioned above, do not include Alternate Directorships and Directorships held in foreign companies, companies under Section 25 and Indian Private Limited Companies besides trustees/membership of Managing Committees of various trusts and other bodies and are based on the latest declarations received from the Directors. The details of Committee Membership/Chairmanship is in accordance with revised Clause 49 of the Listing Agreement(s) and reflects the Membership/Chairmanship of the Audit Committee and Shareholders'/Investors' Grievance Committee alone of all other Public Limited Companies.



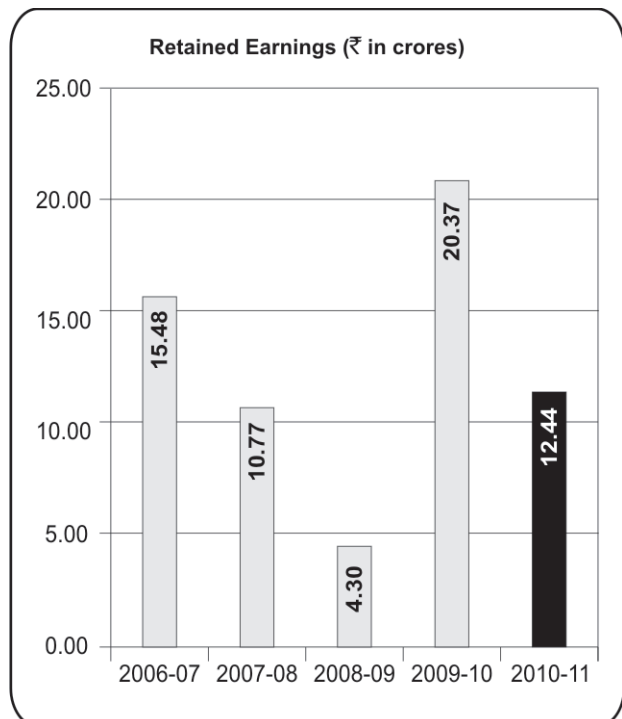
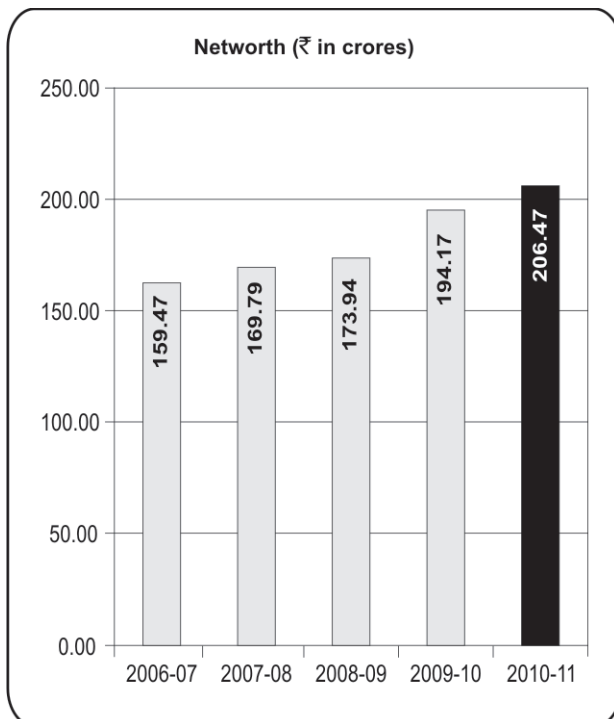
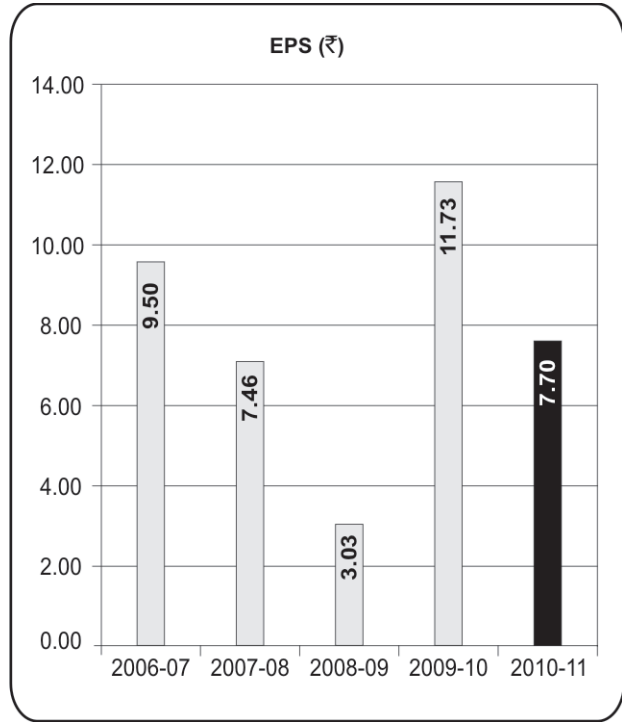
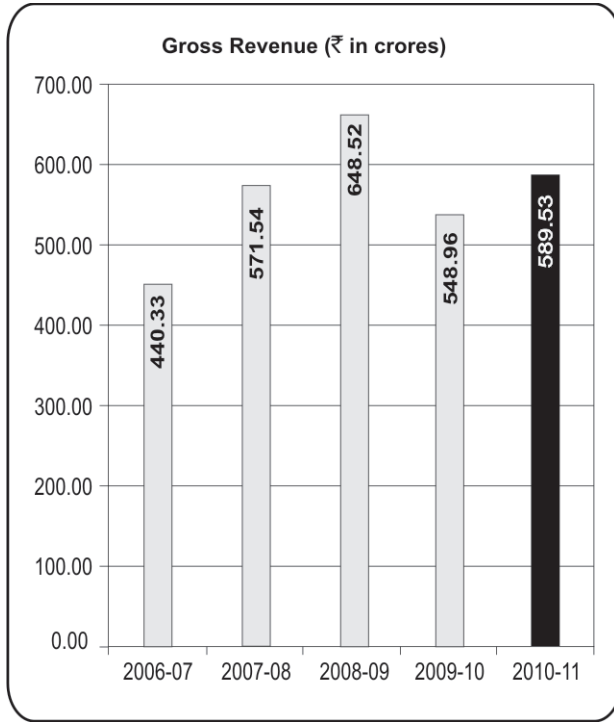
## Five Years at a Glance

(₹ in crores)

Particulars	Year				
	2010-11	2009-10	2008-09	2007-08	2006-07
<b>OPERATING RESULTS</b>					
Turnover	574.98	527.61	640.91	562.96	433.27
Other Income	14.55	21.35	7.61	8.58	7.06
<b>Gross Revenue</b>	<b>589.53</b>	<b>548.96</b>	<b>648.52</b>	<b>571.54</b>	<b>440.33</b>
Profit before Interest, Depreciation & Tax	50.58	66.05	47.97	54.88	48.86
Interest	7.19	7.86	20.23	14.80	6.65
<b>Profit before Depreciation &amp; Tax</b>	<b>43.39</b>	<b>58.19</b>	<b>27.74</b>	<b>40.08</b>	<b>42.21</b>
Depreciation	16.57	16.87	16.49	13.42	8.24
Income Tax (including tax for earlier years)	8.10	11.80	4.63	7.30	8.90
Deferred Tax Charge/(Credit) (including credit for earlier years)	0.92	2.43	(0.75)	1.93	2.73
Fringe Benefit Tax (including tax/(credit) for earlier years)	–	(0.05)	0.37	0.40	0.37
Excess Provision for Tax written back	–	–	–	(0.23)	–
<b>Net Profit</b>	<b>17.80</b>	<b>27.14</b>	<b>7.00</b>	<b>17.26</b>	<b>21.97</b>
Dividend	4.63	5.78	2.31	5.55	5.55
Corporate Dividend Tax	0.73	0.99	0.39	0.94	0.94
<b>Retained Earnings</b>	<b>12.44</b>	<b>20.37</b>	<b>4.30</b>	<b>10.77</b>	<b>15.48</b>
<b>Cash Earnings</b>	<b>34.37</b>	<b>44.01</b>	<b>23.49</b>	<b>30.68</b>	<b>30.21</b>
<b>ASSETS &amp; LIABILITIES</b>					
Fixed Assets					
Gross Block	260.44	284.69	271.61	256.95	226.88
Net Block	144.82	144.04	144.01	145.29	125.56
Investments	50.74	50.74	28.33	28.33	28.33
Current & Other Assets	275.23	247.03	245.37	244.86	176.07
<b>Total Assets</b>	<b>470.79</b>	<b>441.81</b>	<b>417.71</b>	<b>418.48</b>	<b>329.96</b>
<b>Represented by :</b>					
Share Capital	23.13	23.13	23.13	23.13	23.13
Reserves & Surplus	183.34	171.04	150.81	146.66	136.34
<b>Net Worth</b>	<b>206.47</b>	<b>194.17</b>	<b>173.94</b>	<b>169.79</b>	<b>159.47</b>
Borrowings	159.22	134.25	125.62	147.29	99.45
Deferred Tax Liabilities	13.84	12.92	10.49	11.24	9.47
Current Liabilities & Provisions	91.26	100.47	107.66	90.16	61.57
<b>Total Liabilities</b>	<b>470.79</b>	<b>441.81</b>	<b>417.71</b>	<b>418.48</b>	<b>329.96</b>
<b>Earnings per Ordinary Share (₹)</b>	7.70	11.73	3.03	7.46	9.50
<b>Cash Earnings per Ordinary Share (₹)</b>	14.86	19.03	10.16	13.26	13.06
<b>Dividend per Share (₹)</b>	2.00	2.50	1.00	2.40	2.40
<b>Net Worth per Ordinary Share (₹)</b>	89.27	83.95	75.20	73.41	68.95



## Key Financials at a Glance







## Directors' Report

### TO THE SHAREHOLDERS

Your Directors have the pleasure of presenting their Annual Report, together with the Audited Annual Accounts of the Company for the year ended 31st March, 2011.

### FINANCIAL MATTERS

Description	Amount (₹ in lacs)			
	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
Gross Income		<b>58952.76</b>		54896.08
Profit before Interest, Depreciation and Tax		<b>5057.70</b>		6605.65
Interest		<b>718.93</b>		786.17
Profit before Depreciation and Tax		<b>4338.77</b>		5819.48
Depreciation and Amortisation	<b>1656.83</b>		1687.43	
Current Income Tax	<b>810.00</b>		1180.00	
Deferred Tax Charge	<b>92.03</b>		242.54	
Fringe Benefit Tax Credit for earlier years	–	<b>2558.86</b>	(4.68)	3105.29
Net Profit		<b>1779.91</b>		2714.19
Surplus brought forward from previous year		<b>5305.71</b>		3568.05
Total amount available for appropriation		<b>7085.62</b>		6282.24
Appropriation				
Proposed Dividend	<b>462.61</b>		578.26	
Corporate Dividend Tax	<b>72.82*</b>		98.27	
Transfer to General Reserve	<b>250.00</b>	<b>785.43</b>	300.00	976.53
Surplus carried to Balance Sheet		<b>6300.19</b>		5305.71

\*Net of ₹ 2.23 lacs being excess provision written back for the previous year.

### DIVIDEND

Your Directors are pleased to recommend for your consideration a dividend of ₹ 2/- per share (i.e. 20%) on 23130254 Equity Shares of ₹ 10/- each for the year ended 31st March, 2011.



## **GENERAL & CORPORATE MATTERS**

The Company showed a 9% increase in Turnover from ₹ 527.61 crores in the previous year to ₹ 574.98 crores in the financial year 2010-2011.

The Company has further strengthened its position in the Extra High Voltage (EHV) Cable segment by installing the Second VCV Line in the same tower with technology from Furukawa Electric Co., Ltd.

The Company has also successfully completed the rigorous one-year long duration pre-qualification test on 200 kV Cable system at an International Laboratory, certified by world renowned KEMA, Netherland. This gives the Company a firm marketing ground and the status of being the only Company in India to achieve this feat.

Having enhanced its market share for EHV Cables upto 220 kV, the Company is preparing grounds for venturing into the 400 kV segment.

In line with the shift in the business model from supply contracts to total turnkey solutions, the Company has shored up its resources and taken measures to re-inforce its construction wing by mechanizing some process and on-site training of jointers.

The Company has once again won the EEPICINDIA Coveted Star Performer Silver Shield award in succession for the year 2008-2009 which has been announced during the year.

The Company has progressed well on the Capacitors front by developing new products for better value addition and has also increased the installed capacity by adding balancing equipments.

Pursuant to the Joint Venture Agreement with Furukawa Electric Co., Ltd., Japan, the Company has transferred/sold certain specified assets related to the manufacturing operations of Optical Fibre during the year. Consequently, the manufacturing of Optical Fibre was discontinued in the month of November, 2010.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement(s) with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Certificate by Chief Executive Officer (CEO) confirming compliance by all the Board members and Senior Management Personnel with Company's Code of Conduct and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

## **RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief and according to the information and explanation obtained by them, state that :

- ◆ in the preparation of the Annual Accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed;
- ◆ the Company has selected such accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2010-11 and of the profit for the year ended 31st March, 2011;
- ◆ proper and sufficient care have been taken 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 and detecting fraud and other irregularities; and
- ◆ the attached Annual Statement of Accounts for the year ended 31st March, 2011 have been prepared on a 'going concern' basis.

## **INDUSTRIAL RELATIONS & SAFETY**

Industrial relations remained by and large cordial during the year.

## **DIRECTORS**

Shri Harsh V. Lodha, Shri S.S. Kothari and Shri S.C. Jain retire by rotation and, being eligible, offer themselves for re-appointment.



## AUDITORS

M/s S. R. Batliboi & Co., Chartered Accountants, retire as Auditors of the Company and being eligible, offer themselves for re-appointment for the financial year 2011-2012.

M/s Satish Dhume & Co., Chartered Accountants, Panaji, Goa retire as Branch Auditors of the Company and being eligible, offer themselves for re-appointment as Branch Auditors of the Company to audit the accounts in respect of Optic Fibre Goa Unit for the financial year 2011-2012.

M/s D. Sabyasachi & Co., Cost Accountants, have been re-appointed as Cost Auditors on 14th May, 2011 for the financial year 2011-2012.

## JOINT VENTURE

Since the market conditions are not very much favourable, the performance of Birla Ericsson Optical Limited, a venture promoted by your Company in association with Vindhya Telelinks Limited and Ericsson Cables AB, Sweden was adversely affected during the year under review.

The performance of Birla Furukawa Fibre Optics Ltd., another venture promoted by your Company in association with Furukawa Electric Co., Ltd., Japan for its first year of operations has been satisfactory.

## PARTICULARS OF EMPLOYEES

None of the employee of the Company qualifies for disclosure pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

## ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made thereunder, the concerned particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure which is attached hereto and forms a part of the Directors' Report.

## ACKNOWLEDGEMENT

The Board of Directors would like to thank the Shareholders, all employees of the Company, customers, suppliers, collaborators and bankers for their continued support.

Yours faithfully,

Harsh V. Lodha	}	<i>Chairman</i>
S.R. Jain		
S.S. Kothari		
S.C. Jain		
J.C. Sharma		
Dinesh Chanda		<i>Directors</i>

New Delhi, 14th May, 2011




**ANNEXURE**

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2011.**

**(A) CONSERVATION OF ENERGY**

**Following Energy Conservation measures were taken during the year :**

- (a) Retrofitting/Replacement of all existing high wattage Fluorescent Tube lights by low wattage energy efficient Tube lights.
- (b) Minimization of Energy losses by replacement of old Power Distribution Transformers with modern Transformers.
- (c) Energy conservation by switching over from high cost captive power (Furnace Oil/Diesel) to low cost power from SEB in combination with UPS Units.

