



# UNIVERSAL CABLES LIMITED

Annual Report & Accounts 2011-12



**Syt. Madhav Prasadji Birla**  
(1918-1990)



**Smt. Priyamvadaji Birla**  
(1928-2004)



**Syt. Rajendra Singhji Lodha**  
(1942-2008)

*Our source of Inspiration*



# UNIVERSAL CABLES LIMITED

## ANNUAL REPORT 2011-2012

### DIRECTORS

SHRI HARSH V. LODHA  
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)

*Chairman*

### AUDIT COMMITTEE

DR. S.R. JAIN  
SHRI S.S. KOTHARI  
SHRI J.C. SHARMA  
SHRI DINESH CHANDA

*Chairman*

### 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-Seventh 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 Thursday, the 28th June, 2012 to transact the following business :-

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit & Loss for the year ended on that date together with Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri S.N. Prasad, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. S.R. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri J.C. Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
5. (i) To appoint Messrs V. Sankar Aiyar & Co., Chartered Accountants, as Auditors of the Company in place of the retiring Auditors Messrs S.R. Batliboi & Co., Chartered Accountants, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, 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 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.

### SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution** :  
"RESOLVED THAT Shri D.R. Bansal, who was appointed as an Additional Director of the Company and who holds such office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 140 of the Company's Articles of Association, be and is hereby appointed as Director of the Company, liable to retire by rotation."
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution** :  
"RESOLVED THAT pursuant to Sections 198, 269, 309 and 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company, based on the recommendation of the Remuneration Committee, be and is hereby accorded to ratify, confirm and approve the remuneration of ₹ 35,25,183/- (Rupees Thirty Five Lacs Twenty Five Thousand One Hundred Eighty Three only) as detailed in the Explanatory Statement hereunder, paid to Shri D.R. Bansal, managerial personnel within the meaning of Section 2 (24) read with Sections 269(1) and 386(2) of the Companies Act, 1956, designated as Chief Executive Officer of the Company, for the financial year 2011-12 during which period the Company had no profits for the purpose of payment of remuneration as per Section I of Part II of Schedule XIII to the Companies Act, 1956.  
FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board (which term shall be deemed to include the Remuneration or any other Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution), be and is hereby authorised to do all such acts, deeds, matters and things including obtaining approval from requisite authorities as it may in its absolute discretion deem necessary, proper and/or desirable and to settle any questions or doubts that may arise in this regard."
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution** :  
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory amendment, re-enactment or modification(s) thereto and subject to the approval of the Central Government, the approval of the Company, be and is hereby accorded to the appointment of Shri D.R. Bansal, a Director, as Chief Mentor & Executive Director of the Company, not liable to retire by rotation, for a period of 3 (three) years with effect from 5th May, 2012, on the terms and conditions including remuneration and perquisites as set out in the Agreement to be entered into between the Company and Shri D.R. Bansal, a draft whereof is placed before this meeting which Agreement is hereby specifically approved



with powers and liberty to the Board of Directors (which term shall be deemed to include the Remuneration or any other Committee of the Board constituted to exercise its powers including powers conferred by this Resolution) to alter, amend, vary and modify the terms and conditions of the said appointment and/or remuneration and/or the Agreement so as to accept any amendment(s)/modification(s) to the said terms and conditions as may be directed by the Central Government and to execute the Agreement in this regard with Shri D.R. Bansal.

FURTHER RESOLVED THAT the Board of Directors (which term shall be deemed to include the Remuneration or any other Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution) of the Company, be and is hereby authorised to revise the remuneration including perquisites as specified in the draft Agreement to the extent it may consider appropriate, as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 for the time being in force or any statutory modification or re-enactment thereof and/or any Rules or Regulations for Managerial Remuneration which the Government may notify and frame thereunder.

FURTHER RESOLVED THAT the Board of Directors, be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution or otherwise considered by it to be in the best interest of the Company."

**Registered Office :**

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

By order of the Board

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

3rd May, 2012

**NOTES :**

1. The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the Meeting are annexed hereto.
2. Messrs S.R. Batliboi & Co., Chartered Accountants, the retiring Auditors have given an intimation in writing expressing their inability to be re-appointed as Statutory Auditors of the Company. It is proposed to appoint Messrs V. Sankar Aiyar & Co., Chartered Accountants, as Statutory Auditors in place of the retiring Auditors at the ensuing Annual General Meeting of the Company to be held on 28th June, 2012.

The Company has received a consent letter from Messrs V. Sankar Aiyar & Co., Chartered Accountants, under Section 224 (1-B) of the Companies Act, 1956 for their appointment as Statutory Auditors of the Company. The Company has also received Special Notice of the proposed resolution to this effect pursuant to the provisions of Section 225 of the Companies Act, 1956 and the text of the item No. 5(i) of the Notice read together with this note may be treated as Notice thereof to the Members as required by Section 190 of the Companies Act, 1956.

3. 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.
4. Members/Proxies are requested to deposit the duly filled in and signed Attendance Slips attached herewith for attending the meeting.
5. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Friday, the 22nd June, 2012 to Thursday, the 28th June, 2012 (both days inclusive).
6. 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.
7. 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.





8. Additional information pursuant to Clause 49 of the Listing Agreement(s) with Stock Exchanges, on Directors recommended for appointment/re-appointment at the forthcoming Annual General Meeting, are given in the Annexure to the Notice.
9. 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.

## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 6

At the Meeting of the Board of Directors held on 3rd May, 2012 Shri D.R. Bansal was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Article 140 of the Articles of Association of the Company with effect from 5th May, 2012.

Shri D.R. Bansal holds the office of a Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice in writing alongwith requisite deposit from a member pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the Office of the Director and he is eligible for re-appointment.

The Board is of the view that vast knowledge and experience of Shri D.R. Bansal will be of immense benefit to the Company and, therefore, recommends the resolution for approval of the members.

Except Shri D.R. Bansal, none of the Directors of the Company is concerned or interested in the said resolution.

#### ITEM NO. 7

Shri D.R. Bansal was re-appointed as a Managerial Personnel with the designation of Chief Executive Officer (CEO) of the Company within the meaning of Section 2(24) read with Sections 269(1) and 386(2) of the Companies Act, 1956 at the Meeting of the Board of Directors of the Company held on 29th January, 2009 for a period of 3 (three) years with effect from 5th May, 2009.

Accordingly, the Shareholders of the Company had, at the Annual General Meeting of the Company held on 6th August, 2009, accorded their approval to the re-appointment of Shri D.R. Bansal as a Managerial Personnel with the designation Chief Executive Officer for a period of 3 (three) years commencing from 5th May, 2009 and ending on 4th May, 2012 and also for payment of remuneration and perquisites and annual increments thereto as decided by the Board from time to time in consideration of performance of his duties as the CEO as described in detail in the said resolution subject to the condition that the aggregate salary and perquisites/allowances in any financial year shall not exceed the overall ceiling laid down in Sections 198, 269, 310, 311 & 387 read with Schedule XIII to the Companies Act, 1956 including any statutory modification(s), re-enactment thereof or any amendment(s) thereto.

While according approval as aforesaid, it was further stipulated by the shareholders of the Company that in the event of any loss or inadequacy of profits in any financial year during tenure of Shri D.R. Bansal as CEO of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956 as amended from time to time subject to the compliance of provisions thereof.

Since there is no profit within the meaning of Section 198 of the Companies Act, 1956 for the year ended 31st March, 2012 (as per the annual accounts approved by the Board of Directors in their Meeting held on 3rd May, 2012) for the purpose of payment of remuneration as per Section I of Part II of Schedule XIII to the Companies Act, 1956, hence, consent of the shareholders is sought by way of a special resolution to ratify, confirm and approve the following remuneration paid to Shri D.R. Bansal, CEO of the Company, for the period from 1st April, 2011 to 31st March, 2012 :

(₹ in lacs)

Sl. No.	Description	Amount
1	Salary	30.90
2	Contribution to Provident Fund	3.71
3	Perquisites	0.64
	<b>Total</b>	<b>35.25</b>

The following is the statement of information, to the extent applicable, for the shareholders pursuant to Paragraph (B) of Section II of Part II of Schedule XIII to the Companies Act, 1956 :


**A. General Information :**
**1. Nature of Industry :**

Power Cables & Capacitors business segment and associated activities account for majority of business of the Company.

**2. Date of commencement of Commercial Production :**

The Company commenced Commercial Production on 16th February, 1964.

**3. Financial Performance :**

(₹ in lacs)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Gross Revenue	57154	64852	54896	59133	68163
Profit before Interest, Depreciation and Tax	5488	4797	6605	5435	1775
Finance Cost/Interest	1480	2023	786	1096	2397
Profit/(Loss) before Depreciation and Tax	4008	2774	5819	4339	(622)
Depreciation	1342	1649	1687	1657	1481
Profit/(Loss) before Tax	2666	1125	4132	2682	(2103)
Tax	940	425	1418	902	(710)
Net Profit/(Loss)	1726	700	2714	1780	(1393)
Paid Up Equity Share Capital	2313	2313	2313	2313	2313
Dividend (excluding tax)	555	231	578	463	-
Rate of dividend (%)	24	10	25	20	-

**4. Export Performance and Net Foreign Exchange Collaborations :**

(₹ in lacs)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Earnings in Foreign Currency (On accrual basis)					
(a) Exports at FOB Value	1745	2502	4210	1453	2584
(b) Others	-	-	175	12	2
Total Earnings	1745	2502	4385	1465	2586
Expenditure in Foreign Currency (On accrual basis)					
(a) Value of Imports on CIF basis	8781	11203	17184	19817	25408
(b) Others	137	248	487	622	610
Total Expenditure	8918	11451	17671	20439	26018

**5. Foreign Investments or Collaborations :**

The Company has not made any investments outside India. The Company however, has a technical collaboration with world renowned Furukawa Electric Co., Ltd. of Japan for manufacturing of Extra High Voltage XLPE Underground Power Cables using Vertical Continuous Vulcanization process.

**B. Information about the Appointee :**
**1. Background details :**

Shri D.R. Bansal has rich and varied experience of about 50 years in various facets of cable and other industries including in the field of administration, production and marketing. His strength also includes strong relationship management, international alliances/tie ups and business development. He is actively associated with various cable industry forums in India and abroad and also served at the helm of various renowned power and telecommunication cables industry association(s) in India for several years.

**2. Past Remuneration :**

For the period from 1st April, 2010 to 31st March, 2011 :

(₹ in lacs)

Sl. No.	Description	Amount
1	Salary	26.00
2	Commission	12.00
3	Contribution to Provident fund	2.88
4	Perquisites (Actual and/or evaluated as per Income Tax Rules, 1962)	7.34
	<b>Total*</b>	<b>48.22</b>

\*Excluding liability to Gratuity and Leave encashment which is calculated on actuarial basis for the Company as a whole.



3. **Recognition or awards :**

Besides best Supplier and excellent service provider awards from numerous customers, the Company has also won National Safety Award consecutively for 25 years from the Government of India.

The In-house R & D Laboratory of the Company is recognized by Department of Science & Technology, Government of India.

The Company also holds Star Export House Status granted by Ministry of Commerce & Industry, Government of India.

4. **Job profile and his suitability :**

Shri D.R. Bansal was entrusted with substantial powers of the management of the Company subject to the superintendence, control and direction of the Board of Directors, the provisions of Memorandum and Articles of Association, regulations made by the Company in General Meeting and the restrictions imposed by the Companies Act, 1956 and performed to the best of his abilities to promote, develop and extend the business of the Company.

Shri D.R. Bansal has managed and steered the Company successfully through the tumultuous times and under his able stewardship and guidance, the Company has fared well despite stiff market conditions. The challenging business environment required review of operations, monitoring and decision making on a day to day basis besides strategic guidance and advice on an ongoing basis for modernization, technological up-gradation and expansion/diversification activities. The Company has been benefited immensely by his matured and timely advices.

5. **Remuneration Proposed :**

Please refer to the details given hereinabove and forming a part of the Explanatory Statement to the proposed Resolution.

6. **Comparative remuneration profile with respect to Industry, size of the Company, Profile of the position and person :**

The executive remuneration in the Industry is on rise. The Remuneration Committee constituted by the Board perused remuneration of Managerial Personnel in the Wire and Cables Industry and other Companies comparable with the size of the Company, Industry benchmark in general, profile, position, responsibilities, capabilities and vast experience of Shri D.R. Bansal and accorded due cognizance to all these factors before ratifying, confirming and approving the remuneration paid as proposed hereinabove.

7. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :**

In terms of Articles of Association, Shri D.R. Bansal was appointed as a Managerial Personnel with the designation of Chief Executive Officer (CEO) of the Company. Excepting the payment of remuneration for his services as CEO of the Company and Managing Director of a Joint Venture Company viz. Birla Ericsson Optical Limited, as detailed hereinabove, Shri D.R. Bansal has no other pecuniary relationship with the Company.

Shri D.R. Bansal holds 2400 Equity shares in the Company.

**C. Other Information :**

1. **Reasons for Loss or inadequate Profits :**

Despite higher turnover as compared to the previous fiscal, the Company suffered a net loss of ₹ 13.93 crores during the year 2011-12 mainly on account of unprecedented sharp weakening of Indian Rupee vis-à-vis US\$ and other foreign currencies, volatile and elevated input prices and soaring interest rates, etc.

2. **Steps taken for improvement :**

To overcome the present hyper competitive and volatile business situation, the Company is inter-alia taking the following steps :

- (a) The Company is exploring new markets/buyers in the domestic/international markets to increase volume of business;
- (b) The Company is adopting new market strategies and creating new revenue streams to boost sales further with remunerative prices;
- (c) The Company has and is further taking various initiatives to save on the cost so as to improve the profitability of its products;
- (d) The Company is resorting to sourcing of material from domestic market wherever possible to reduce exposure on account of foreign exchange; and
- (e) The Company is undertaking vigorous Working Capital Management exercise.



### 3. Expected increase in productivity and profits :

The Company has been constantly revamping its production facilities by adding sophisticated state-of-the-art machinery from renowned international suppliers on a continued basis and has geared up to meet the new challenges in the highly competitive cable industry with proper balancing of products and technology. Alongside, the Company's continuous focus on cost reduction, reduction of scrap, revenue/margin improvements, etc. will go a long way in improving the sales and operational performance in the future years to come.

#### Disclosures :

The required disclosures as to remuneration paid to the Chief Executive Officer has been made in the Explanatory Statement and the details given hereinabove forming part of the Explanatory Statement to the proposed resolution.

Keeping in view the competence, expertise, vast knowledge and rich & varied experience of Shri D.R. Bansal, the Board of Directors is of the view that the Company has been immensely benefited by his association and therefore recommends the passing of the proposed resolution in compliance with the applicable provisions of the Companies Act, 1956.

Except Shri D.R. Bansal, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

#### ITEM NO. 8

The Board of Directors of the Company at its meeting held on 3rd May, 2012 has appointed Shri D.R. Bansal as the Chief Mentor & Executive Director of the Company, not liable to retire by rotation, for a period of 3 (three) years with effect from 5th May, 2012 on the remuneration determined by the Remuneration Committee subject to the approval of shareholders in General Meeting and the Central Government. The broad particulars of remuneration and perquisites payable to and the principal terms and conditions of his appointment as contained in the draft Agreement to be entered into between the Company and Shri D.R. Bansal, are as under :

I. **Tenure of Appointment** : 3 (three) years with effect from 5th May, 2012 to 4th May, 2015.

#### II. Remuneration :

- (a) **Basic Salary** : ₹ 4,25,000/- (Rupees Four Lacs Twenty Five Thousand only) per month with such annual increments effective from 1st April each year as may be decided by the Board of Directors of the Company or any Committee thereof, in its absolute discretion.
- (b) **Special Allowance** : ₹ 1,06,250/- (Rupees One Lac Six Thousand Two Hundred Fifty only) per month @ 25% of the Basic Salary as defined in Para (a) above.
- (c) **Perquisites/Allowances** : In addition to the Basic Salary as outlined above, the Chief Mentor & Executive Director shall be entitled to perquisites/allowances as under :

- (i) **Housing** : Free furnished residential accommodation or house rent allowance @ 40% of the Basic Salary as defined in Para (a) above.

In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishings, repairs/upkeep and maintenance of accommodation and a servant salary shall be reimbursed on actual basis.

- (ii) **Medical Benefits** : Payment/reimbursement of expenses incurred for self and family (including mediclaim/ medical insurance premium) or medical allowance in accordance with the rules of the Company.
- (iii) **Leave Travel Allowance/Assistance** : As per Rules of the Company.
- (iv) **Club Fees** : Payment/reimbursement of club fees for not more than two clubs in India, excluding admission and life membership fees.
- (v) **Personal Accident Insurance Premium** : As per Rules of the Company.
- (vi) **Contribution to Provident Fund, Pension or Annuity Funds** : As per Rules framed under Company's relevant Schemes.
- (vii) **Gratuity** : As per Rules of the Company and applicable statutory provisions from time to time.
- (viii) **Leave Encashment** : Leave with full pay and allowances as per Rules of the Company. Accumulation and encashment of unavailed earned privilege leave will be permissible in accordance with the Rules specified by the Company.
- (ix) **Retirement and other benefits/privileges** : As per Rules of the Company as may be available to other senior executives of the Company. The nomenclature of allowance(s)/reimbursements and corresponding amount thereof can be revised or modified as per Rules of the Company in vogue.
- (x) **Car/Communication Facilities** : The following shall not be included in the computation of perquisites -

- (a) Provision of Company's car with driver for official use.

- (b) Provision of free telephone(s) and/or other communication facilities or reimbursement of telephone/

communication expenses at residence including payment of local calls and long distance official calls for the business of the Company.

**Explanation(s) :**

- (i) The said perquisites and allowances shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per the Income Tax Act, 1961 or any rules thereunder as are in force from time to time.
  - (ii) The Company's contribution to or provision for provident fund, pension or annuity funds, to the extent these either singly or put together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per Rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary and perquisites/allowances.
  - (iii) For the purpose of pension/annuity funds, the services of Shri D.R. Bansal will be considered continuous service with the Company from the date he joined the services of Sister Concern(s) or this Company in any capacity from time to time and termination of agreement of employment followed by immediate renewal(s) of such agreement, will not be considered as any break in service.
  - (iv) The Company shall reimburse all travelling, entertainment and other out-of-pocket business promotion expenses actually and properly incurred by the Chief Mentor & Executive Director in the course of the legitimate business of the Company in accordance with Rules and Regulations of the Company in force from time to time. Expenses relating to spouse accompanying on any official domestic and overseas business trip(s) or other facilities, if any, shall be dealt with in accordance with the practices and policies of the Company as applicable from time to time
- (d) **Overall Remuneration :** The Board of Directors (which term shall be deemed to include the Remuneration or any other Committee constituted by the Board) is entitled to revise the remuneration payable to the Chief Mentor & Executive Director including perquisites as specified in the draft Agreement to the extent it may consider appropriate, as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 for the time being in force or any statutory modification or re-enactment thereof and/or any Rules or Regulations for Managerial Remuneration which the Government may notify and frame thereunder.