**(B) TECHNOLOGY ABSORPTION**
**I. Research and Development (R&D)**

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. Specific areas in which R&amp;D carried out by the Company</li> </ol> | <p>Product development and process improvement in cables and capacitors.</p> <p>R&amp;D Department has developed following new products :</p> <ol style="list-style-type: none"> <li>(i) Wind turbine cable with superior ozone resistance and low temperature flexibility.</li> <li>(ii) Test equipment for measurement of low temperature flexibility.</li> <li>(iii) Electronic pressure calibration and measurement system.</li> <li>(iv) Surge protective capacitors of 33 kV.</li> </ol>               |
| <ol style="list-style-type: none"> <li>2. Benefits derived as a result of the above R&amp;D</li> </ol>          | <p>Import substitution, technology upgradation and extension of product range.</p> <ol style="list-style-type: none"> <li>(i) Development of 33 kV grade LSOH elastomeric cable with low temperature characteristics.</li> <li>(ii) Development of light and power energy meter calibration system for plant energy conservation purpose.</li> <li>(iii) Development of automatic power factor improvement control and relay panels with thyristor &amp; vacuum switching system for 11 kV phase.</li> </ol> |
| <ol style="list-style-type: none"> <li>3. Future plan of action</li> </ol>                                      | <ol style="list-style-type: none"> <li>(i) Development of 33 kV grade LSOH elastomeric cable with low temperature characteristics.</li> <li>(ii) Development of light and power energy meter calibration system for plant energy conservation purpose.</li> <li>(iii) Development of automatic power factor improvement control and relay panels with thyristor &amp; vacuum switching system for 11 kV phase.</li> </ol>  |
| <ol style="list-style-type: none"> <li>4. Expenditure on R&amp;D</li> </ol>                                     | <ol style="list-style-type: none"> <li>(a) Capital ₹ 8.92 lacs</li> <li>(b) Recurring ₹ 121.02 lacs</li> <li>(c) Total ₹ 129.94 lacs</li> <li>(d) Total R&amp;D expenditure 0.23% (as percentage of total turnover)</li> </ol>   |

**II. Technology absorption, adaptation and innovation**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
 

The technology employed is being updated with continuous interaction between the technicians of the Company and the Technical Collaborators. In-house training is being imparted to plant personnel for adaptation of the updated technology.



2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc. New product development, cost optimization, productivity and product quality improvement.
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following may be furnished :
- (a) Technology imported Know-How and Technical Assistance from Furukawa Electric Co., Ltd., Japan for manufacture of 132kV to 400 kV XLPE cables by Continuous Vulcanization (CV) process using VCV Line.
- (b) Year of import 2006-2007
- (c) Has technology been fully absorbed? If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action Technology imparted is being absorbed.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Earnings : ₹ 1465.33 lacs  
Outgo : ₹ 20376.13 lacs

Harsh V. Lodha } *Chairman*  
S.R. Jain }  
S.S. Kothari } *Directors*  
S.C. Jain }  
J.C. Sharma }  
Dinesh Chanda }

New Delhi, 14th May, 2011





## Management Discussion and Analysis

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company has etched an outstanding track record as the leading manufacturer of power cables and capacitors. In the power cable & capacitor industry, the Company enjoys enviable brand recognition. The Company's brand name "UNISTAR" is looked upon as the pioneer in the industry which embodies quality, backed by world-class manufacturing technology. In today's complex business environment, the Company has taken a strategic initiative to strengthen its manufacturing vertical by implementing advanced technology for higher-end products, which sets a clear path for sustaining long-term growth with a competitive position at par with global players. The Company re-configured its business strategy with its thrust area in the extra high voltage segment.

Notably, the Company has kept in pace with the paradigm shift in the market place where the classical business model of supply contracts is transforming to total turn-key solutions. The Company has shored up its resources and taken measures to reinforce its construction wing to take maximum mileage from this setting trend. Having redefined the thrust area in the high voltage segment and creating a predominant position upto the 220kV range, the Company is preparing to leapfrog into the 400kV future market. This will pitchfork the Company in the big league of leading global players. With its long heritage of quality, technology leadership and overarching goal to always bring value to its customers through end-to-end offerings, the Company continues to re-shape its future with the changing market dynamics.

In a more complex and competitive market place, the Company has intensified its drive towards waste control activities. Major initiatives involve re-organising the factory lay-out to reduce internal movement of in-process material, reducing asymmetric inventory of raw-materials, reduction of process scrap, improving design & process standards to reduce material over-usage, energy conservation, out-sourcing of utility services, rationalization and right-sizing of manpower. Greater thrust has been laid on human resource management by providing hands-on training & fostering an environment to encourage innovation and creative solutions. Advanced software for design & technical data management is functional which has reduced response time to customers and has largely improved the functional efficiency.

The demand driver for power cables and capacitors is contingent to the growth in the power sector. The power sector has shown improvements in its achievements over the past years giving more vigour to the overall demand for cables. This has also given optimism to the cable industry on the positive outlook of future demand growth. The power transmission sector with its major reforms, enacted by the Government, is moving on a fast track, building large power transmission corridors across the country.

This has led to cascading effect on the sub-transmission sector within the urban area, giving a boost to the demand of Extra High Voltage (EHV) power cables.

The industry in general and the infrastructural sector have staged a recovery with major investments in place. This has given a fillip to the demand-pull for power cables. Also, the projected capital outlay in this sector indicates a positive signal on the sustained growth in demand for the future years ahead.

### PRODUCT-WISE PERFORMANCE, OPPORTUNITIES, THREATS & BUSINESS OUTLOOK

#### Power Cables & Capacitors

Gross revenue from this segment during the year was ₹ 562.16 crores as compared to ₹ 458.28 crores during the previous year.

#### EHV Power Cables :

The yawning gap in the demand-supply situation in metro cities and the urban sector still remains in a precarious state. The situation has further exacerbated due to the right-of-way restriction of constructing overhead power transmission lines. Therefore, to infuse power to the load centres of the urban sector, underground power transmission using cables is the only solution. The insatiable demand for power from the tier-I and tier-II cities is pushing the growth for EHV cables. This unveils a new area with promises of growth. The Company has geared up its position by installing two state-of-the-art vertical continuous vulcanizing (VCV) lines, the only of its kind in India, with technology from Furukawa Electric Co., Ltd. The company has also successfully conducted the rigorous one year long duration pre-qualification test on 220kV cable system at an International Laboratory, certified by world renowned KEMA, Netherland. This gives the Company a firm marketing ground and the status of being the only Company in India to achieve this feat. Having enhanced its market share for EHV cables upto 220kV, the Company is preparing grounds for venturing into the 400kV segment.



### **Rubber Cables for Special Applications :**

The heavy industry and original equipment manufacturer's (OEMs) are showing reasonable demand. The key segments are the renewable energy, railways, steel plants, petrochemical plants, cement plants, oil rigs and coal mining. In these segments, the fastest growth is expected from the wind energy segment. The Company is already catering to this demand, and is actively involved in developing cables for the new overseas players who are making a foray in the Indian market by setting up manufacturing bases in India.

### **MV Power Cables :**

Although, there has been a marked improvement in the demand, the competition has intensified further. The market prices have declined leaving little hope of improvement in the immediate term. Some of the predominant players have largely augmented their manufacturing capacities which have outstripped the present demand, leading to a scramble in the market. Nevertheless, there is reasonable hope of renewed vigour in the market considering the projections from the power sector. In the face of this stiff competition the Company has been compelled to lower the price level to maintain its market share.

### **LV Power Cables :**

The market is inundated with small scale players who are thriving on low quality products. This segment is in a quagmire due to overcapacity and unhealthy competition, from a plethora of regional small scale players. However, the company maintains its presence with quality conscious customers and project packages involving LV power cables with other assorted products.

### **Export :**

Although the global economy has not fully recovered from the aftermath of the financial downturn, the Company has been successful in exporting cables to a number of neighbouring countries viz. Sri Lanka, UAE, Nigeria, Mauritius & Indonesia. The Company has been awarded the "Star Export House" status. It has also won the EEPCINDIA coveted star performer Silver Shield Award for 2007-08 and in succession has again been declared the winner for the year 2008-09. The Company is a member of the Federation of Indian Export Organization (FIEO) which plays catalytic role in export promotion.

### **Overseas Competition :**

Presences of multi-national players are becoming more visible in the Indian market especially for high end products, e.g. EHV cables and specialty cables for OEMs & Industries.

Some of the multi-national players have struck alliance with Indian cable manufacturers through JVs, mergers & acquisitions and are aiming to start manufacturing operations in India. These players are likely to become active within the next 2 years time.

Of late, Korean manufactures are showing aggressive presence in the Indian market. Chinese manufacturers are also competing with their advantage of undervalued Renminbi (CNY). This is hurting the Indian industries across the world. Despite representations from the Industries to the government, the situation remains unresolved. There is still low confidence amongst many Indian customers regarding the quality of Chinese products, which is a deterrent to them. However, Chinese manufacturers are trying to entice the Indian customers through a competitive pricing strategy. The company is keeping a close watch on the activity of these multi-national players and gearing up to face head on competition.

### **Capacitors :**

Company has developed Automatic Switched Capacitors for 11kV voltage range and has started executing some orders. The Company has also developed special Surge Protection Capacitors for 33 kV class. The division has increased its installed capacity and been able to increase its turnover.

In HV range, Company has executed Turnkey jobs of Capacitors with other associated equipments. The Company has also taken Export orders from Oman, Indonesia, Saudi-Arabia, etc.

### **Optical Fibre :**

The telecommunication industry in India is seeing rapid expansion and modernization and looks promising in the future with the large-scale development of FTTx and recently concluded 3G auctions. The industry being technology driven, technological innovations are the key for withstanding the pressure of competition and to improve the telecom service quality.







To counter the intense competition globally and continuous challenges faced in technology upgradation, the Company in a strategic move, had entered into a Joint Venture Agreement with Furukawa Electric Co., Ltd., Japan (FEC), consequent to which Birla Furukawa Fibre Optics Limited (BFL), was incorporated. FEC alongwith its US based wholly owned subsidiary OFS, is a multibillion dollar global leader in optical communications and a technology powerhouse. BFL was formed with the aim of accelerating both the partners' strategic plans for manufacturing world class products through state of the art facility and plans to further invest and grow in this region.

During the year, the Company has transferred/sold off its Optical Fibre business related assets at Goa to BFL, pursuant to the Joint Venture Agreement executed by and between the Company and FEC. As a result of transfer of Optical Fibre business related assets to BFL, the Company has not produced any Optical Fibre since the month of November, 2010 and Gross revenue from this segment during the year therefore was ₹ 27.37 crores as against ₹ 89.99 crores during the previous year.

With the growing trend in the demand of optical fibres, the Company remains very optimistic about the prospects of BFL and thereby, of generating value from its investment in BFL.

### FINANCIAL REVIEW

The financial performance of the Company during the year 2010-11 can be ascertained from the following key indicators:

- ◆ The Net Profit for the year at ₹ 17.80 crores was lower by almost 35% as compared to ₹ 27.14 crores in the previous year mainly due to negative contribution from Optical Fibre segment which was on a restructuring path and reduced margins in the Cables segment.
- ◆ The Company continued its endeavour to reduce financial expenses and has achieved success by further reducing it to ₹ 9.59 crores from ₹ 10.40 crores in the previous year inspite of increase in borrowings.
- ◆ Total borrowings increased by ₹ 24.97 crores mainly due to increase in working capital requirement consequent upon increase in turnover.
- ◆ The market value of quoted investments increased marginally to ₹ 89.15 crores from ₹ 84.43 crores in the previous year.
- ◆ The level of inventories remained almost same because of strict inventory management.
- ◆ Sundry debtors increased to ₹ 114.30 crores as on 31st March, 2011 as compared to ₹ 98.69 crores as at the end of the previous year mainly due to retention of money by customers in Turnkey Contracts.
- ◆ The Company is now in the process of realising Industrial Investment Promotion Assistance from the State Government. The first year benefits have since been sanctioned and awaiting realisation. The total amount of such Assistance as on 31st March, 2011 is ₹ 11.86 crores.
- ◆ The level of current liabilities have reduced mainly due to shift from Suppliers' Credit to Buyers' Credit for optimizing interest costs.
- ◆ The Company has in the recent past continued the exercise of renovation/upgradation of machineries & equipments. As a result, redundant Plant & Machinery having gross value of ₹ 16.76 crores and WDV of ₹ 1.25 crores have been discarded during the year under review.

### RISK AND CONCERNS

Due to the inherent nature of any business risk factors arise out of uncertain events and your Company is also not an exception to this. However, your Company has an effective and strong risk management framework in place which enables active monitoring of the business activities for identification, assessment and neutralization/mitigation of potential internal and external risk. Some of the major risks to which the Company is exposed and the Company's policy to reduce the adverse impacts of the same are:

#### Competition Risk :

The markets for most of the Company's products are highly competitive and include several competitors. The Company believes that it has developed strong customer relations as a result of its ability to cater to customer needs across a broad range of products, its commitment to quality and continuous improvement, continuing investment in technology, emphasis on customer services and substantial product and distribution resources.





### **Key Employees Risk :**

The Company's success has been largely dependent on the skills, experience and efforts of our key employees and the loss of the services of any of them, without a properly executed transition plan, could have an adverse effect on the Company. The loss of the employees who have intimate knowledge of manufacturing process and technology and other important information could lead to increased competition to the extent that these employees are hired by a competitor. The Company's future success will also depend in part upon the Company's ability to attract and retain highly qualified personnel, who are in great demand.

### **Raw Material Price Risk :**

The costs of copper and aluminium, the most significant raw materials being used, have been subjected to considerable volatility over the past few years. Volatility in the price of copper, aluminium, polyethylene, etc. may in turn lead to significant fluctuations in our cost of sales. Additionally, sharp increases in the price of copper can also reduce demand if customers decide to defer their purchases of copper cables. Although the Company attempts to recover copper and other raw material price changes either in the selling price of products or through hedging, there is no assurance that the Company can do so successfully or at all in the future.

### **Exchange Rate Risk :**

The Company is exposed to exchange rate risk in the various currencies in which it operates. As a matter of prudent foreign exchange management, all foreign currency exposures are closely monitored for risk in exchange rate fluctuations and forward covers are taken, where deemed appropriate.

### **Working Capital Risk :**

The nature of Industry is likely to have significant impact on the risks related to its working capital. As a prudent working capital risk management policy, your Company management keeps a close watch on the working capital requirements and its management through a robust risk monitoring and its control mechanism.

## **INTERNAL CONTROL SYSTEMS**

The Company has an adequate system of internal control in place, which assures of :

- ◆ Authorization, recording and reporting of transactions.
- ◆ Recording and safeguarding of assets.
- ◆ Maintenance of accounting records and reliability of financial information.

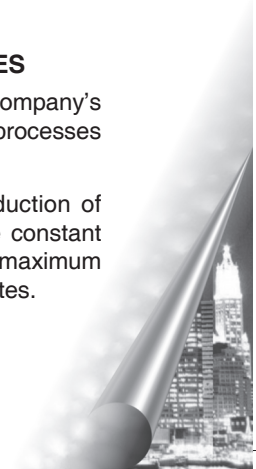
### **Key elements are :**

- ◆ Clear and well defined organisation structure and limits of financial authority.
- ◆ Corporate policies for financial reporting, accounting, information security, investment appraisal and corporate governance.
- ◆ Annual budgets and business plan, identifying key risks and opportunities.
- ◆ External firm of Chartered Accountants to carry out internal audit of all functions including physical verification of inventories and fixed assets.
- ◆ Audit Committee of the Board which monitors and reviews all risk and control issues and financial matters.
- ◆ Computerised and integrated financial and accounting functions, information feedback system of process parameters and back tracing from finished products to raw material stage.
- ◆ Routine evaluation of all financial operating and information technology system.
- ◆ Laying down risk assessment and minimization procedures and regular review of the same.

## **INDUSTRIAL RELATIONS, HUMAN RESOURCE DEVELOPMENT AND SOCIAL RESPONSIBILITIES**

The Company is dedicated to attain organizational excellence by developing and inspiring the true potential of Company's human capital and providing opportunities for growth, well-being and enrichment. During the year various HR processes have been initiated.