**III. Other Conditions :**

- (a) The Agreement may be terminated by either party (the Company or the Chief Mentor & Executive Director) by giving three months prior notice in writing.
- (b) If at any time Shri D.R. Bansal ceases to be the Chief Mentor & Executive Director of the Company for any reason whatsoever, he shall also cease to be a Director of the Company and vice versa.
- (c) The said draft Agreement also contains further terms and conditions as to powers and authority of Shri D.R. Bansal, non-participation in any selling agency of the Company, termination, mutual rights and obligations of the Company and Shri D.R. Bansal, etc.

The draft Agreement referred to in the said resolution is open for inspection by the shareholders of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days upto the date of the ensuing Annual General Meeting and will also be available for inspection at the said Meeting.

A brief resume and the profile of Shri D.R. Bansal is given below :

Date of Birth	01.08.1939
Date of Appointment as Director in the Company	Appointed in the Board Meeting Dated 3rd May, 2012 with effect from 5th May, 2012.
Expertise in specific functional areas	Company executive having rich and varied experience of about 50 years in various facets of cable and other industries including in the field of administration, production and marketing. His strength also includes strong relationship management, international alliances/tie ups and business development. He is actively associated with various cable industry forums in India & abroad and also served at the helm of various renowned power & telecommunication cables industry association(s) in India for several years.
List of outside Directorships held	Birla Ericsson Optical Limited Vindhya Telelinks Limited Hindustan Gum & Chemicals Limited Birla Furukawa Fibre Optics Limited



Chairman/Member of the Committee of the Board of Directors of the Company	None
Chairman/Member of the Committee of the Board of Directors of other Public Companies	Member <ul style="list-style-type: none"> <li>- Share Transfer and Shareholders'/ Investors' Grievance Committee of Birla Ericsson Optical Limited</li> <li>- Share Transfer and Shareholders'/ Investors' Grievance Committee of Vindhya Telelinks Limited</li> <li>- Audit Committee of Birla Furukawa Fibre Optics Limited</li> </ul>
Shareholding (both own or held by/for other persons on a beneficial basis), if any, in the paid up equity share capital of the company	2400 Shares
Relationship between Directors inter-se	None

The approval of the Central Government will be obtained by the Company.

The statement containing information for the Shareholders as required under Paragraph (C) of Section II of Part II of Schedule XIII to the Companies Act, 1956, to the extent applicable, is given hereunder :

#### A. General Information :

##### 1. Nature of Industry :

Power Cables & Capacitors business segment and associated activities account for majority of business of the Company.

##### 2. Date of commencement of Commercial Production :

The Company commenced Commercial Production on 16th February, 1964.

##### 3. Financial Performance :

(₹ in lacs)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Gross Revenue	57154	64852	54896	59133	68163
Profit before Interest, Depreciation and Tax	5488	4797	6605	5435	1775
Finance Costs/Interest	1480	2023	786	1096	2397
Profit/(Loss) before Depreciation and Tax	4008	2774	5819	4339	(622)
Depreciation	1342	1649	1687	1657	1481
Profit/(Loss) before Tax	2666	1125	4132	2682	(2103)
Tax	940	425	1418	902	(710)
Net Profit/(Loss)	1726	700	2714	1780	(1393)
Paid Up Equity Share Capital	2313	2313	2313	2313	2313
Dividend (excluding tax)	555	231	578	463	-
Rate of dividend (%)	24	10	25	20	-

##### 4. Export Performance and Net Foreign Exchange Collaborations :

(₹ in lacs)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Earnings in Foreign Currency (On accrual basis)					
(a) Exports at FOB Value	1745	2502	4210	1453	2584
(b) Others	-	-	175	12	2
Total Earnings	1745	2502	4385	1465	2586
Expenditure in Foreign Currency (On accrual basis)					
(a) Value of Imports on CIF basis	8781	11203	17184	19817	25408
(b) Others	137	248	487	622	610
Total Expenditure	8918	11451	17671	20439	26018

**5. Foreign Investments or Collaborations :**

The Company has not made any investments outside India. The Company however, has a technical collaboration with world renowned Furukawa Electric Co., Ltd. of Japan for manufacturing of Extra High Voltage XLPE Underground Power Cables using Vertical Continuous Vulcanization process.

**B. Information about the Appointee :**

**1. Background details :**

Shri D.R. Bansal has rich and varied experience of about 50 years in various facets of cable and other industries including in the field of administration, production and marketing. His strength also includes strong relationship management, international alliances/tie ups and business development. He is actively associated with various cable industry forums in India and abroad and also served at the helm of various renowned power and telecommunication cables industry association(s) in India for several years.

**2. Past Remuneration :**

Shri D.R. Bansal in his capacity as the Chief Executive Officer of the Company was drawing the following remuneration for the last two financial years :

(₹ in lacs)

Sl. No.	Description	Amount	
		2010-11	2011-12*
1	Salary	26.00	30.90
2	Commission	12.00	-
3	Contribution to Provident fund	2.88	3.71
4	Perquisites (Actual and/or evaluated as per Income Tax Rules, 1962)	7.34	0.64
	<b>Total**</b>	<b>48.22</b>	<b>35.25</b>

\* There being no profit within the meaning of Section 198 of the Companies Act, 1956, the remuneration could not be paid as per Section I of Part II of Schedule XIII to the Companies Act, 1956 and hence it is not comparable with the remuneration paid for the corresponding previous fiscal.

\*\* Excluding liability to Gratuity and Leave encashment which is calculated on actuarial basis for the Company as a whole.

**3. Recognition or awards :**

Besides best Supplier and excellent service provider awards from numerous customers, the Company has also won National Safety Award consecutively for 25 years from the Government of India.

The In-house R & D Laboratory of the Company is recognized by Department of Science & Technology, Government of India.

The Company also holds Star Export House Status granted by Ministry of Commerce & Industry, Government of India.