Implementation of healthy practices of HRD activities for overall development of human assets and induction of professionally qualified and skilled manpower including internal and external training programmes are the constant features of the Company. The Company fulfils its task of training and development of its employees to the maximum extent by sponsoring them to various in house programmes and to the courses offered by the reputed institutes.





The Company is dedicated to the welfare of its employees, their families and surrounding locality by providing social, cultural and educational upliftment. It is committed to improve quality of the life of its employees by providing safe and clean working atmosphere. The Company is an ISO : 14001, ISO : 18001, ISO : 9001 and SA : 8000 certified Company.

The Company is committed to establish Risk-free and Zero accident work environment. It is receiving National Safety Awards continuously since last 25 years from the Government of India.

The Company is maintaining Residential Colony for its employees at Satna with Welfare Centre, Reading Room, Staff Club, Indoor/Outdoor Games facilities, Dish T.V., Temple, Park, Dispensary etc. It celebrates all the festivals such as Holi, Diwali, Dushehra, Janmashtami, Vishwakarma Puja, Republic Day, Independence Day, Nag Panchami, etc. involving its employees.

The Company continued to maintain healthy and cordial relationship with its employees throughout the year. A committee, comprising of senior officials, regularly reviews the issues related to the employees with a view to ensure immediate redressal.

Presently the Company is employing 1186 permanent employees as on 31st March, 2011.

### **CAUTIONARY STATEMENT**

The Management Discussion and Analysis Report may contain certain statements that might be considered forward looking. These statements are subject to certain risks and uncertainties. Actual results may differ materially from those expressed in the Statement as important factors could influence the Company's operations such as Government policies, local, political and economic development, industrial relations, and risks inherent to the Company's growth and such other factors. Market data and product analysis contained in this report has been taken from Internal Company reports, Industry & Research publications, but their accuracy and completeness are not guaranteed and their reliability cannot be assured.



# Corporate Governance Report

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below :

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Good Corporate Governance is an integral part of the Company's Management and Business Philosophy.

The importance of Corporate Governance lies in its contribution both to business prosperity and to accountability. Corporate Governance envisages commitment of the Company towards the attainment of high levels of transparency, accountability and business prosperity with the ultimate objective of realising long term shareholder value, whilst taking into account the interest of all other stakeholders for wealth creation.

The Company will continue its efforts towards raising its standard in Corporate Governance and will also review its systems and procedures constantly in order to keep pace with the changing economic environment.

## 2. BOARD OF DIRECTORS

The present strength of the Board of Directors is Seven (7) excluding Alternate Directors. The Company has a Non-Executive Chairman. The number of Independent Directors on the Board is Five (5) and all Seven (7) are Non-Executive Directors. The Company, therefore meets with the requirements relating to the composition of Board of Directors as laid down in Clause 49.

None of the Directors is a member of more than 10 committees and chairman of more than 5 committees (as specified in Clause 49), across all the companies in which he is a Director. The necessary disclosures regarding committee memberships/chairmanships have been made by the Directors.

During the financial year ended 31st March, 2011, four Board Meetings were held on 11th May, 2010, 27th July, 2010, 28th October, 2010 and 31st January, 2011.

The composition and category of the Directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships/ Chairmanships held by them in other companies are given below :

Name of the Director	Category	Attendance Particulars		No. of other Directorships and Committee Memberships/Chairmanships		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Shri Harsh V. Lodha (Chairman)	Non Independent Non-Executive	4	No	9	2	3
Shri S.N. Prasad	Non Independent Non-Executive	None	No	6	1	None
Dr. S.R. Jain	Independent Non-Executive	4	Yes	2	3	1
Shri S.S. Kothari	Independent Non-Executive	4	No	None	1	None
Shri S.C. Jain	Independent Non-Executive	4	No	1	1	None
Shri J.C. Sharma	Independent Non-Executive	3	No	None	1	1
Shri Dinesh Chanda	Independent Non-Executive	4	No	None	2	None
Shri S.K. Daga (Alternate to Shri S.N. Prasad)	Non Independent Non-Executive	2	No	9	1	4
Shri S.P. Tamrakar (Alternate to Shri Dinesh Chanda)	Independent Non-Executive	None	Yes	None	None	None



## Notes :

- (i) Number of other Directorships held by the Directors, as mentioned above, do not include alternate directorships, and directorships held in foreign companies, companies under section 25 and Indian Private Limited Companies besides trustee/membership of Managing Committees of various trusts and other bodies and are based on the latest declarations received from the Directors.
- (ii) The details of Committee Membership/Chairmanship is in accordance with Clause 49 of the Listing Agreement(s) and reflects the Membership/Chairmanship of the Audit Committee and Share Transfer and Shareholders'/Investors' Grievances Committee alone of all Public Limited Companies including Universal Cables Limited.
- (iii) Disclosure of the number of equity shares of the Company held by the Non-Executive Directors as on 31st March, 2011 –

(a)	Shri Harsh V. Lodha	7950
(b)	Shri S.N. Prasad	100
(c)	Dr. S.R. Jain	100
(d)	Shri S.S. Kothari	100
(e)	Shri S.C. Jain	100
(f)	Shri J.C. Sharma	100
(g)	Shri Dinesh Chanda	150
(h)	Shri S.K. Daga (Alternate Director)	Nil
(i)	Shri S.P. Tamrakar (Alternate Director)	Nil

The Company has a system to circulate and provide adequate information to the Board including as required under Annexure-IA of Clause 49 of the Listing Agreement(s) to enable the Board to take informed decisions. The compliance report of all laws applicable to the Company as prepared and compiled by the Compliance Officer is circulated to all the Directors alongwith the Agenda and placed/reviewed in each Board Meeting.

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company and the same has been posted on the website of the Company. For the year under review, all Directors and Senior Management Personnel of the Company have confirmed their adherence to the provisions of the said Code.

A brief resume, expertise in specific functional areas, list of outside directorship held, membership/chairmanship of the Committees of the Board of Directors of the Company and other public companies and shareholding of Directors retiring by rotation and eligible for re-appointment at the ensuing Annual General Meeting (AGM) of the Company are given in the Notice of AGM, annexed to this Annual Report.

### 3. AUDIT COMMITTEE

The Present Audit Committee consists of four Independent Non-Executive Directors. The detailed composition of the Audit Committee is given below :

(a)	Dr. S.R. Jain	Chairman (Independent Non-Executive Director)
(b)	Shri S.S. Kothari	Member (Independent Non-Executive Director)
(c)	Shri J.C. Sharma	Member (Independent Non-Executive Director)
(d)	Shri Dinesh Chanda	Member (Independent Non-Executive Director)

All the members of the Audit Committee are financially literate and have vast experience in their respective fields. Dr. S.R. Jain has accounting or related financial management expertise.

The Secretary of the Company as appointed within the meaning of Section 383A of the Companies Act, 1956 is the Secretary of the Audit Committee.



The Terms of Reference stipulated by the Board to the Audit Committee are as contained in Clause 49 of the Listing Agreement(s) as well as Section 292A of the Companies Act, 1956 and broadly are as follows :

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees and also approval of payment for any other services rendered by the statutory auditors.
- (iii) Reviewing, with the management, the quarterly and annual financial statements before submission to the Board for approval.
- (iv) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system.
- (v) Reviewing the adequacy of internal audit function and discussion with internal auditors about any significant findings and follow up thereon.
- (vi) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of material nature and reporting the matter to the Board.
- (vii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- (viii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (ix) To review mandatorily the following information –
  - ◆ Management discussion and analysis of financial condition and results of operations.
  - ◆ Statement of significant related party transactions (as defined by the audit committee), submitted by management.
  - ◆ Management letters/letters of internal control weaknesses issued by the statutory auditors.
  - ◆ Internal audit reports relating to internal weaknesses; and
  - ◆ The appointment, removal and terms of remuneration of the Chief Internal Auditor.

Details of meetings held during the year and attendance thereof are given below :

Name of the Member of the Audit Committee	Meetings held and attendance particulars			
	11th May, 2010	27th July, 2010	28th October, 2010	31st January, 2011
Dr. S.R. Jain	Yes	Yes	Yes	Yes
Shri S.S. Kothari	Yes	Yes	Yes	Yes
Shri J.C. Sharma	Yes	Yes	No	Yes
Shri Dinesh Chanda	Yes	Yes	Yes	Yes

The necessary quorum was present at all the above meetings.

The Audit Committee regularly invites such Executives as it considers appropriate including the Head of Finance function and the representatives of the Statutory, Internal and Cost Auditors to be present at the meeting of the Committee.

#### 4. REMUNERATION OF DIRECTORS

At present, all the Directors on the Board are Non-Executive.

The Company does not have any policy for payment of remuneration to Non-Executive Directors including Non-Executive Independent Directors except by way of sitting fees at the rate of ₹ 20,000/- for each meeting of the Board, ₹ 20,000/- for each meeting of the Audit Committee and ₹ 5,000/- for each meeting of the Share Transfer and Shareholders'/Investors' Grievance Committee, attended by any such Director as fixed by the Board of Directors



in terms of the authority granted by the Articles of Association of the Company. The Company does not have any Remuneration Committee. The details of remuneration paid to Directors for the financial year ended 31st March, 2011 are set out below :

Name of the Director	Sitting Fees (₹ in lacs)
Shri Harsh V. Lodha	0.80
Shri S.N. Prasad	–
Dr. S.R. Jain	1.60
Shri S.S. Kothari	1.60
Shri S.C. Jain	0.90
Shri J.C. Sharma	1.25
Shri Dinesh Chanda	1.70
Shri S.K. Daga (Alternate to Shri S.N. Prasad)	0.40
Shri S.P. Tamrakar (Alternate to Shri Dinesh Chanda)	–
<b>Total</b>	<b>8.25</b>

- Notes : (1) Sitting fees include fees paid for attending Committee Meetings.  
(2) The Company does not have any scheme for grant of Stock Options.

#### 5. SHARE TRANSFER AND SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Share Transfer and Shareholders'/Investors' Grievances Committee acts in accordance with the terms of reference specified by the Board from time to time which, inter-alia, include overseeing and reviewing, all matters connected with investors' complaints and redressal mechanism besides approval or authorizations for share transfer/transmission/refusal of transfer/consolidation/sub-division/dematerialisation or rematerialisation, issue of duplicate share certificate(s), etc. as per applicable statutory and regulatory provisions.

The present Share Transfer and Shareholders'/Investors' Grievance Committee consists of three Non-Executive Directors. The detailed composition of the present Share Transfer and Shareholders'/Investors' Grievance Committee is given below :

(a)	Shri J.C. Sharma	Chairman (Independent Non-Executive Director)
(b)	Shri S.C. Jain	Member (Independent Non-Executive Director)
(c)	Shri Dinesh Chanda	Member (Independent Non-Executive Director)

The Board has designated Shri Pankaj Kalani, President (Commercial) & Secretary of the Company as the Compliance Officer.

During the financial year ended 31st March, 2011, two Share Transfer and Shareholders'/Investors' Grievance Committee Meetings were held on 11th May, 2010 and 28th October, 2010. Shri S.C. Jain and Shri Dinesh Chanda attended both the meetings and Shri J.C. Sharma attended one meeting.

During the year, 49 complaints (excluding those correspondences which are not in the nature of complaints) were received from shareholders and investors, directly or through regulatory authorities, details of which are given below :

Nature of Complaints	Number of Complaints received	Number of Complaints replied/resolved
Non-receipt of Share Certificates	7	7
Non-receipt of Dividend Warrants	36	36
Others	6	6
<b>TOTAL</b>	<b>49</b>	<b>49</b>



All the complaints have been attended/resolved to the satisfaction of the complainants during the year except for disputed cases and sub-judice matters, which would be resolved on final disposal of the cases by the judicial and other authorities. No request for transfer was pending for approval as on 31st March, 2011.

## 6. GENERAL BODY MEETINGS

Location and time where General Body Meetings were held in the last three years is given below :

Financial Year	Venue of the Meeting	Type of Meeting	Date	Time
2007-2008	Registered Office : P.O. Birla Vikas, SATNA - 485 005 (M.P.)	AGM	13th August, 2008	11.00 A.M.
2008-2009	Same as above	AGM	6th August, 2009	4.00 P.M.
2009-2010	Same as above	AGM	29th June, 2010	11.00 A.M.

All the resolutions set out in the respective notices of the above-mentioned meetings were passed by the members as ordinary resolutions. There was one ordinary resolution passed last year through postal ballot concerning the sale, lease and/or transfer the whole or substantially the whole of the undertaking of the Company viz. Optic Fibre Goa Unit to Birla Furukawa Fibre Optics Ltd. In the ensuing Annual General Meeting, there is no resolution required to be passed through Postal Ballot.

## 7. DISCLOSURES

- (a) There are no materially significant related party transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large. Transactions with the related parties during the year have been disclosed in Note 4 of Schedule 23 to the financial statements in the Annual Report.
- (b) There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority.
- (c) The Company has generally complied with all the mandatory requirements as specified in the revised Clause 49 to the extent these apply and extend to the Company.
- (d) In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the ICAI. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Schedule 23 forming part of the financial statements.
- (e) The Company has laid down the procedures to inform the Board Members about the risk assessment and minimization procedures covering the entire gamut of business operations of the Company and the Board has reviewed the same during the year.
- (f) The designated Senior Management personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.
- (g) The CEO and the CFO [President (Commercial) & Secretary] have furnished a Certificate to the Board for the year ended 31st March, 2011 in compliance with the revised clause 49.V of the Listing Agreement(s) as amended.
- (h) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, Shri Pankaj Kalani, President (Commercial) & Secretary has been designated as the Compliance Officer of the Company under the Company's Code of Conduct for Prevention of Insider Trading. He is responsible for adherence to the Code by the Company and its designated employees. The Company also adheres to the disclosure practices for Prevention of Insider Trading as specified in the aforesaid SEBI Regulations.
- (i) The Company has presently not adopted the non-mandatory requirements in regard to maintenance of Non-Executive Chairman's office, tenure of independent directors, Remuneration Committee, sending half-yearly declarations of financial performance to each household of shareholders, unqualified financial statements, training of Board Members, mechanism for evaluating non-executive Board Members and establishment of whistle blower policy, etc.




**8. MEANS OF COMMUNICATION**

- (a) Quarterly Results : Quarterly results after being reviewed by the Audit Committee are taken on record by the Board of Directors and submitted to the Stock Exchange(s) as per requirements of the Listing Agreement(s).
- (b) Newspapers wherein results are normally published : English Newspaper – Business Standard (All Editions)  
Vernacular Newspaper – Dainik Bhaskar/Nav Bharat/Nav Swadesh (Satna Edition)
- (c) Any website, where displayed : www.unistar.co.in
- (d) Whether it also displays official news releases : Yes
- (e) The presentations made to institutional investors or to the analysts : Nil

**9. GENERAL SHAREHOLDER INFORMATION**
**9.1 Annual General Meeting**

- Date, Time and Venue : 2nd August, 2011 at 11.00 A.M.  
Registered Office of the Company at  
P.O. Birla Vikas,  
SATNA – 485 005 (M.P.)

**9.2 Financial Calendar (2011-12)**

(tentative and subject to change)

1st Quarterly Results	Last week of July, 2011
2nd Quarterly/Half yearly Results	Last week of October, 2011
3rd Quarterly Results	Last week of January, 2012
Audited yearly Results for the year ending 31st March, 2012	3rd week of May, 2012

- 9.3 Book Closure date(s)** : 27th July, 2011 to 2nd August, 2011  
(Both Days inclusive)
- 9.4 Dividend Payment date** : 6th August, 2011 onwards
- 9.5 Listing on Stock Exchanges** : (a) Bombay Stock Exchange Limited (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai – 400 001
- (b) National Stock Exchange of India Limited (NSE)  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra East,  
Mumbai - 400 051
- 9.6 Stock Codes** : BSE, Mumbai - 504212  
NSE, Mumbai - UNIVCABLES EQ  
ISIN Numbers - INE279A01012  
(For demat trading)  
Depository Connectivity - NSDL and CDSL

Note : Annual listing fees for the year 2010-2011 has been duly paid to both the Stock Exchanges.

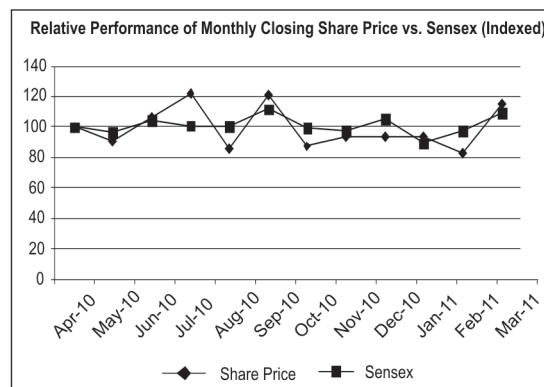
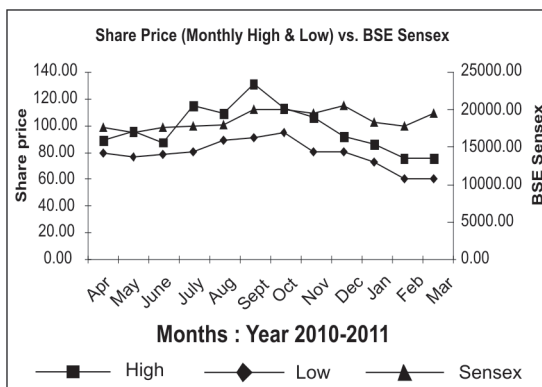


### 9.7 Stock Market Data :

Monthly high and low quotations of shares and volume of Equity Shares traded on Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchanges of India Limited (NSE), Mumbai are as follows :

Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Monthly Volume (in Nos.)	High (in ₹)	Low (in ₹)	Monthly Volume (in Nos.)
April, 2010	89.40	79.10	230135	90.00	81.45	198251
May, 2010	95.85	76.70	371173	96.00	77.20	250315
June, 2010	87.55	78.20	101946	87.90	76.90	202586
July, 2010	115.00	80.90	1340244	115.00	83.50	2329002
August, 2010	109.00	89.00	234536	108.75	88.50	356338
September, 2010	131.00	90.65	1189567	130.00	90.70	569661
October, 2010	113.00	94.75	191769	115.20	94.40	181078
November, 2010	105.95	80.80	149419	105.00	81.10	169860
December, 2010	92.00	80.10	148580	91.00	78.10	97823
January, 2011	86.00	73.00	310173	85.40	72.15	95178
February, 2011	76.00	60.00	134722	77.00	60.65	192935
March, 2011	75.80	60.00	499818	78.70	61.70	532386

### 9.8 Share price performance in comparison to broad based indices - BSE Sensex :



### 9.9 Registrar and Share Transfer Agents :

M/s Link Intime India Pvt. Limited  
 C-13, Pannalal Silk Mills Compound,  
 L.B.S. Marg, Bhandup (West),  
 Mumbai – 400 078  
 Phone : +91 22 25963838, 25946970  
 Fax : +91 22 25946969  
 Email : mumbai@linkintime.co.in  
 rnt.helpdesk@linkintime.co.in

### 9.10 Share Transfer System :

Trading in Equity Shares of the Company is permitted only in dematerialised form for all classes of investors as per Notification issued by the Securities & Exchange Board of India (SEBI).

All matters pertaining to share transfer and related activities are handled by the Registrar and Share Transfer Agents of the Company who are fully equipped to carry out the transfers of shares and redressal of investor complaints. All transactions in connection with transfer, transmission, etc. are processed by them on fortnightly basis and is sent to the Company for placing before the Committee of Directors/Committee of Officers, as the case may be for approval. The average time taken for processing share transfer requests in physical form including despatch of share certificates is generally three weeks, on receipt of duly completed documents



in all respects, while the request for dematerialisation of equity shares is confirmed/rejected within an average period of 15 days. The Company obtains from a Company Secretary in practice half-yearly certificate of compliance with share transfer formalities as required under clause 47(c) of the Listing Agreement(s) with Stock Exchange(s) and files a copy of the Certificate with the Stock Exchange(s).

The Company's representatives visit the office of the Registrar and Share Transfer Agents from time to time to monitor, supervise and ensure that there are no delays or lapses in the system.

**9.11 (a) Distribution of Shareholding as on 31st March, 2011 :**

Number of Equity Shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 5000	12481	98.92	3465814	14.99
5001 - 10000	49	0.39	351297	1.52
10001 - 50000	47	0.37	1064579	4.60
50001 - 100000	10	0.08	728705	3.15
100001 - 1000000	25	0.20	6356359	27.48
1000001 and above	5	0.04	11163500	48.26
<b>GRAND TOTAL</b>	<b>12617</b>	<b>100.00</b>	<b>23130254</b>	<b>100.00</b>
Physical Mode	4751	37.66	14129691	61.09
Electronic Mode	7866	62.34	9000563	38.91

**(b) Category of Shareholders as on 31st March, 2011 :**

Category	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Indian Promoter(s)/ Promoters Group	25	0.20	12239923	52.92
Resident Individuals & Corporates	12373	98.06	9658794	41.75
Financial Institutions/ Insurance Companies/ Banks/Mutual Funds	19	0.15	1157857	5.01
NRIs/FIIs/OCBs/ Foreign Shareholders	200	1.59	73680	0.32
<b>GRAND TOTAL</b>	<b>12617</b>	<b>100.00</b>	<b>23130254</b>	<b>100.00</b>

**9.12 Dematerialisation of Shares and liquidity :**

9000563 Equity Shares representing 38.91% of the total Equity Capital of the Company are held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31st March, 2011.

Company's shares are reasonably liquid and are quite actively traded on Bombay Stock Exchange Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai. Relevant data for the approximate average daily turnover in terms of volume for the financial year 2010-11 is given below :

Bombay Stock Exchange Limited, Mumbai (BSE)	National Stock Exchange of India Limited, Mumbai (NSE)	BSE + NSE
19300	20376	39676



The Reconciliation of Share Capital Audit Report from a Company Secretary in practice confirming that the total issued capital of the Company is in agreement with the total number of equity shares in physical form and the total number of dematerialized equity shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the Stock Exchange(s) where the equity shares of the Company are listed.

- 9.13 Outstanding GDR/ADR/Warrants or any Convertible Instruments, conversion date and likely impact on equity** : The Company has not issued any of these instruments so far.
- 9.14 Plant Location(s)** : P.O. Birla Vikas,  
SATNA-485 005 (M.P.)
- 9.15 Address for Investor Correspondence** : M/s Link Intime India Pvt. Limited  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (West),  
Mumbai – 400 078  
Phone : +91 22 25963838, 25946970  
Fax : +91 22 25946969  
Email : mumbai@linkintime.co.in  
rnt.helpdesk@linkintime.co.in

**OR**

Share Department  
Universal Cables Limited  
P.O. Birla Vikas,  
SATNA 485 005 (M.P.)  
Phone : +91 7672 257121 to 27, 414000  
Fax : +91 7672 257131  
Email : secretarial@unistar.co.in  
headoffice@unistar.co.in

(Note : Shareholders holding shares in electronic mode should address all their correspondence to the respective Depository Participants).





## **CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT**

As required under Clause 49 of the Listing Agreement(s) with Stock Exchange(s) relating to Corporate Governance, I hereby declare that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial year 2010-11.

For Universal Cables Limited

D.R. Bansal  
Chief Executive Officer

New Delhi, 14th May, 2011

---

## **AUDITOR'S CERTIFICATE**

**To**  
**The Members of Universal Cables Limited**

We have examined the compliance of conditions of corporate governance by Universal Cables Limited for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to 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 our 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.

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 S.R. BATLIBOI & CO.  
Chartered Accountants  
Firm Registration No. 301003E

per Rajiv Goyal  
Partner  
Membership No. 94549

Place : New Delhi  
Dated : 14th May, 2011



# Auditors' Report

## TO THE MEMBERS OF UNIVERSAL CABLES LIMITED

1. We have audited the attached Balance Sheet of Universal Cables Limited ('the Company') as at March 31, 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated financial statements of Optic Fibre Unit at Goa (OFG) audited by another auditors. 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 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 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 purposes 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 and proper returns adequate for the purposes of our audit have been received from OFG not visited by us. The Branch Auditor's Report have been forwarded to us and have been appropriately dealt with;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account and audited returns from OFG;
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - v. On the basis of the written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
    - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
    - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.  
Chartered Accountants  
Firm Registration No. 301003E

per Rajiv Goyal  
Partner  
Membership No. 94549

Place : New Delhi

Dated : May 14, 2011



### Annexure referred to in paragraph 3 of our report of even date

#### Re: Universal Cables Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) During the year, the Company has disposed off a substantial part of the plant and machinery of the Optic Fibre Unit at Goa (OFG). Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said part of plant and machinery has not affected the going concern status of the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) 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) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (e) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of Clause 4(v)(b) of the Order is not applicable to the Company.
- (vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, or employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*  
 Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable.



- (c) According to the information and explanation given to us and records of the Company, there are no dues of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute, other than following :

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of Expense	428.04	2007-08	CIT (A)

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding debenture and loan from any financial institution during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year and did not have any unutilized money out of earlier public issues.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & CO.  
Chartered Accountants  
Firm Registration No. 301003E

per Rajiv Goyal  
Partner  
Membership No. 94549

Place : New Delhi  
Dated : May 14, 2011





## BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

Balance Sheet as at 31st March, 2011

	Schedule	31st March 2011 (₹ in lacs)	31st March 2010 (₹ in lacs)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	<b>2313.32</b>	2313.32
Reserves and Surplus	2	<b>18334.07</b>	17104.17
		<b>20647.39</b>	19417.49
<b>LOAN FUNDS</b>			
Secured Loans	3	<b>14738.41</b>	12232.55
Unsecured Loans	4	<b>1183.77</b>	1192.54
		<b>15922.18</b>	13425.09
<b>DEFERRED TAX LIABILITIES (NET)</b>			
(Refer Note No. 12 of Schedule 23)		<b>1383.94</b>	1291.90
		<b>37953.51</b>	34134.48
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	<b>26043.66</b>	27760.95
Less : Accumulated Depreciation and Amortisation		<b>11561.23</b>	14065.34
Net Block		<b>14482.43</b>	13695.61
Capital Work-in-progress		—	708.40
		<b>14482.43</b>	14404.01
<b>INVESTMENTS</b>			
	6	<b>5074.42</b>	5074.42
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	7	<b>10938.22</b>	11074.41
Sundry Debtors	8	<b>11430.18</b>	9868.68
Cash and Bank Balances	9	<b>269.22</b>	684.89
Other Current Assets	10	<b>1832.87</b>	1300.12
Loans and Advances	11	<b>3051.97</b>	1775.23
		<b>27522.46</b>	24703.33
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	12	<b>7072.83</b>	8075.72
Provisions	13	<b>2052.97</b>	1971.56
		<b>9125.80</b>	10047.28
Net Current Assets		<b>18396.66</b>	14656.05
		<b>37953.51</b>	34134.48
Notes to Accounts	23		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our attached report of even date

For S.R. BATLIBOI & CO.  
Chartered Accountants  
Firm Registration No. 301003E

Per Rajiv Goyal  
Partner  
Membership No. 94549  
New Delhi, 14th May, 2011

D.R. Bansal  
*Chief Executive Officer*  
  
Pankaj Kalani  
*President (Commercial) & Secretary*

Harsh V. Lodha  
S.R. Jain  
S.S. Kothari  
S.C. Jain  
J.C. Sharma  
Dinesh Chanda

*Chairman*

*Directors*





## Profit & Loss Account for the year ended 31st March, 2011

	Schedule	For the year ended 31st March 2011 (₹ in lacs)	For the year ended 31st March 2010 (₹ in lacs)
<b>INCOME</b>			
Turnover (Gross)	14	57497.80	52761.20
Less : Excise Duty		4570.04	3187.88
Turnover (Net)		52927.76	49573.32
Other Income	15	1454.96	2134.88
		<b>54382.72</b>	<b>51708.20</b>
<b>EXPENDITURE</b>			
Purchase of Traded goods		2568.21	4298.69
Material purchase/Expenses incurred on Contracts		1268.06	833.25
Raw Materials Consumed	16	33877.47	31824.22
Personnel Expenses	17	3591.31	3526.02
Operating and Other Expenses	18	6860.73	6787.91
Decrease/(Increase) in inventories	19	919.48	(2421.35)
Financial Expenses	20	958.69	1039.98
		<b>50043.95</b>	<b>45888.72</b>
Profit before Depreciation, Amortisation and Tax		4338.77	5819.48
Depreciation and Amortisation	21	1656.83	1687.43
<b>Profit before Tax</b>		<b>2681.94</b>	<b>4132.05</b>
<b>Provision for Taxes :</b>			
Current Income Tax		810.00	1180.00
Deferred Tax Charge (net)		92.03	242.54
Fringe Benefit Credit for earlier year		—	(4.68)
<b>Total Tax Expenses</b>		<b>902.03</b>	<b>1417.86</b>
<b>Profit for the year</b>		<b>1779.91</b>	<b>2714.19</b>
Surplus brought forward from previous year		5305.71	3568.05
Amount available for Appropriation		7085.62	6282.24
<b>APPROPRIATIONS</b>			
Proposed Dividend		462.61	578.26
Corporate Dividend Tax (Net of ₹ 2.23 lacs written back for the previous year)		72.82	98.27
Transfer to General Reserve		250.00	300.00
Surplus carried to Balance Sheet		6300.19	5305.71
		<b>7085.62</b>	<b>6282.24</b>
<b>Earnings Per Share (₹)</b>			
Basic & Diluted Earnings per Share [Nominal Value of ₹ 10/- per share (previous year ₹ 10/-)]	22	7.70	11.73
Notes to Accounts	23		

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our attached report of even date

For S.R. BATLIBOI & CO.

Chartered Accountants

Firm Registration No. 301003E

Per Rajiv Goyal

Partner

Membership No. 94549

New Delhi, 14th May, 2011

D.R. Bansal  
Chief Executive Officer

Pankaj Kalani  
President (Commercial) & Secretary

Harsh V. Lodha

S.R. Jain

S.S. Kothari

S.C. Jain

J.C. Sharma

Dinesh Chanda

Chairman

Directors


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	2010-11		2009-10	
	₹ in lacs	₹ in lacs	₹ in lacs	₹ in lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before taxation		2681.94		4132.05
<b>Adjustments for :</b>				
Depreciation	1656.83		1687.43	
(Profit)/Loss on Disposal of Fixed Assets (Net)	17.33		(844.56)	
Interest income	(75.73)		(75.10)	
Dividend income	(18.69)		(21.66)	
Interest expense	718.93		786.17	
Unspent liabilities/unclaimed balances written-back (Net)	(47.28)		(10.99)	
Provision for Doubtful Debts(Net)	(15.25)	2236.14	(67.57)	1453.72
<b>Operating profit before Working capital changes</b>		<b>4918.08</b>		<b>5585.77</b>
<b>Movement in Working capital :</b>				
Decrease/(Increase) in Sundry debtors	(1546.25)		3401.23	
Decrease/(Increase) in Inventories	136.19		(2502.34)	
(Increase) in Loans and Advances	(2320.34)		(215.88)	
(Decrease) in Current Liabilities and Provisions	(1001.86)	(4732.26)	(1204.32)	(521.31)
<b>Cash from Operations</b>		<b>185.82</b>		<b>5064.46</b>
Direct Taxes (paid)		(566.24)		(1140.51)
<b>Net cash from Operating activities</b>		<b>(380.42)</b>		<b>3923.95</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed assets	(3276.30)		(2214.84)	
Proceeds from sale of Fixed assets	1509.15		1354.28	
Investments made	–		(2241.00)	
Loan given	–		(1050.00)	
Loan received back	500.00		550.00	
Fixed Deposit taken	(0.21)		(251.23)	
Fixed Deposit encashed	251.23		2.33	
Interest received	86.58		64.18	
Dividend received	18.69		21.66	
<b>Net cash (used in) Investing activities</b>		<b>(910.86)</b>		<b>(3764.62)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from short term borrowings	3739.68		2300.00	
Repayment of long term borrowings	(1242.59)		(1399.43)	
Interest paid	(707.20)		(771.33)	
Dividend paid	(663.26)		(266.58)	
<b>Net cash from/(used in) Financing activities</b>		<b>1126.63</b>		<b>(137.34)</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

	2010-11 ₹ in lacs	2009-10 ₹ in lacs
<b>Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>(164.65)</b>	21.99
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>433.66</b>	411.67
<b>Cash and Cash equivalents at the end of the year</b>	<b>269.01</b>	433.66
<b>Components of Cash and Cash equivalents</b>		
Cash on hand	4.79	3.11
Cheques on hand	72.52	283.12
<b>With Scheduled Banks :</b>		
On Current Accounts	144.48	111.25
On Unclaimed Dividend Accounts*	47.22	36.18
On Deposit Accounts	0.21	251.23
	<b>269.22</b>	684.89
Less: Deposits having maturity period more than 3 months	(0.21)	(251.23)
	<b>269.01</b>	433.66

\*These balances are not available for use by the Company as they represents corresponding unpaid dividend Liabilities.