**4. Job profile and his suitability :**

Shri D.R. Bansal is entrusted with substantial powers of the management of the Company subject to the superintendence, control and direction of the Board of Directors, the provisions of Memorandum and Articles of Association, regulations made by the Company in General Meeting and the restrictions imposed by the Companies Act, 1956 and shall perform to the best of his abilities to promote, develop and extend the business of the Company.

In the past, Shri D.R. Bansal has managed and steered the Company successfully through the tumultuous times and under his able stewardship and guidance, the Company has fared well despite stiff market conditions. The challenging business environment requires review of operations, monitoring and decision making on a day to day basis besides strategic guidance and advice on an ongoing basis for modernization, technological up-gradation and expansion/diversification activities. The Company would be immensely benefited by his matured and timely advices.

**5. Remuneration Proposed :**

Please refer to the details given hereinabove and forming a part of the Explanatory Statement to the proposed Resolution.



**6. Comparative remuneration profile with respect to Industry, size of the Company, Profile of the position and person :**

The executive remuneration in the Industry is on rise. The Remuneration Committee constituted by the Board perused remuneration of Managerial Personnel in the Wire and Cables Industry and other Companies comparable with the size of the Company, Industry benchmark in general, profile, position, responsibilities, capabilities and vast experience of Shri D.R. Bansal and accorded due cognizance to all these factors before approving the remuneration as proposed hereinabove.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any :**

In terms of Articles of Association, Shri D.R. Bansal has been appointed as the Chief Mentor & Executive Director of the Company. Excepting the payment of remuneration for his services as Chief Mentor & Executive Director of the Company as detailed hereinabove, Shri D.R. Bansal has no other pecuniary relationship with the Company.

Shri D.R. Bansal holds 2400 Equity shares in the Company.

**C. Other Information :**

**1. Reasons for Loss or inadequate Profit :**

Despite higher turnover as compared to the previous fiscal, the Company suffered a net loss of ₹ 13.93 crores during the year 2011-12 mainly on account of unprecedented sharp weakening of Indian Rupee *vis-à-vis* US\$ and other foreign currencies, volatile and elevated input prices and soaring interest rates, etc.

**2. Steps taken for improvement :**

To overcome the present hyper competitive and volatile business situation, the Company is inter-alia taking the following steps :

- (a) The Company is exploring new markets/buyers in the domestic/international markets to increase volume of business;
- (b) The Company is adopting new market strategies and creating new revenue streams to boost sales further with remunerative prices;
- (c) The Company has and is further taking various initiatives to save on the cost so as to improve the profitability of its products;
- (d) The Company is resorting to sourcing of material from domestic market wherever possible to reduce exposure on account of foreign exchange; and
- (e) The Company is undertaking vigorous Working Capital Management exercise.

**3. Expected increase in productivity and profits :**

The Company has been constantly revamping its production facilities by adding sophisticated state-of-the-art machinery from renowned international suppliers on a continued basis and has geared up to meet the new challenges in the highly competitive cable industry with proper balancing of products and technology. Alongside, the Company's continuous focus on cost reduction, reduction of scrap, revenue/margin improvements, etc. will go a long way in improving the sales and operational performance in the future years to come.

**Disclosures :**

The required disclosures as to remuneration package, etc. payable to the Chief Mentor & Executive Director has been made in the Explanatory Statement and the details given hereinabove forming part of the Explanatory Statement to the proposed resolution.

Keeping in view the vast knowledge, rich & varied experience and managerial skills of Shri D.R. Bansal, the Board of Directors recommends passing of the proposed resolution in compliance with the applicable provisions of the Companies Act, 1956.

Except Shri D.R. Bansal, none of the Directors of the Company is, in any way, concerned or interested in the said resolution.

The Explanatory Statement together with the accompanying Notice is to be treated as an abstract of the terms of the contract/agreement and Memorandum of concern or interest between the Company and Shri D.R. Bansal pursuant to Section 302 of the Companies Act, 1956.



Details of Directors seeking re-appointment in the ensuing Annual General Meeting scheduled to be held on 28th June, 2012.

<b>Name of Director</b>	<b>Shri S. N. Prasad</b>
<b>Date of Birth</b>	12.07.1917
<b>Date of Appointment</b>	05.05.2004
<b>Expertise in specific functional areas</b>	He did his graduation in Commerce from Allahabad University in 1940. He also passed the professional course of Company Secretaries and he is now a Fellow of The Institute of Company Secretaries of India (FCS). For one year i.e. 1940-41 he worked with a Tata Concern in Patna and thereafter he joined Birla Jute Mfg. Co. Ltd. in 1941 (Former name of Birla Corporation Ltd.), an M.P. Birla Group Company. He commenced his career under the supervision and overall control of late Syt. M.P. Birla. He was President of Birla Corporation Ltd. At present he is a wholtime Director of The Punjab Produce & Trading Co. Pvt. Ltd., an Investment Company of the M.P. Birla Group and he is still continuing services of this Group. In addition to the said The Punjab Produce & Trading Co. Pvt. Ltd., he is Director of many Companies under M.P. Birla Group of Companies and also Trustee of many Trusts and Societies under the same Group.
<b>List of outside Directorships held*</b>	Birla Buildings Limited Mazbat Tea Estate Limited Punjab Produce Holdings Limited Mazbat Trading Company Limited Birla Financial Corporation Limited Express Dairy Company Limited
<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>	Member - Audit Committee of Punjab Produce Holdings Limited
<b>Shareholding of the Non-Executive Director</b>	100 Shares
<b>Relationship between Directors inter-se</b>	None