Note :

The Cash Flow Statement has been prepared under the 'Indirect method' as set out in Accounting Standard - 3 on Cash Flow Statements.

As per our attached report of even date

For S.R. BATLIBOI & CO.  
Chartered Accountants  
Firm Registration No. 301003E

D.R. Bansal  
Chief Executive Officer

Harsh V. Lodha } *Chairman*  
S.R. Jain }  
S.S. Kothari } *Directors*  
S.C. Jain }  
J.C. Sharma }  
Dinesh Chanda }

Per Rajiv Goyal  
Partner  
Membership No. 94549  
New Delhi, 14th May, 2011

Pankaj Kalani  
President (Commercial) & Secretary


**Schedules annexed to and forming part of Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date**

	31st March 2011 (₹ in lacs)	31st March 2010 (₹ in lacs)
--	-----------------------------------	-----------------------------------

**SCHEDULE 1 : SHARE CAPITAL**
**Authorised**

50,000	(50,000)	Preference Shares of ₹ 100/- each	50.00	50.00
2,45,00,000	(2,45,00,000)	Equity Shares of ₹ 10/- each	2450.00	2450.00
			2500.00	2500.00

**Issued**

2,31,36,074	(2,31,36,074)	Equity Shares of ₹ 10/- each	2313.61	2313.61
-------------	---------------	------------------------------	---------	---------

**Subscribed**

2,31,30,254	(2,31,30,254)	Equity Shares of ₹ 10/- each fully paid up	2313.03	2313.03
		Add : Forfeited Shares (amount originally paid-up)	0.29	0.29
			2313.32	2313.32

Of the above -

- (i) 88,83,313 (88,83,313) Equity Shares of ₹ 10/- each were allotted as fully paid Bonus Shares by capitalisation of Securities Premium and General Reserve in earlier years.
- (ii) 30,92,310 (30,92,310) Equity Shares of ₹ 10/- each were allotted on September 7, 2006 to the Shareholders of erstwhile Optic Fibre Goa Limited pursuant to the Scheme of Amalgamation without payment being received in cash.

**SCHEDULE 2 : RESERVES AND SURPLUS**
**Revaluation Reserve**

Balance as per last account	177.76	192.34
Less : Transfer to Profit & Loss Account being difference of depreciation on revalued cost of assets and that on the original cost.	14.58	14.58
	163.18	177.76

**Securities Premium Account**

Balance as per last account	1767.56	1767.56
-----------------------------	---------	---------

**General Reserve**

Balance as per last account	9853.14	9553.14
Add: Transfer from Profit and Loss Account	250.00	300.00
	10103.14	9853.14

**Profit and Loss Account Balance**

	6300.19	5305.71
--	---------	---------

**Total**

	18334.07	17104.17
--	----------	----------



	31st March 2011 (₹ in lacs)	31st March 2010 (₹ in lacs)
--	-----------------------------------	-----------------------------------

### SCHEDULE 3 : SECURED LOANS

<b>Term Loan from a Bank</b>	-	1230.00
[Due within one year ₹ Nil (Previous year ₹ 1112.59 lacs)]		
Interest accrued and due on Term Loan	-	12.59
<b>Working Capital Loans from Bank*</b>		
Cash Credit Account	2955.40	803.12
Working Capital Demand Loan	-	1005.52
Foreign Currency Loan - Buyer's Credit	11783.01	9181.32
*including interest accrued and due ₹ Nil (Previous year ₹ 5.52 lacs)		
	<b>14738.41</b>	<b>12232.55</b>

Note:-

Working Capital Loans & Cash Credit limit, from a bank are secured by hypothecation of all present and future current assets. Further these facilities are secured by way of second charge on the fixed assets of company. The term loan from bank was secured by the equitable mortgage created by the company by way of deposit of title deeds of the company's all present immoveable properties situated at Satna (M.P.). The Company has made the prepayment of this term loan as of March 31, 2011 and is in process of filing the modification of charge with the Registrar of Companies.

### SCHEDULE 4 : UNSECURED LOANS

Fixed Deposits from Employees & Others	-	6.00
[Due within one year ₹ Nil (Previous year ₹ 6.00 lacs)]		
Short-term Loans and Advances		
Loans from Banks	1183.77	1186.54
	<b>1183.77</b>	<b>1192.54</b>

### SCHEDULE 5 : FIXED ASSETS

(₹ in lacs)

Nature of Fixed Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at 1st April, 2010	Additions during the Year	Deductions/ Adjustments during the year	As at 31st March, 2011	As at 1st April, 2010	For the year	Deductions/ Adjustments during the year	As at 31st March, 2011	As at 31st March, 2011	As at 31st March, 2010
Freehold Land	191.01	-	-	191.01	-	-	-	-	191.01	191.01
Leasehold Land	267.07	-	-	267.07	64.12	3.04	-	67.16	199.91	202.95
Buildings	4587.79	641.04	-	5228.83	1540.59	130.00	-	1670.59	3558.24	3047.20
Plant & Machinery	21314.63	3234.47	5587.89	18961.21	11792.74	1378.10	4129.32	9041.52	9919.69	9521.89
Furniture & Office Equipments	816.46	58.95	87.81	787.60	464.86	68.96	38.61	495.21	292.39	351.60
Vehicles	257.32	30.45	21.55	266.22	76.03	25.38	6.00	95.41	170.81	181.29
Intangible (Software)	104.16	19.79	4.74	119.21	41.70	21.42	1.58	61.54	57.67	62.46
Technical Know-how	222.51	-	-	222.51	85.30	44.50	-	129.80	92.71	137.21
<b>Total</b>	27760.95	3984.70	5701.99	26043.66	14065.34	1671.40	4175.51	11561.23	14482.43	13695.61
Capital Work in Progress									-	708.40
<b>Grand Total</b>									14482.43	14404.01
Previous Year	27106.93	1560.08	906.06	27760.95	12759.67	1702.01	396.34	14065.34	14404.01	

Notes:-

- Land, Buildings and Plant & Machinery includes Gross Block ₹ 1592.37 lacs, WDV ₹ 163.18 lacs (₹ 1707.72 lacs, WDV ₹ 177.76 lacs) addition on the Revaluation during the year ended 31st March, 1984 as per valuation carried out by approved valuer on the basis of existing use value method.
- Fixed Assets includes Gross Block ₹ 1161.08 lacs, WDV ₹ 939.22 lacs (₹ 893.54 lacs, WDV ₹ 691.11 lacs) given on operating lease in the last year. Depreciation provided thereon during the year is ₹ 17.47 lacs (₹ 29.37 lacs).



	31st March 2011 (₹ in lacs)	31st March 2010 (₹ in lacs)
--	-----------------------------------	-----------------------------------

**SCHEDULE 6 : INVESTMENTS - Long Term (At cost)**
**(A) Trade - Fully paid equity shares of ₹ 10/- each**

Quoted	No. of Shares	No. of Shares previous year		
Vindhya Telelinks Limited	34,54,530	34,54,530	<b>1897.31</b>	1897.31
Birla Ericsson Optical Limited (A Company under the same management)	39,00,100	39,00,100	<b>850.01</b>	850.01
Birla Corporation Limited	2,96,730	2,96,730	<b>52.78</b>	52.78
<b>Unquoted</b>				
Birla Financial Corporation Limited	3,00,366	3,00,366	<b>30.04</b>	30.04
Birla Furukawa Fibre Optics Limited	45,00,000	45,00,000	<b>2241.00</b>	2241.00
Universal Telelinks Private Limited	9,800	9,800	<b>0.98</b>	0.98
Universal Electricals Private Limited	9,800	9,800	<b>0.98</b>	0.98

**(B) Other than Trade**

## (i) Government Securities - Unquoted

6 year National Savings Certificates (Deposited with Sales Tax Authorities)	<b>0.18</b>	0.18
--	-------------	------

## (ii) Other Investments

**Quoted**

Fully paid equity shares of ₹ 10/- each

Rameshwara Jute Mills Limited	900	900	<b>0.11</b>	0.11
-------------------------------	-----	-----	-------------	------

**Unquoted**

(a) Chennai Willingdon Corporate Foundation	55	55	<b>0.01</b>	0.01
---	----	----	-------------	------

## (b) Fully paid equity shares of ₹ 100/- each

Industry House Limited	600	600	<b>0.40</b>	0.40
Baroda Agents & Trading Co. Private Limited	800	800	<b>0.62</b>	0.62

<b>5074.42</b>	5074.42
----------------	---------

Aggregate amount of Quoted Investments	<b>2800.21</b>	2800.21
--	----------------	---------

Market value of Quoted Investments	<b>8915.40</b>	8442.77
------------------------------------	----------------	---------

Aggregate amount of Unquoted Investments	<b>2274.21</b>	2274.21
--	----------------	---------

There are no purchase/sale of investments during the year.

**SCHEDULE 7 : INVENTORIES**

Raw Materials	<b>4053.57</b>	3623.01
[including material in transit ₹ 1645.27 lacs (Previous year ₹ 1531.99 lacs)]		
Stores and Spares	<b>590.84</b>	497.60
[including material in transit ₹ 37.99 lacs (Previous year ₹ 22.46 lacs)]		
Traded Goods [including material in transit ₹ 267.05 (Previous year ₹ 6.75 lacs)]	<b>331.78</b>	11.83
Work in Progress	<b>2750.27</b>	2783.26
Finished Goods [including material in transit ₹ Nil (Previous year ₹ 560.86 lacs)]	<b>3119.24</b>	4109.06
Scrap	<b>92.52</b>	49.65
	<b>10938.22</b>	11074.41



	31st March 2011 (₹ in lacs)	31st March 2010 (₹ in lacs)
--	-----------------------------------	-----------------------------------

### SCHEDULE 8 : SUNDRY DEBTORS

(Unsecured)

Debts outstanding for a period exceeding six months -

Considered Good	2085.13	1050.19
Considered Doubtful	-	23.87
	<u>2085.13</u>	<u>1074.06</u>

Other Debts -

Considered Good	9345.05	8818.49
	<u>11430.18</u>	<u>9892.55</u>

Less : Provision for Doubtful Debts

	-	23.87
	<u>11430.18</u>	<u>9868.68</u>

Debts due from Birla Ericsson Optical Limited, a Company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956. [Maximum amount outstanding at any time during the year ₹ 581.48 lacs (₹ 1257.94 lacs)]

	-	372.64
--	---	--------

### SCHEDULE 9 : CASH AND BANK BALANCES

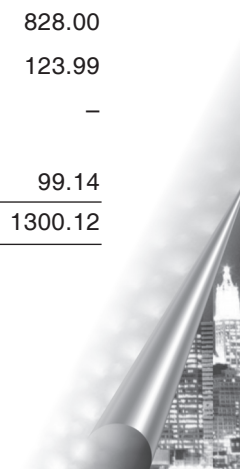
Cash on Hand	4.79	3.11
Cheques/Drafts in Hand	72.52	283.12
Balance with Scheduled Banks :		
On Current Accounts	144.48	111.25
On Deposit Accounts [including Receipts of ₹ 0.29 lac (₹ 0.23 lac) lodged with government departments]	0.21	251.23
On Unclaimed Dividend Accounts	47.22	36.18
	<u>269.22</u>	<u>684.89</u>

### SCHEDULE 10 : OTHER CURRENT ASSETS

(Unsecured and considered good)

Receivables on account of -

Interest	0.27	11.12
Export/Deemed Export Benefits	222.54	237.87
Other Benefits - Industrial Investment Promotion Assistance	1185.64	828.00
Unbilled revenue (Refer Note No. 9 of Schedule 23)	357.48	123.99
Fixed Assets held for sale (at net book value or estimated net realisable value, whichever is lower)	28.94	-
Unamortised Premium on Forward Contracts	38.00	99.14
	<u>1832.87</u>	<u>1300.12</u>





	31st March 2011 (₹ in lacs)	31st March 2010 (₹ in lacs)
--	-----------------------------------	-----------------------------------

**SCHEDULE 11 : LOANS AND ADVANCES**

(Unsecured and considered good)

## Loans

To Body Corporate	–	500.00
To Employees	57.70	56.50
Advances recoverable in cash or in kind or for value to be received	1656.54	356.46
Balances with Customs, Excise etc.	472.66	540.06
Deposit - Others	865.07	322.21
	<b>3051.97</b>	<b>1775.23</b>

**SCHEDULE 12 : CURRENT LIABILITIES**

Acceptances	447.13	1974.17
Sundry Creditors		
Dues to micro & small enterprises (Refer Note No. 11 of Schedule 23)	401.26	384.28
Creditors other than micro & small enterprises	3287.09	3039.62
Other Liabilities	419.90	408.01
Security Deposit	57.75	127.31
Excess of billing over revenue (Refer Note No. 9 of Schedule 23)	667.50	483.05
Advance from Customers	1680.35	1570.20
Unclaimed Dividend (To be transferred to Investor Education and Protection Fund as and when due)	47.22	36.18
Interest accrued but not due on Loans	64.63	52.90
	<b>7072.83</b>	<b>8075.72</b>

**SCHEDULE 13 : PROVISIONS**

For Pension (Refer Note No. 15 of Schedule 23)	252.61	251.80
For Compensated Absences	544.40	527.79
For Gratuity (Refer Note No. 15 of Schedule 23)	24.14	65.04
For Taxation (Net)	694.16	450.40
For Proposed Dividend	462.61	578.26
For Corporate Dividend Tax	75.05	98.27
	<b>2052.97</b>	<b>1971.56</b>





	For the year ended 31st March 2011 (₹ in lacs)	For the year ended 31st March 2010 (₹ in lacs)
<b>SCHEDULE 14 : TURNOVER (GROSS)</b>		
Sales	57518.77	52775.56
Less : Rebates, Claims etc.	20.97	14.36
	<b>57497.80</b>	<b>52761.20</b>
<b>SCHEDULE 15 : OTHER INCOME</b>		
Interest		
On Bank Deposits (Gross)	10.86	17.15
[Tax deducted at source ₹ 1.08 lacs (Previous year ₹ 1.95 lacs)]		
Others (Gross)	64.87	57.95
[Tax deducted at source ₹ 3.36 lacs (Previous year ₹ 1.12 lacs)]		
Dividend		
On Long term Investments (Trade)	17.80	20.77
On Long term Investments (Other than Trade)	0.89	0.89
Rent received	219.03	189.11
Duty Drawback	120.43	162.12
Unspent Liabilities/Unclaimed Balances written-back (Net)	47.28	10.99
Excess Provision for doubtful debts written-back	15.25	67.56
Processing charges and Job work Income received	1.16	11.55
Foreign Exchange Fluctuation (Net)	468.28	325.73
Industrial Investment Promotion Assistance	357.64	215.56
Profit on Disposal of Fixed Assets (Net)	-	844.55
Miscellaneous Income	131.47	210.95
	<b>1454.96</b>	<b>2134.88</b>
<b>SCHEDULE 16 : RAW MATERIALS CONSUMED</b>		
Inventories as at March 31, 2010	3623.01	3575.80
Add : Purchases (Net)	34270.03	31871.43
	<b>37893.04</b>	<b>35447.23</b>
Less : Inventories as at March 31, 2011	4015.57	3623.01
	<b>33877.47</b>	<b>31824.22</b>
<b>SCHEDULE 17 : PERSONNEL EXPENSES</b>		
Salaries, Wages and Bonus	2802.08	2766.42
Contribution to Provident and other Funds	215.11	203.41
Gratuity Expenses (Refer Note No.15 of Schedule 23)	106.60	126.60
Other Post Employment Benefits (Refer Note No.15 of Schedule 23)	86.12	81.92
Workmen and Staff Welfare Expenses	381.40	347.67
	<b>3591.31</b>	<b>3526.02</b>



	For the year ended 31st March 2011 (₹ in lacs)	For the year ended 31st March 2010 (₹ in lacs)
--	--	--

**SCHEDULE 18 : OPERATING AND OTHER EXPENSES**

Consumption of Stores and Spare parts	662.53	808.88
Packing Expenses	1047.85	1047.52
Power and Fuel	1143.16	1463.83
Processing and Job work charges	71.02	41.97
Commission and Brokerage	436.82	730.93
Freight and Transportation charges (Net)	713.16	485.90
(Increase)/Decrease of Excise Duty on (Decrease)/Increase of Stocks	(116.78)	252.46
Rent	120.03	134.37
Rates and Taxes	44.89	37.02
Insurance Charges	88.80	68.06
Repair and Maintenance –		
Machinery	92.56	80.31
Buildings	352.31	170.84
Others	85.28	60.77
Directors' Sitting Fees	8.25	9.65
Auditors' Remuneration –		
<i>As Auditors</i>		
Audit Fees (including ₹ 0.25 lac to Branch Auditors)	7.50	7.50
Tax Audit Fees (including ₹ 0.20 lac to Branch Auditors)	1.45	1.40
Limited Reviews (including ₹ 0.17 lac to Branch Auditors)	6.17	6.16
Reimbursement of Expenses (including ₹ 0.10 lac to Branch Auditors)	1.22	1.43
<i>In other manners</i>		
Certification, etc. (including ₹ 0.28 lac to Branch Auditors)	1.38	2.75
Donations and Contributions	4.12	16.33
Loss on Disposal of Fixed Assets (Net)	17.33	–
Cash Discount	103.50	76.67
Premium on Forward Exchange Contract Amortised	497.11	68.98
Miscellaneous Expenses	1471.07	1214.18
	<b>6860.73</b>	<b>6787.91</b>

**SCHEDULE 19 : DECREASE/(INCREASE) IN INVENTORIES**

Inventories as at March 31, 2011		
Work in Progress	2750.27	2775.70
Finished Goods	3119.24	4109.06
Scrap	92.52	49.65
Traded Goods	64.73	11.83
	<b>6026.76</b>	<b>6946.24</b>
Inventories as at March 31, 2010		
Work in Progress	2775.70	2078.94
Finished Goods	4109.06	2425.10
Scrap	49.65	7.41
Traded Goods	11.83	13.44
	<b>6946.24</b>	<b>4524.89</b>
Decrease/(Increase) in Inventories	<b>919.48</b>	<b>(2421.35)</b>



	For the year ended 31st March 2011 (₹ in lacs)	For the year ended 31st March 2010 (₹ in lacs)
--	--	--

#### SCHEDULE 20 : FINANCIAL EXPENSES

Interest		
On Term Loans	78.14	193.33
To Banks	549.71	388.14
To Others	91.08	204.70
	<u>718.93</u>	<u>786.17</u>
Bank Charges	239.76	253.81
	<u>958.69</u>	<u>1039.98</u>

#### SCHEDULE 21 : DEPRECIATION

On Fixed Assets	1671.41	1702.01
Less : Transfer from Capital Reserve	14.58	14.58
	<u>1656.83</u>	<u>1687.43</u>

#### SCHEDULE 22 : EARNINGS PER SHARE (EPS)

Net Profit as per Profit & Loss Account	1779.91	2714.19
Number of Equity Shares outstanding at the beginning of the year	23130254	23130254
Number of Equity Shares outstanding at the end of the period	23130254	23130254
Weighted average Number of Equity Shares outstanding during the period	23130254	23130254
Basic and Diluted Earnings Per Share (₹) (Nominal value of shares ₹ 10/- each)	7.70	11.73





## SCHEDULE 23 : NOTES TO ACCOUNTS

### 1. Nature of Operations

UNIVERSAL CABLES LIMITED, a M. P. Birla Group Company is engaged in the manufacturing, laying, selling of Power Cables, Capacitors and Optical Fibre.

### 2. Statement of Significant Accounting Policies :

#### (a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the notified Accounting Standards issued by Companies Accounting Standard Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention modified by revaluation of fixed assets, on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### (b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### (c) Fixed Assets

Fixed assets are stated at cost or revalued amount as the case may be, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. When fixed assets are revalued, any surplus on revaluation is credited to the Revaluation Reserve.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Cost relating to purchased softwares is capitalized and is amortized on a straight-line basis over their estimated useful lives of five years.

Consideration paid/payable for acquiring Know-how in connection with manufacturing process for a particular product is capitalised as these assets provide significant future economic benefits over a long period and are amortized on a straight line basis over their estimated useful lives of five years.

#### (d) Depreciation

Depreciation on leasehold land is provided over the lease period of 95 years.

Assets costing upto ₹ 5,000/- are fully depreciated in the year of acquisition.

Depreciation on buildings constructed on leasehold land at Optic Fibre Goa Unit has been provided on straight line method on estimated useful life of 30 years, which are higher than the rates prescribed under Schedule XIV to the Companies Act, 1956.

Depreciation on other fixed assets is provided on straight line method at rates, computed based on estimated useful life of the assets, which are equal to the corresponding rates prescribed in Schedule XIV to the Companies Act, 1956. Insurance Spares, which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual useful life of the respective assets.

#### (e) Leases

Where the Company is the Lessee :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership for the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight line basis over the lease term.

Where the Company is the Lessor :

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight line basis over the lease term. Costs including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Profit and Loss Account.

**(f) Investments**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

**(g) Inventories**

(i) Inventories are valued as follows :

Raw materials, stores and spare parts	Lower of cost and net realizable value. Cost is determined on transaction moving weighted average basis for the Company. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
Traded goods (accessories)	Lower of cost and net realizable value. Cost is determined on transaction moving weighted average basis for the Company except for Optic Fibre Goa Unit where annual weighted average method is followed.
Work in progress and Finished Goods	Lower of cost and net realizable value. Cost includes direct materials (determined on annual weighted average basis) and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Finished Goods includes excise duty.
Scrap	Net Realisable value and includes excise duty.

(ii) Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

**(h) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

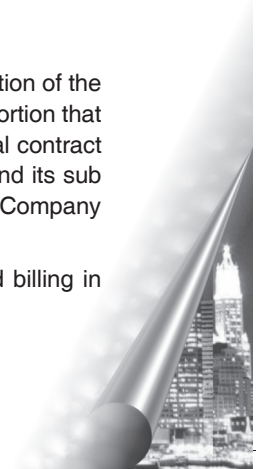
**Sale of Goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty deducted from the gross turnover is the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year.

**Contract Revenue**

Revenue from fixed price construction contracts is recognised by reference to the stage of completion of the project at the balance sheet date. The stage of completion of the project is determined by the proportion that contract costs incurred for work performed upto the balance sheet date bear to the estimated total contract cost. The cost incurred is measured by jointly certified progress of work done by the Company and its sub contractor as at the end of the financial year, if the sub contractor/supplier has not raised bills on the Company for the work completed by the sub contractor/supplier.

Contract revenue earned in excess of billing has been reflected under other current assets and billing in excess of contract revenue has been reflected under current liabilities in the balance sheet.





Liquidated damages/penalties are provided for, based on management's assessment of the estimated liability, as per contractual terms and /or acceptances. Possible liquidated damages which can be levied by customers for delay in execution of project are accounted for as and when they are levied by the customer.

**Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend**

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

**Processing Charges and Job Work**

Revenue from processing charges and job work is recognised on the completion/part completion of work as per the terms of agreement.

**Export Benefits**

Duty draw back and Duty benefits on import of raw materials against exports/deemed exports/project imports made by the Company are accounted for in the year of such export.

**(i) Foreign Currency Translation****(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

**(iii) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**(iv) Forward Exchange Contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract and the same is recognised in the statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for that year.

**(j) Retirement and other employee benefits**

(i) Retirement benefits in the form of Provident Fund and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. The Company accounts for the contributions under Superannuation Scheme being made/to be made to Life Insurance Corporation of India (LIC) against an insurance policy taken with them. There are no other obligations other than the contributions payable to the funds.

(ii) Gratuity liability and pension liability (including past services of employees who were in other group companies) are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year by an independent actuary.

(iii) Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

(iv) Actuarial gains/losses are immediately taken to Profit and Loss Account and are not deferred.



#### **(k) Income Taxes**

Tax expense comprises current and deferred taxes. Current income tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may, that sufficient future taxable income will be available.

#### **(l) Segment Reporting Policies**

##### **Identification of segments**

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

##### **Inter-segment Transfers**

The Company generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

##### **Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

##### **Unallocated items**

The corporate and other segment includes general corporate income and expense items, which are not allocated to any business segment.

##### **Segment Policies**

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

#### **(m) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.





**(n) Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and are adjusted to reflect the current best management estimates.

**(o) Cash and Cash equivalents**

Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

**(p) Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Profit and Loss Account. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

**(q) Government grants and subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

**(r) Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**3. Segment Information :**

Business Segments :

Power Cables & Capacitors account for the majority of business of the Company. Power cables are of different types viz. Extra High Voltage, Medium Voltage, Low Voltage, Elastomeric and PVC winding wires. These are used for the transmission and distribution of electricity in power plants and other organizations/engineering industries like railways, shipping, refineries etc. PVC winding wires are used for submersible pumps. Capacitor consists of high/low voltage capacitors.

Optic Fibre consists of single mode and multimode Telecommunication Grade Optical Fibres.

**(a) Primary Segment Information (by Business Segments)**

The following table presents revenue and profit/(loss) information regarding industry segments for the years ended March 31, 2011 and March 31, 2010 and certain assets and liabilities information regarding industry segments at March 31, 2011 and March 31, 2010 :



(₹ in lacs)

Business Segments	Year ended 31st March, 2011			Year ended 31st March, 2010		
	Power Cables & Capacitors	Optic Fibre	Total	Power Cables & Capacitors	Optic Fibre	Total
<b>Revenue</b>						
External Sales	50401.44	2526.32	<b>52927.76</b>	41705.21	7868.11	49573.32
Other Income*	1048.54	103.63	<b>1152.17</b>	799.60	1070.30	1869.90
Total Revenue	51449.98	2629.95	<b>54079.93</b>	42504.81	8938.41	51443.22
<b>Results</b>						
Segment result	3810.57	(154.48)	<b>3656.09</b>	3829.24	967.85	4797.09
Unallocated Corporate Income/ (Expenses) (Net)			<b>(330.95)</b>			46.03
Operating Profit			<b>3325.14</b>			4843.12
Interest Expenses (Net)			<b>(643.20)</b>			(711.07)
Provision for Taxation			<b>(810.00)</b>			(1180.00)
Deferred Tax Charge			<b>(92.03)</b>			(242.54)
Fringe Benefit Tax credit for earlier years			–			4.68
Profit from Ordinary Activities			<b>1779.91</b>			2714.19
<b>Other Information</b>						
Segment Assets	38272.99	2958.81	<b>41231.80</b>	33319.52	4164.90	37484.42
Unallocated Corporate Assets			<b>5847.51</b>			6697.34
Total Assets			<b>47079.31</b>			44181.76
Segment Liabilities	7942.33	389.28	<b>8331.61</b>	7451.39	1058.56	8509.95
Unallocated Corporate Liabilities			<b>17562.65</b>			16254.32
Total Liabilities			<b>25894.26</b>			24764.27
Capital Expenditure	3274.87	1.42	<b>3276.29</b>	1785.53	429.31	2214.84
Depreciation	1406.83	223.76	<b>1630.59</b>	1239.81	421.56	1661.37
Unallocated Depreciation			<b>26.24</b>			26.06
<b>Other Non Cash Expenditure</b>						
Provision for Doubtful Debts	–	–	–	(67.56)	–	(67.56)

\*Excludes ₹ 302.80 lacs (₹ 264.99 lacs) netted off from Unallocated corporate expenses and interest expenses.

## (b) Geographical Segments

The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced :

Sales revenue by geographical market :

(₹ in lacs)

Geographical Market Segment	2010-11	2009-10
Domestic Market	<b>51455.33</b>	45276.75
Overseas Markets	<b>1472.43</b>	4296.57
<b>Total</b>	<b>52927.76</b>	49573.32



The following table shows the carrying amount of debtors by geographical market :

(₹ in lacs)

Geographical Market Segment	2010-11	2009-10
Domestic Market	<b>11399.82</b>	9892.55
Overseas Markets	<b>30.36</b>	–
<b>Total</b>	<b>11430.18</b>	9892.55

The Company has common fixed assets for producing goods/providing services to Domestic Market as well as for Overseas Markets. Hence, separate figures for fixed assets/additions to fixed assets have not been furnished.

#### 4. Related Party Disclosure :

Key Management Personnel	Mr. D.R. Bansal (Chief Executive Officer)
Joint Ventures	Birla Ericsson Optical Limited (BEOL) Birla Furukawa Fibre Optics Limited (BFL)
Other Parties which significantly Influence/are influenced by the Company (either individually or with others)	Vindhya Telelinks Limited (VTL) Shakun Polymers Limited (SPL)

(₹ in lacs)

Particulars	Year	Key Management Personnel	Joint Ventures		Other parties which significantly influence/ are influenced by the Company (either individually or with others)		
		D.R. Bansal	BEOL	BFL	VTL	SPL	Total
<b>(A) Transactions</b>							
1. Purchase of Raw Materials, Stores, Spares and Packing Materials	2011 2010	– –	<b>1.13</b> 5.04	<b>546.96</b> –	<b>299.13</b> 140.70	<b>305.78</b> 261.90	<b>604.91</b> 402.60
2. Sale of Raw Materials, Stores, Spares and Packing Materials	2011 2010	– –	<b>5.32</b> 2.35	– –	<b>111.92</b> 54.90	– –	<b>111.92</b> 54.90
3. Other Service Charges and Rent Received	2011 2010	– –	– –	<b>66.59</b> 11.13	<b>0.37</b> 9.81	– –	<b>0.37</b> 9.81
4. Other Service Charges & Lease Rent Paid	2011 2010	– –	<b>5.29</b> 5.29	– –	<b>217.35</b> 164.35	– –	<b>217.35</b> 164.35
5. Sale of Finished & Other Goods	2011 2010	– –	<b>457.66</b> 2037.94	<b>3.74</b> 19.99	<b>640.45</b> 1346.96	– 0.60	<b>640.45</b> 1347.56
6. Purchase of Finished & Other Goods	2011 2010	– –	– –	<b>1135.41</b> –	<b>0.22</b> –	– –	<b>0.22</b> –
7. Purchase of Fixed Assets	2011 2010	– –	– –	– –	<b>13.43</b> 0.51	– –	<b>13.43</b> 0.51
8. Sale of Fixed Assets	2011 2010	– –	<b>0.09</b> –	<b>1484.19</b> 1347.68	– 39.00	– –	– 39.00
9. Inter Corporate Loans given	2011 2010	– –	– –	– –	– 1050.00	– –	– 1050.00
10. Inter Corporate Loans received back	2011 2010	– –	– –	– –	<b>500.00</b> 550.00	– –	<b>500.00</b> 550.00
11. Interest on Inter Corporate Loans received	2011 2010	– –	– –	– –	<b>23.93</b> 30.44	– –	<b>23.93</b> 30.44

(₹ in lacs)

Particulars	Year	Key Management Personnel	Joint Ventures		Other parties which significantly influence/ are influenced by the Company (either individually or with others)		
		D.R. Bansal	BEOL	BFL	VTL	SPL	Total
12. Excise Credit Transfer	2011 2010	- -	- -	205.80 -	- -	- -	- -
13. Dividend Paid	2011 2010	- -	27.69 11.07	- -	121.00 48.40	- -	121.00 48.40
14. Remuneration Paid*	2011 2010	48.22 36.18	- -	- -	- -	- -	- -
15. Investments made	2011 2010	- -	- -	- 2241.00	- -	- -	- -
16. Corporate guarantee given on behalf of the Company	2011 2010	- -	- -	3520.00 -	- -	- -	- -
17. Reimbursements received/receivable from party	2011 2010	- -	0.11 7.74	- -	0.32 0.26	- -	0.32 0.26
18. Reimbursements paid/payable to party	2011 2010	- -	- 0.02	- -	10.97 29.82	- -	10.97 29.82
<b>(B) Balance outstanding as at the year end</b>							
1. Receivables (including loans)	2011 2010	- -	- 372.64	1489.99 -	- 874.16	- -	- 874.16
2. Payables	2011 2010	12.00 9.60	- 0.70	373.91 -	136.95 141.29	- -	136.95 141.29
3. Corporate guarantee given on behalf of the Company	2011 2010	- -	- -	3520.00 -	- -	- -	- -

\*As the liability of gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, amount pertaining to the Chief Executive Officer is not included above.