<b>Name of Director</b>	<b>Dr. S.R. Jain</b>
<b>Date of Birth</b>	29.10.1934
<b>Date of Appointment</b>	05.09.2006
<b>Expertise in specific functional areas</b>	He is an expert in the Management of Steel and Heavy Industries and has over 40 years of experience in this field. He has also been the Chairman of Steel Authority of India Limited and Heavy Engineering Corporation Limited. He has also served as the President of The Indian Institute of Metals and is currently the Chairman of Consteel India (P) Limited, a Delhi based Consultancy Company.
<b>List of outside Directorships held*</b>	Neelachal Ispat Nigam Limited OCL India Limited
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Chairman - Audit Committee
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	Member - Audit Committee of OCL India Limited and Neelachal Ispat Nigam Limited - Shareholders Grievance Committee of OCL India Limited
<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 J. C. Sharma</b>
<b>Date of Birth</b>	03.07.1944
<b>Date of Appointment</b>	27.10.2006
<b>Expertise in specific functional areas</b>	He began his professional career as a Commissioned Officer in the Indian Army (1967-72) and was awarded with the "Sena Medal" for Gallantry in 1971 Indo-Pak War. He joined the elite Indian Foreign Service in 1972 and has served as First Secretary (Consular & Political) and First Secretary (Commercial) in the Indian Embassies in Tokyo and Jakarta respectively. A brilliant Organizer, he was Director (Protocol) for the 7th Non-Aligned Summit and the Commonwealth Heads of Government Meeting in Delhi in the year 1983. First Foreign Service Officer to be deputed as Joint Secretary Defence Exports, he prepared the blue print for Defence Exports from India and for first Aero India in Bangalore. He also served on the Board of Bharat Earth Movers Ltd. (BEML), a large Public Sector Undertaking manufacturing defence and earth moving equipment and railway coaches. He has served as Secretary, External Affairs and Member Secretary of the High Level Committee on Indian Diaspora. He was the brain behind the idea of celebrating 'Pravasi Bhartiya Divas' and organized first two Pravasi Divas in Delhi. He was advisor in the PHD Chamber of Commerce during its centenary year January, 2005 to January, 2006.
<b>List of outside Directorships held*</b>	LT Foods Ltd.
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Chairman - Share Transfer and Shareholders'/ Investors' Grievance Committee Member - Audit Committee
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	Chairman - Share Transfer and Shareholders'/ Investors' Grievance Committee of LT Foods Ltd. Member - Audit Committee of LT Foods Ltd.
<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 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.

**Registered Office :**

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

3rd May, 2012

By order of the Board

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

### 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: [universalcablesgogreen@linkintime.co.in](mailto:universalcablesgogreen@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](mailto:greeninitiative@unistar.co.in). Any changes in the E-mail address may also be communicated from time to time.

## Five Years at a Glance

(₹ in crores)

Particulars	Year				
	2011-12	2010-11	2009-10	2008-09	2007-08
<b>OPERATING RESULTS</b>					
Revenue from Operations/Turnover	673.19	576.18	527.61	640.91	562.96
Other Income	8.44	15.15	21.35	7.61	8.58
<b>Gross Revenue</b>	<b>681.63</b>	<b>591.33</b>	<b>548.96</b>	<b>648.52</b>	<b>571.54</b>
Profit before Interest, Depreciation & Tax	17.75	54.35	66.05	47.97	54.88
Finance Costs/Interest	23.97	10.96	7.86	20.23	14.80
<b>Profit/(Loss) before Depreciation &amp; Tax</b>	<b>(6.22)</b>	<b>43.39</b>	<b>58.19</b>	<b>27.74</b>	<b>40.08</b>
Depreciation	14.81	16.57	16.87	16.49	13.42
Tax Expense/(Credit)	(7.10)	9.02	14.18	4.25	9.40
<b>Net Profit/(Loss)</b>	<b>(13.93)</b>	<b>17.80</b>	<b>27.14</b>	<b>7.00</b>	<b>17.26</b>
Dividend	-	4.63	5.78	2.31	5.55
Corporate Dividend Tax	-	0.73	0.99	0.39	0.94
<b>Retained Earnings</b>	<b>(13.93)</b>	<b>12.44</b>	<b>20.37</b>	<b>4.30</b>	<b>10.77</b>
<b>Cash Earnings</b>	<b>0.88</b>	<b>34.37</b>	<b>44.01</b>	<b>23.49</b>	<b>30.68</b>
<b>ASSETS &amp; LIABILITIES</b>					
Fixed Assets					
Gross Block	262.97	260.44	284.69	271.61	256.95
Net Block	135.19	144.82	144.04	144.01	145.29
Investments	50.74	50.74	50.74	28.33	28.33
Current & Other Assets	274.50	264.02	247.03	245.37	244.86
<b>Total Assets</b>	<b>460.43</b>	<b>459.58</b>	<b>441.81</b>	<b>417.71</b>	<b>418.48</b>
Share Capital	23.13	23.13	23.13	23.13	23.13
Reserves & Surplus	169.35	183.34	171.04	150.81	146.66
<b>Net Worth</b>	<b>192.48</b>	<b>206.47</b>	<b>194.17</b>	<b>173.94</b>	<b>169.79</b>
Borrowings	164.57	147.38	134.25	125.62	147.29
Deferred Tax Liabilities	6.40	13.84	12.92	10.49	11.24
Current Liabilities & Provisions	96.98	91.89	100.47	107.66	90.16
<b>Total Liabilities</b>	<b>460.43</b>	<b>459.58</b>	<b>441.81</b>	<b>417.71</b>	<b>418.48</b>
<b>Earnings per Ordinary Share (₹)</b>	(6.02)	7.70	11.73	3.03	7.46
<b>Cash Earnings per Ordinary Share (₹)</b>	0.38	14.86	19.03	10.16	13.26
<b>Dividend per Share (₹)</b>	-	2.00	2.50	1.00	2.40
<b>Net Worth per Ordinary Share (₹)</b>	83.22	89.27	83.95	75.20	73.41



# Directors' Report

## TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Annual Report, together with the Audited Annual Accounts of the Company for the year ended 31st March, 2012.

### FINANCIAL MATTERS

Description	Amount (₹ in lacs)			
	Year Ended 31st March, 2012		Year Ended 31st March, 2011	
Gross Income		68162.63		59132.76
Profit before Interest, Depreciation and Tax		1775.12		5434.62
Finance Cost		2397.26		1095.85
Profit/(Loss) before Depreciation and Tax		(622.14)		4338.77
Depreciation and Amortisation	1481.01		1656.83	
Current Income Tax	-		810.00	
Earlier Year Taxes	34.16		-	
Deferred Tax Charge/(Credit)	(744.30)	770.87	92.03	2558.86
Net Profit/(Loss)		(1393.01)		1779.91
Surplus brought forward from previous year		6300.19		5305.71
Total amount available for appropriation		4907.18		7085.62
<b>Appropriation</b>				
Proposed Dividend	-		462.61	
Corporate Dividend Tax	-		72.82	
Transfer to General Reserve	-	-	250.00	785.43
Surplus carried to Balance Sheet		4907.18		6300.19

In view of the loss, your Directors regret their inability to recommend any dividend for the year under consideration.

### GENERAL & CORPORATE MATTERS

Despite there being higher gross revenue at ₹ 681.63 crores as compared to ₹ 591.33 crores for the previous fiscal, the Company has suffered a Net Loss of ₹ 13.93 crores during the year under review.