Note :No amount has been provided as doubtful debts or advances/written off or written back in respect of debts due from/to above parties.

## 5. Leases :

### In case of the Assets given on lease

#### Operating Lease :

The Company has leased out Land and Buildings on Operating Lease. The lease term is for 55 months and thereafter renewable as per the mutual terms. There is an escalation clause in the lease agreement. There is no restriction imposed by lease agreements. The rent is not based on any contingency. The leases are cancellable.

The Company has received lease rent of ₹ 219.03 lacs (previous year ₹ 189.11 lacs) disclosed as rent received under Schedule 15 "Other Income".

#### Assets Taken on Operating Lease :

The Company has taken various residential, office, warehouse premises under operating lease agreements. The lease agreements generally not have an escalation clause and there are no subleases. These leases are generally not non-cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by lease agreements. The aggregate lease rentals payables are charged as "Rent" in Schedule 18.

The future minimum lease payments under non-cancellable operating lease ₹ Nil (Previous Year ₹ Nil).


**6. Interest in Joint Venture Companies :**

- (a) Pursuant to Accounting Standard 27 "Financial Reporting of Interests in Joint Venture" the relevant information relating to Joint Venture Companies (JVCs) are given below :

Name of the JVCs	Country of Incorporation Interest	Proportion of Ownership	Description of Interest
Birla Ericsson Optical Limited (BEOL)	India	13.00%	Established principally for manufacture of Optical Fibre Cables and Jelly Filled Telephone Cables
Birla Furukawa Fibre Optics Limited (BFL)	India	45.00%	Established principally for manufacture of Optical Fibre

- (b) The Company's share in the aggregate amounts of each of the assets, liabilities, income, expenses, contingent liabilities and capital commitments as at/for the years ended 31<sup>st</sup> March, 2011 and 31<sup>st</sup> March, 2010 in the above companies, as per their financial statements are as under :

(₹ in lacs)

Proportion of Company's Interest in JVCs	BEOL		BFL	
	2010-11 (Unaudited)	2009-10 (Audited)	2010-11 (Unaudited)	2009-10 (Audited)
<b>Assets</b>				
Fixed Assets (Net Block) (including CWIP)	<b>459.09</b>	427.32	<b>2539.55</b>	1720.21
Investments	<b>182.80</b>	182.80	–	–
Inventories	<b>192.07</b>	207.14	<b>357.47</b>	259.27
Sundry Debtors	<b>210.92</b>	304.77	<b>522.63</b>	–
Cash & Bank Balances	<b>72.24</b>	118.61	<b>814.22</b>	1265.65
Other Current Assets	<b>2.66</b>	3.51	–	–
Loans & Advances	<b>88.54</b>	83.97	<b>266.67</b>	106.17
Deferred Tax Assets	–	–	<b>5.08</b>	2.40
<b>Total</b>	<b>1208.32</b>	1328.12	<b>4505.62</b>	3353.70
<b>Liabilities</b>				
Secured Loans	<b>127.68</b>	72.23	<b>1215.36</b>	108.07
Unsecured Loans	<b>161.32</b>	240.88	–	661.36
Current Liabilities & Provisions	<b>121.38</b>	160.18	<b>1040.67</b>	347.85
<b>Total</b>	<b>410.38</b>	473.29	<b>2256.03</b>	1117.28
<b>Income</b>				
Income From Operations less Excise duty	<b>863.31</b>	1282.65	<b>1389.07</b>	–
Other Income	<b>47.89</b>	22.72	<b>77.16</b>	83.72
<b>Expenses</b>				
Manufacturing and Other Expenses	<b>892.62</b>	1210.28	<b>503.96</b>	66.96
Interest and Financial Charges	<b>28.10</b>	18.83	<b>28.05</b>	3.15
Depreciation	<b>47.41</b>	46.64	<b>134.23</b>	1.35
Preoperative expenditure net of income transferred to Capital work in progress	–	–	<b>83.73</b>	19.24
Provision for tax	–	–	<b>(2.68)</b>	(2.40)
Contingent Liabilities	<b>378.03</b>	372.60	<b>205.73</b>	205.73
Capital Commitments	<b>1.04</b>	43.63	<b>8.84</b>	43.99

**7. Capital Commitments :**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 123.87 lacs (₹ 2131.49 lacs).

**8. Contingent Liabilities (not provided for) :**

Sl. No.	Particulars	As at March 31, 2011	As at March 31, 2010
1.	Unredeemed Bank Guarantees	11803.37	9492.76
2.	Corporate Guarantee issued to SBI for loan taken by the Joint Venture Company "Birla Furukawa Fibre Optics Ltd."	3520.00	–
3.	Income Tax	428.04	–

**9. Information pursuant to Accounting Standard 7 (Revised) on "Construction Contracts" together with the completed contracts are furnished hereunder :**

Particulars	2010-2011 (₹ in lacs)	2009-2010 (₹ in lacs)
Contract revenue recognised as revenue during the year relating to ongoing projects	7168.63	10907.53
Contract cost incurred plus recognised profits upto reporting date	17563.33	10907.53
Advances received	146.78	1178.25
Amount outstanding/retentions	3964.26	1538.34
Gross amount due from customers for contract work presented as an asset	357.48	123.99
Gross amount due to customers for contract work presented as a liability	667.50	483.05

**Contract revenue recognised as revenue during the year relating to ongoing projects and Completed projects**

Particulars	2010-2011 (₹ in lacs)	2009-2010 (₹ in lacs)
Contract revenue recognised as revenue during the year relating to ongoing projects (as above)	7168.63	10907.53
Contract revenue recognised as revenue during the year relating to completed projects	144.27	–
<b>Total</b>	<b>7312.90</b>	<b>10907.53</b>

**10. Derivative Instruments and Unhedged Foreign Currency Exposure**

(a) Forward Contracts outstanding as at the Balance Sheet Date :

Particulars	Currency	2010-11			2009-10			Purpose
		Amount in Foreign Currency	Rate	₹ in lacs	Amount in Foreign Currency	Rate	₹ in lacs	
Secured Loan – Buyer's Credit	USD	10256896.06	45.14	4629.96	19060015.49	45.58	8687.56	Hedge of Buyer's Credit
	EUR	–	–	–	249000.00	61.31	152.66	
	JPY	–	–	–	69612200.00	0.49	341.10	
Interest Accrued and not due on Loans	USD	110137.61	45.14	49.72	245313.92	45.58	111.81	Hedge of Interest payments
	EUR	–	–	–	2502.45	61.31	1.53	
	JPY	–	–	–	649982.42	0.49	3.18	


**(b) Particulars of Unhedged Foreign Currency Exposure as at the Balance Sheet Date :**

Particulars	Currency	2010-11			2009-10		
		Amount in Foreign Currency	Rate	₹ in lacs	Amount in Foreign Currency	Rate	₹ in lacs
Acceptances	USD	990543.53	45.14	447.13	2609158.00	45.58	1974.17
Sundry Creditors	USD	367907.14	45.14	166.07	463041.75	45.58	211.05
	SEK	705437.60	7.19	50.72	59910.00	6.30	3.77
	JPY	15630866.10	0.55	85.72	13299000.00	0.49	65.16
	EUR	315252.62	63.99	201.73	13530.00	61.31	8.30
Secured Loan - Buyers' Credit	USD	15846360.19	45.14	7153.05	-	-	-
Interest Accrued and not due on Loans	USD	144963.08	45.14	65.44	-	-	-
Advance from Customers	USD	105539.56	45.14	47.64	17975.00	45.58	8.19
Sundry Debtors	USD	68643.50	44.23	30.36	-	-	-
Loans and Advances	EURO	9383.01	62.36	5.85	219183.00	59.63	130.70
	USD	7451.00	44.23	3.30	19020.00	44.67	8.50
	JPY	65513.00	0.53	0.35	-	-	-
	GBP	22547.60	70.99	16.01	-	-	-

(c) A sum of ₹ 38.00 lacs (Previous year ₹ 99.14 lacs) on account of unamortised foreign exchange premium on outstanding forward exchange contracts is being carried forward to be charged to Profit and Loss Account of the subsequent period.

**11. Details of dues to Micro, Small and Medium Enterprises as per Micro, Small and Medium Enterprise Development (MSMED) Act, 2006**

Sl. No.	Particulars	Amount (₹ in lacs)	
		2010-11	2009-10
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier :		
	- Principal amount	373.77	370.97
	- Interest thereon	27.49	13.31
(ii)	the amount of interest paid by the buyer in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
(iii)	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	Nil	Nil
(iv)	the amount of interest accrued and remaining unpaid.	27.49	13.31
(v)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006.	Nil	Nil



## 12. Income Tax

Components of Deferred Tax Liabilities (Net) arising on account of timing differences as at March 31, 2011 and March 31, 2010 are as given below :

(₹ in lacs)

Particulars	As on 31 <sup>st</sup> March, 2011	As on 31 <sup>st</sup> March, 2010
<b>Deferred Tax Assets (A)</b>		
Effect of expenditure debited to Profit & Loss Account but allowable for tax purposes in following years	<b>293.50</b>	300.21
Provision for Doubtful Debts	–	8.11
Gross Deferred Tax Assets	<b>293.50</b>	308.32
<b>Deferred Tax Liabilities (B)</b>		
Difference in Depreciation and other differences in block of Fixed Assets and Intangible Assets as per Tax and Financial Books	<b>1677.44</b>	1600.22
Gross Deferred Tax Liabilities	<b>1677.44</b>	1600.22
<b>Deferred Tax Liabilities (Net) (B-A)</b>	<b>1383.94</b>	1291.90

13. In the opinion of the management, the decline in market value of the quoted investments by ₹ 160.47 lacs (₹ 239.64 lacs) in a joint venture company at the year end is temporary and hence, does not require any provision thereagainst.

14. In accordance with Explanation below Para 10 of Notified Accounting Standard 9 : Revenue Recognition, Excise Duty on sales amounting to ₹ 4570.04 lacs (₹ 3187.88 lacs) has been reduced from sales in the Profit and Loss Account and excise duty on decrease in stocks amounting to ₹ 116.78 lacs considered as income (₹ 252.46 lacs on increase in stock has been considered as expense) in Schedule 18 of the financial statements.

## 15. Employee Benefit Plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has also agreed to provide pension to certain employees. These benefits are unfunded.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Net employee benefits expense (recognised in employee cost) :

(₹ in lacs)

Description	Gratuity		Pension	
	2010-11	2009-10	2010-11	2009-10
Current service cost	<b>61.89</b>	61.24	–	–
Interest cost on benefit obligation	<b>78.28</b>	70.95	<b>17.23</b>	18.70
Expected return on plan assets	<b>(86.73)</b>	(77.70)	–	–
Net Actuarial (Gain)/Loss recognised during the year	<b>41.66</b>	70.68	<b>6.93</b>	(13.06)
Add: Movement of short term liability of current employees	<b>11.50</b>	1.43	<b>0.29</b>	(5.65)
Net Benefit Expense	<b>106.60</b>	126.60	<b>23.87</b>	(0.01)



Amount recognised in the Balance Sheet :

(₹ in lacs)

Description	Gratuity			Pension		
	2010-11	2009-10	2008-09	2010-11	2009-10	2008-09
Defined benefit obligation at end of the period	<b>1098.21</b>	1021.46	923.81	<b>252.61</b>	251.80	276.85
Plan assets at end of the period	<b>1074.07</b>	956.42	850.02	–	–	–
Funded status	<b>(24.14)</b>	(65.04)	(73.79)	<b>(252.61)</b>	(251.80)	(276.85)

Experience adjustment :

(₹ in lacs)

Description	Gratuity			Pension		
	2010-11	2009-10	2008-09	2010-11	2009-10	2008-09
Defined benefit obligation at end of the period	<b>1098.21</b>	1021.46	923.81	<b>252.61</b>	251.80	276.85
Plan assets at end of the period	<b>1074.07</b>	956.42	850.02	–	–	–
Funded status	<b>(24.14)</b>	(65.04)	(73.79)	<b>(252.61)</b>	(251.80)	(276.85)
Experience Gain/(Loss) adjustments on plan liabilities	<b>41.66</b>	70.68	140.52	<b>6.93</b>	(13.06)	27.73
Experience Gain/(Loss) adjustments on plan assets	–	–	–	–	–	–
Actuarial Gain/(Loss) due to change on assumptions	–	–	–	–	–	–

Changes in present value of the defined benefit obligation are as follows :

(₹ in lacs)

Description	Gratuity		Pension	
	2010-11	2009-10	2010-11	2009-10
Opening defined benefit obligation	<b>1021.46</b>	923.81	<b>251.80</b>	276.85
Interest cost	<b>78.28</b>	70.95	<b>17.23</b>	18.70
Current service cost	<b>61.89</b>	61.24	–	–
Benefit paid	<b>(116.04)</b>	(106.50)	<b>(23.06)</b>	(25.04)
Actuarial (Gain)/Loss on obligations	<b>41.66</b>	70.68	<b>6.93</b>	(13.06)
Already paid off of employees transferred from group companies	<b>7.04</b>	1.28	–	–
Add: Differential liability (short term) for current employees	<b>3.92</b>	–	<b>0.29</b>	(5.65)
Closing defined benefit obligation	<b>1098.21</b>	1021.46	<b>252.61</b>	251.80



Changes in the fair value of plan assets are as follows :

(₹ in lacs)

Description	Gratuity	
	2010-11	2009-10
Opening fair value of plan assets	<b>956.42</b>	850.02
Expected return	<b>86.73</b>	77.70
Contributions by employer	<b>146.96</b>	135.20
Benefits paid	<b>(116.04)</b>	(106.50)
Closing fair value of plan assets	<b>1074.07</b>	956.42

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

Description	Gratuity %	
	2010-11	2009-10
Investments with insurer	<b>100%</b>	100%

The overall expected rate of return on assets is determined based on the actual rate of return during the current year. The principal assumptions used in determining gratuity and pension benefit obligations for the Company's plans are shown below :

(₹ in lacs)

Description	Gratuity		Pension	
	2010-11	2009-10	2010-11	2009-10
Mortality table	<b>LIC 1994-96 Ultimate</b>	LIC 1994-96 Ultimate	<b>LIC 1996-98 Ultimate</b>	LIC 1996-98 Ultimate
Attrition rate	<b>5.00%</b>	5.00%	<b>N.A.</b>	N.A.
Imputed rate of interest	<b>8.00%</b>	8.00%	<b>8.00%</b>	8.00%
Salary rise	<b>7.50%</b>	7.50%	<b>N.A.</b>	N.A.
Return on plan assets	<b>9.30%</b>	9.40%	<b>N.A.</b>	N.A.
Remaining working life	<b>12.82 years</b>	13.93 years	<b>N.A.</b>	N.A.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company expects to contribute ₹ 125 lacs (₹ 100 lacs) to gratuity fund during the year 2011-12.