The profitability of the Company has been adversely impacted mainly due to unprecedented sharp weakening of Indian rupee vis-à-vis US\$ and other foreign currencies, volatile and elevated input prices and soaring interest rates.

The Company has in a bid to de-risk revenues and profitability, planned a shift in the business model from supply contracts to total turnkey solutions which alongwith the measures taken to re-inforce the EPC wing have helped the Company to contain the deficit for the year to some extent.

Historically, the cable industry has been exposed to repeated cyclical downturns. The Company has in the past come out of these cycles stronger which testify its resilience. The Company hopes that the environment in the power sector improves so that it can benefit from it.

Power is the key to economic growth. Unquestionably, the growth plan of the power sector is irreversible. The Government

is pursuing formidable strategic development plans and dynamic policy reforms on fast track, which is imperative to achieve its obligation for "Power For All" which is an integral part of the Nation's aspiration for "India Vision 2020" to transform India to a developed Nation. This instills confidence in the entire cross-section of engineering industries to expect a robust & sustained growth in demand for the next couple of decades. The electrical industry including cables & capacitors will be one of the greatest benefactors of the proposed power sector investments. The private infrastructure companies are also expected to play a major role in the growth and development of the economy and therefore growth of the cable industry will also be linked to their performance in future.

The Company's Capacitor Division is also progressing well and growing by developing new products for better value addition.

As a long-term strategy, the Company has been pursuing technological advancement at par with the major international players. The Company is proud of its excellent technology and quality of its power cables up to 400 kV. The Company is the only cable manufacturer in India having an in-house Testing Laboratory which has earned the prestigious NABL accreditation.

Apart from the above, by continuously upgrading and modernizing the production facilities with a special focus on reduction in the cost of production by initiating and implementing various measures in all the areas, your Company will be in an advantageous position to become a competitive player in a market driven by high cost of production and cutthroat competition.

### **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, 2012, 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 2011-12 and of the loss for the year ended 31st March, 2012;
- ◆ 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, 2012 have been prepared on a 'going concern' basis.

### **INDUSTRIAL RELATIONS & SAFETY**

Industrial relations remained by and large cordial during the year.

The Company continues to accord a very high priority to both industrial safety and environmental protection and these are ongoing processes at the Company's plant and facilities.

### **DIRECTORS**

Shri S.N. Prasad, Dr. S.R. Jain and Shri J.C. Sharma retire by rotation and, being eligible, offer themselves for re-appointment.

At the Board Meeting held on 3rd May, 2012, Shri D.R. Bansal was appointed as an Additional Director with effect from 5th May, 2012 from which date he shall also assume responsibilities as Chief Mentor & Executive Director subject to requisite approvals including from members vide a special resolution to be passed at the ensuing Annual General Meeting of the Company.

Details about the Directors seeking appointment/re-appointment are given in the Notice of the ensuing Annual General Meeting which is being sent to the shareholders along with the Annual Report.



## AUDITORS

Messrs S.R. Batliboi & Co., Chartered Accountants, retire as Auditors at the ensuing Annual General Meeting and have given an intimation in writing expressing their inability to be re-appointed as Statutory Auditors of the Company. Your Directors recommend the appointment of Messrs V. Sankar Aiyar & Co., Chartered Accountants, who being eligible, have expressed their willingness to be appointed as Statutory Auditors of the Company.

Messrs 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 the Goa Unit for the financial year 2012-2013.

Messrs D. Sabyasachi & Co., Cost Accountants, have been re-appointed as Cost Auditors on 3rd May, 2012 for the financial year 2012-2013.

## JOINT VENTURE

Birla Furukawa Fibre Optics Limited (BFL), a joint venture between the Company & Furukawa Electric Co., Ltd., Japan, is rapidly gaining momentum to capitalize on the emerging business opportunities in the optical fibre market with the underlying objective of providing world class products to the customers through state-of-the-art manufacturing processes and facility.

The telecom market in India is opening up exciting possibilities with the imminent launch of 4G networks, bringing India at the same level as some of the first countries in the world to embark commercially on this ground breaking technology. Pricing pressures however, continue to pose challenges to the Optical Fibre Industry.

The financial performance of BFL is satisfactory considering the fact that it is just a two year old Company.

In view of depressed market conditions, Birla Ericsson Optical Limited, a venture promoted by your Company in association with Vindhya Telelinks Limited and Ericsson Cables AB, Sweden has shown a down turn in financial performance during the year under review.

## 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  
S. R. Jain  
S. S. Kothari  
S. C. Jain  
J. C. Sharma  
Dinesh Chanda

*Chairman*

*Directors*

New Delhi, 3rd May, 2012

## 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, 2012.

#### (A) CONSERVATION OF ENERGY

Following Energy Conservation measures were taken during the year :

- Replacement of high cost steam heating system by low cost electric heating system in Furnace Oil storage tanks of Boiler.
- Replacement of high energy consuming water supply pumps and factory lights by energy efficient ones.

#### (B) TECHNOLOGY ABSORPTION

##### I. Research and Development (R&D)

1.	Specific areas in which R&D carried out by the Company	Product development and process improvement in cables and capacitors. R&D Department has developed following new products : (i) 18/30 kV grade medium voltage halogen free, fire retardant, low smoke EPDM insulated rubber cable for 2MW Wind Turbine Generator. (ii) Special elastomeric sheathing as an alternative to conventional sheathing compound. (iii) Contact-less temperature measurement system for measuring on line temperature of conductor. (iv) Automatic power factor improvement control and relay panels with vacuum switching system upto 11 kV.
2.	Benefits derived as a result of the above R&D	Import substitution, technology up-gradation and extension of product range.
3.	Future plan of action	(i) Development of thermal and radiation resistant LSOH type FS and Non-FS MV power cables. (ii) Development of solar based control panels for lighting use. (iii) Development of dynamic power compensation systems for Railways.
4.	Expenditure on R&D	(a) Capital ₹ 5.70 lacs (b) Recurring ₹ 128.55 lacs (c) Total ₹ 134.25 lacs (d) Total R&D expenditure 0.20% (as percentage of total turnover)

##### 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.	<p>In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following may be furnished :</p> <p>(a) Technology imported</p> <p>(b) Year of import</p> <p>(c) Has technology been fully absorbed? If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action</p>	<p>Know-How and Technical Assistance from Furukawa Electric Co., Ltd., Japan for manufacture of 132kV to 400kV XLPE cables by Continuous Vulcanization (CV) process using VCV Line.</p> <p>2006-2007</p> <p>Technology imparted is being absorbed.</p>
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**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Earnings : ₹ 2585.84 lacs

Outgo : ₹ 26018.06 lacs

Harsh V. Lodha

S. R. Jain

S. S. Kothari

S. C. Jain

J. C. Sharma

Dinesh Chanda

*Chairman**Directors*

New Delhi, 3rd May, 2012



# Management Discussion and Analysis

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company prides itself with its long and impeccable track record as a leading manufacturer of power cables & capacitors. With its impressive product portfolio backed by world class technology, the Company is recognized as the "trailblazer" in the industry. The Company's iconic brand "Unistar" retains its distinctive and leadership profile as the most trusted name in the industry.