#### Defined Contribution Plan

(₹ in lacs)

Description	2010-11	2009-10
Contribution to Provident Fund	<b>207.52</b>	196.10
Contribution to Superannuation Fund	<b>86.12</b>	81.92
<b>Total</b>	<b>293.64</b>	278.02


**16. Supplementary Statutory Information :**
*(₹ in lacs)*

	2010-11	2009-10
16.1 Earnings in Foreign Currency (on accrual basis)		
1. Export at F.O.B. Value	<b>1453.17</b>	4209.88
2. Claims from Vendors	<b>3.67</b>	125.33
3. Others	<b>8.49</b>	50.08
16.2 Expenditure in Foreign Currency (on accrual basis)		
1. Travelling	<b>48.70</b>	54.31
2. Interest (Net of Tax)	<b>283.46</b>	67.26
3. Royalty (Net of Tax)	<b>3.94</b>	64.43
4. Commission	<b>23.71</b>	107.98
5. Others	<b>199.41</b>	193.01
16.3 Value of imports calculated on C.I.F. basis (on accrual basis)		
1. Raw Materials	<b>17337.16</b>	13468.03
2. Stores & Spare parts	<b>103.08</b>	179.21
3. Capital Goods	<b>1656.27</b>	552.34
4. Goods purchased for re-sale	<b>720.40</b>	2984.67
16.4 Managerial Remuneration*		
1. Salary	<b>26.00</b>	19.20
2. Commission	<b>12.00</b>	9.60
3. Contribution to Provident Fund	<b>2.88</b>	2.31
4. Perquisites (actual and/or evaluated as per Income Tax Rules, 1962)	<b>7.34</b>	5.07
	<b>48.22</b>	36.18

\* As the liability of gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Manager is not included above.

**16.5 Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 for calculation of commission payable to Manager :**
*(₹ in lacs)*

	2010-11	2009-10
Profit before tax as per Profit and Loss Account	<b>2681.94</b>	4132.05
<b>Add :</b>		
Director's Sitting Fee	<b>8.25</b>	9.65
(Loss)/Profit on sale of fixed assets as per Section 349 of the Companies Act, 1956	<b>(45.14)</b>	844.55
Loss/(Gain) on sale of fixed assets (net) as per Profit and Loss account	<b>17.33</b>	(844.55)
Reversal of Provision for doubtful debts	<b>(15.25)</b>	(67.56)
Net profit as per Section 349 of the Companies Act, 1956	<b>2647.13</b>	4074.14
Managerial Remuneration	<b>48.22</b>	36.18
Profit as per Section 198	<b>2695.35</b>	4110.32
Commission payable @1% of Net Profit	<b>26.95</b>	41.10
Commission payable restricted to 50% of the Basic Salary	<b>12.00</b>	9.60

**17. Additional information pursuant to the provision of paragraphs 3,4C and 4D of Part II of Schedule-VI of the Companies Act, 1956**

17.1 Licensed Capacity, Installed capacity, Actual Production, Purchase, Sales and Stocks :

(Value in ₹ lacs)

Goods Manufactured	Unit	Capacity		Production	Purchase		Sales #		Stocks	
		Licensed	Installed (as certified by the Management)		Quantity	Value	Quantity	Value	Quantity	Value
Electrical Cables Wires, Conductors, Strips of all types (excluding Telecommunication Cables, Wires, Conductors, Strips of all types connected with telecommunication and items reserved for small scale)	KM	15750 (15750)	14000 (12750)	5002 (4966)	}		29578 (27647)	46857.22 (39317.86)	1907 (2474)	3073.84 (4030.76)
	MCM	200 (200)	150 (150)	9 (27)						
	MT	6000 (6000)	3000 (3000)	430 (400)						
Cable end seals of Plastics	Nos.	500000 (500000)	- (250000)	- (-)			- (-)	- (-)	- (-)	- (-)
PVC insulated Single/ Multicore unsheathed cables with Cu./Al. conductor for 650/1100 Volts	CKM	200000 (200000)	150000 (150000)	- (89)			- (-)	- (-)	- (-)	- (-)
Flexible Cables (for House Wiring)	KM	500000 (500000)	- (-)	- (-)			- (-)	- (-)	- (-)	- (-)
Optical Fibre Cable	KM	50000 (50000)	50000\$ (50000)	- (-)			- (-)	- (-)	- (-)	- (-)
Optical Fibre Cable Accessories	Nos.	200000 (500000)	- (-)	- (-)			- (-)	- (-)	- (-)	- (-)
Jelly Filled Telephone Cables and other Telecommunication Cables	CKM	2500000 (2500000)	- (2500000)	- (-)			- (-)	- (-)	- (-)	- (-)
Pigtail and Patchcords	Nos.	450000 (450000)	- (-)	- (-)			- (-)	- (-)	- (-)	- (-)
Fibre Re-inforced Plastic Rod	KM	200000 (200000)	- (-)	- (-)			- (-)	- (-)	- (-)	- (-)
Optical Fibre	FKM	6000000 (6000000)	1500000\$ (1500000)	321820 (1127737)	462749 (651090)	1386.14 (3160.12)	708977 (1778369)	2611.56 (7922.60)	75398 (-)	267.05 (-)
Aluminium Rods	MT	4800 (4800)	8000 (8000)	1040* (2416)			- (-)	- (-)	- (-)	- (-)
Capacitors - MFD	Pcs	5000000 (5000000)	1000 (1000)	12 (51)			12 (51)	- (-)	- (-)	- (-)
Capacitors - LT & HT	KVAr	1500000 (1500000)	3000000 (2000000)	2672870 (1368657)			2252070 (1356804)	3085.22 (1679.53)	53984 (59353)	45.40 (78.30)
Electrical Panels	Pcs	500 (500)	500 (500)	87 (57)			87 (57)	- (-)	- (-)	- (-)
Cross Linked Polyethylene compound including insulating, semiconducting and other special grades	MT	1000 (1000)	- (2000)	- (-)			- (-)	- (-)	- (-)	- (-)
Other Traded Goods						1182.07 (1138.57)		1778.37 (1763.01)		64.73 (11.83)
Miscellaneous Sales								3165.43 (2078.20)		92.52 (49.65)

\* Used for Captive consumption for manufacturing of cables including 7MT(Nil) for others on Job Work basis.

# Including Excise duty amounting to ₹ 4570.04 lacs (₹ 3187.88 lacs).

\$ Refer Note No. 18 of schedule 23.

Notes: (1) Previous year's figures are given in brackets.

(2) Difference in quantity, if any, represents own consumption, samples and wastages.


**17.2 Consumption of Raw Materials :**

1. Aluminium
2. Copper
3. PVC Compound
4. Others

Quantity M.T.	Value (₹ in lacs)
<b>5942</b> (6157)	<b>7185.31</b> (6171.02)
<b>3392</b> (3550)	<b>12712.24</b> (10546.01)
<b>5307</b> (5489)	<b>3301.85</b> (3159.60)
	<b>10678.07</b> (11947.59)
<b>Total</b>	<b>33877.47</b> (31824.22)

**17.3 Imported and Indigenous Raw Materials and Stores & Spare Parts Consumed and percentage thereof :**
*(₹ in lacs)*

Particulars	Total Value of Consumption	Imported Value*	Indigenous Value*	Percentage of total consumption	
				Imported	Indigenous
Raw Materials	<b>33877.47</b> (31824.22)	<b>17485.65</b> (14323.24)	<b>16391.82</b> (17500.98)	<b>51.61</b> (45.01)	<b>48.39</b> (54.99)
Stores & Spare Parts	<b>662.53</b> (808.88)	<b>89.01</b> (234.34)	<b>573.52</b> (574.54)	<b>13.44</b> (28.97)	<b>86.56</b> (71.03)

\*As certified by the management

- 18.** The Board of Directors in their meeting held on July 27, 2010, decided to sell the manufacturing operations of Optic Fibre Goa Unit of the Company to Birla Furukawa Fibre Optics Ltd., a Joint Venture Company. Accordingly, on October 23, 2010, the Company has sold the specified assets having cost of ₹ 3418.70 lacs (WDV of ₹ 1345.08 lacs) at ₹ 1413.51 lacs.

**19. Previous Year Comparatives**

Previous year's figures, are shown in brackets in the Schedules and have been regrouped wherever necessary to confirm to this year's classification.

As per our attached report of even date

For S.R. BATLIBOI & CO.  
Chartered Accountants  
Firm Registration No. 301003E

D.R. Bansal  
*Chief Executive Officer*

Harsh V. Lodha *Chairman*  
S.R. Jain  
S.S. Kothari  
S.C. Jain  
J.C. Sharma  
Dinesh Chanda } *Directors*

Per Rajiv Goyal  
Partner  
Membership No. 94549  
New Delhi, 14th May, 2011

Pankaj Kalani  
*President (Commercial) & Secretary*



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details:

Registration No.	1	0	-	0	1	1	1	4	State Code							1	0
Balance Sheet Date	3	1	0	3	2	0	1	1									
	Date		Month			Year											

### II. Capital raised during the Year (Amount in ₹ Thousands)

Public Issue						N	I	L	Bonus Issue							N	I	L
Rights Issue						N	I	L	Private Placement							N	I	L

### III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)

Total Liabilities	4	7	0	7	9	3	1	Total Assets	4	7	0	7	9	3	1			
<b>Source of Funds</b>																		
Paid-Up Capital			2	3	1	3	3	2	Reserves & Surplus		1	8	3	3	4	0	7	
Secured Loans	1	4	7	3	8	4	1	Unsecured Loans			1	1	8	3	7	7		
								Deferred Tax Liabilities (Net)			1	3	8	3	9	4		
<b>Application of Funds</b>																		
Net Fixed Assets		1	4	4	8	2	4	3	Investments			5	0	7	4	4	2	
Net Current Assets		1	8	3	9	6	6	6	Accumulated Losses							N	I	L
Miscellaneous Expenditure						N	I	L										

### IV. Performance of Company (Amount in ₹ Thousands)

Turnover			5	4	3	8	2	7	2	Total Expenditure			5	1	7	0	0	7	8		
Profit Before Tax	+	-			2	6	8	1	9	4	Profit After Tax	+	-			1	7	7	9	9	1
Earning Per Share in ₹	+	-					7	.	7	0	Dividend Rate %								2	0	

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

Item Code No. (ITC Code)																8	5	.	4	4								
Product Description																C	A	B	L	E	S							
Item Code No. (ITC Code)																	8	5	.	3	2							
Product Description																C	A	P	A	C	I	T	O	R	S			
Item Code No. (ITC Code)																	7	6	.	0	4							
Product Description																A	L	U	M	I	N	I	U	M	R	O	D	S
Item Code No. (ITC Code)																	9	0	0	1	.	1	0	0	0			
Product Description																O	P	T	I	C	A	L	F	I	B	R	E	



**FORM OF PROXY**  
**UNIVERSAL CABLES LIMITED**

Regd. Office : P.O. Birla Vikas, Satna - 485 005 (M.P.)

DP ID*	
Client ID*	

Registered Folio No.
----------------------

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_  
being a member/members of the above named Company, hereby appoint  
Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ in the  
district of \_\_\_\_\_ or failing him/her, Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the 66<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, the 2<sup>nd</sup> August, 2011 and at any adjournment thereof in favour of/against the resolution(s).

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2011

Signature

Affix Revenue Stamp of Thirty Paise
--

\*Applicable for members holding shares in dematerialized form.

1. This Proxy Form must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the Meeting. Unless otherwise instructed, the Proxy will vote as he/she thinks fit.
2. Members who hold shares in dematerialized form are requested to quote their DP ID and Client ID for identification.

----- Tear here -----

**UNIVERSAL CABLES LIMITED**

Regd. Office : P.O. Birla Vikas, Satna - 485 005 (M.P.)

**ATTENDANCE SLIP**

To be handed over at the entrance of the Meeting Hall

Full name of the Member attending: \_\_\_\_\_

Full name of the first joint-holder : \_\_\_\_\_  
(To be filled in if first named joint-holder does not attend the Meeting)

Name of Proxy : \_\_\_\_\_  
(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the SIXTY SIXTH ANNUAL GENERAL MEETING being held at the Registered Office of the Company on Tuesday, the 2<sup>nd</sup> August, 2011.

Registered Folio No.	
DP ID*	
Client ID*	
No. of Shares held	

\_\_\_\_\_  
Member's/Proxy's Signature  
(To be signed at the time of handing over this slip)

\*Applicable for members holding shares in dematerialized form.

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

## **UNIVERSAL CABLES LTD.**

*Regd. Office, Power Cable Plant & Capacitor Plant*  
P. O. Birla Vikas, Satna - 485 005 (M.P.)  
Tel.: (07672) 414000, 257121 • Fax : (07672) 257129, 257131  
E-mail : headoffice@unistar.co.in

### **Divisional Offices**

#### **ALLAHABAD**

B-30, Ekankikunj Colony,  
24, Muir Road,  
Allahabad - 211 001  
Tel.: (0532) 2423646-3132  
Fax : (0532) 2423132  
E-mail : allahabad@unistar.co.in

#### **HYDERABAD**

Plot No. 414, Road No. 22,  
Jubilee Hills, Hyderabad - 500 033  
Tel.: (040) 2355 0183, 2360 8218  
Fax : (040) 2355 3272  
E-mail : hyderabad@unistar.co.in

#### **BANGALORE**

287, 15th Main, RMV Extension,  
Sadashiv Nagar, Nr. Nagasena School,  
Bangalore - 560 080  
Tel.: (080) 2361 2484 / 2361 9981  
Fax : (080) 2361 2484  
E-mail : bangalore@unistar.co.in

#### **KOLKATA**

27-B, Camac Street, 5th Floor,  
Kolkata - 700 016  
Tel.: (033) 2280 5043 - 44,  
2280 1192, 2287 1302  
Fax : (033) 2280 5046  
E-mail : kolkata@unistar.co.in

#### **BARODA**

“Satyam”, 1st Floor,  
Opp. State Bank of India,  
Fetehgunj, Vadodara - 390 002  
Tel.: (0265) 2791794, 2795642  
Fax : (0265) 2793128  
E-mail : baroda@unistar.co.in

#### **MUMBAI**

Industry House,  
159, Churchgate Reclamation,  
Mumbai - 400 020  
Tel.: (022) 4442 2200  
Fax : (022) 2202 7854  
E-mail : mumbai@unistar.co.in  
mumbai.sales@unistar.co.in

#### **BHOPAL**

57, Malviya Nagar,  
Bhopal - 462 003  
Tel.: (0755) 2551183, 4220313  
Fax : (0755) 2554806  
E-mail : bhopal@unistar.co.in

#### **NEW DELHI**

4th Floor, UCO Bank Building,  
Parliament Street,  
New Delhi - 110 001  
Tel.: (011) 2371 4851,  
2371 0157, 2335 0867  
Fax : (011) 2371 1561  
E-mail : delhi@unistar.co.in

#### **CHENNAI**

1st Floor, Priyan Plaza,  
6, Nelson Manickam Road,  
Aminjikarai, Chennai - 600 029  
Tel.: (044) 2374 6623, 2374 6624  
Fax : (044) 2374 6625  
E-mail : chennai@unistar.co.in

#### **RAIPUR**

18, Mezzanine Flr., Ashoka Plaza,  
Campus Ashoka Ratna, Khamardih,  
Raipur - 492 007  
Tel.: (0771) 2281007  
Fax : (0771) 2281007  
E-mail : raipur@unistar.co.in

#### **GOA**

Plot No. L-64 A, Verna Industrial Estate,  
Verna, Salcette, Goa - 403 722  
Tel.: (0832) 2782829, 6696400  
Fax : (0832) 2782614, 6696414  
E-mail : goa@unistar.co.in

**Visit us at :**  
**www.unistar.co.in**