During the financial year, the Industry has been exposed to unprecedented headwinds of economic volatility, as a fall-out of the instability in the global financial system, which has withered away the buoyancy in the market. The key features of the financial year which has decapitated the expected performance of the Company have been the sharp devaluation of the Rupee, severe liquidity crunch in the market, flaring prices of raw materials, upsurge in the fuel prices, lagging performance of the power sector and an overall slump in the core sector investments. Adding more pain to the industry's wound, the power sector, the key demand driver, has not lived up to its true expectation of accelerated growth. The overall demand from other core sectors had a dampened investment sentiment. Majority of the infrastructure companies have deferred their expansion and diversification plans. In consequence to such market depression resulting to an anaemic year of growth, the Company with savoir faire realigned its strategy to reduce its exposure to these adversities while focusing on value added products.

Historically, the cable industry has been exposed to repeated cyclical downturns. The Company has in the past come out of these cycles stronger which testify its resilience. The Company hopes that the environment in the power sector improves so that it can benefit from it.

Delayed payments are a major concern to the industry. The Company is carefully weighing its option to accept contracts which are not conducive to its business operation and can hamper its cash flows.

The company has introduced the "5S" concept; the popular mnemonic derived from the Japanese words Seiri, Seiton, Seiso, Seiketsu & Shitsuke for improving workstation discipline and foster a culture for improvement in efficiency and effectiveness.

As a long-term strategy, the Company has been pursuing technological advancement at par with the major international players. The Company is proud of its excellent technology and quality of its power cables up to 400 kV. The Company is the only cable manufacturer in India having an in-house Testing Laboratory which has earned the prestigious NABL accreditation.

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

### Power Cables & Capacitors :

Gross revenue from this segment during the year was ₹ 659.57 crores as compared to ₹ 563.96 crores during the previous year.

### EHV Power Cables :

Balancing the demand-supply equation is one of the main challenges of the power sector in order to deliver power to the consumer's door-step. With a view to bridge this imbalance between power generation and distribution, large EHV power transmission corridors are being constructed across the length & breadth of the country to link the generation and distribution nodes. This is implicitly encouraging for the Company as these large transmission lines are generating the demand for EHV underground sub-transmission networks within and around the metro-cities & satellite towns. Notably, the infrastructure in the underground transmission segment is in its nascent stage. Considering the ecological embargo and space constraints for constructing overhead transmission lines within metropolis and its proximity, underground EHV transmission has earned priority, as this is the only means to infuse power into the urban area. This phenomenon is driving the rapid growth for EHV cables.

The Company having envisioned this scenario had installed two state-of-the-art Vertical Continuous Vulcanizing (VCV) lines, the only of its kind in India, to cater to this market segment. With technology from Furukawa Electric Co., Ltd., the Company has rapidly made in-roads in the 220 kV market segment and is now advancing towards the 400 kV segment, the highest voltage in underground transmission system. The Company also having institutionalized an engineering & construction wing, is expanding its activity in undertaking turnkey solutions in underground EHV cable transmission projects in line with the market trend in this segment.

In the present recessionary scenario, the Company, geared with manufacturing & engineering capabilities, focuses on the high-end-high-value-added EHV market segment.



### Rubber Cables for Original Equipment Manufacturers & Industries :

The Company has a wide range of speciality cables and is well established as the technology leader. It has been serving the Original Equipment Manufacturer's (OEMs) and a wide spectrum of industries. The important segments are railways, steel plants, petrochemical plants, cement plants, oil rig manufacturers, ship building and mining industry. In the power sector, the renewable energy is one of the key demand drivers of rubber cables where the Company holds a significant market share. In the conventional energy sector, the Company has a strong dominance on niche products for special applications. This market segment is a thrust area for the Company where it intends to expand its market share. In terms of manufacturing technology, here again, the Company with its Pressurized Liquid Salt Bath Curing (PLCV) technology, the only of its kind in India, leads the rest.

### MV Power Cables :

The demand has more or less been constant. The pressure on the market prices are constantly heaping up. In the present scenario, as a result of constant capacity augmentation by industry players and foray into the market by new entrants, the installed manufacturing capacity of the industry outstrips the demand. Nevertheless, this is a potential segment poised for accelerated growth once the power sector investments are on full stream. Moreover, the investments in the other core industry segments would add vibrance to the demand.

### LV Power Cables :

The market remains inundated with a plethora of regional players. The market space continues to be over crowded with a deluge of inferior quality products. Though the demand is expected to grow in consonance with the investments in the power generation & distribution sector, improvements in the price levels are not foreseen. Notwithstanding, the Company maintains its focus on project requirements where the regional players with inadequate quality standard are screened out.

### Export :

The Company maintains its status as a "Star Export House". It has won the EEPCINDIA coveted star performer Silver Shield Award for two successive years. The Company is the member of the Federation of Indian Export Organization (FIEO) which gives the Company a formidable recognition as a manufacturer and exporter.

### Overseas Competition :

The Company maintains a close tab on the activities of the overseas players from Europe, Korea & China who are patiently eyeing the Indian market. Some of the world leading players have set up manufacturing bases in India. Though their activities are still on low ebb, the Company recognizes the fact that a different market system would emerge as the dust settles down in the present financial crisis. It is expected that in near future the overseas players would thrust themselves in the market space adding stress to the competition. The Company with technological up-gradation at par with the best-of-class global players is in a position to compete head on.

### Capacitors :

Being an energy saving device, the demand outlook for Capacitors seems to be optimistic, specially in view of constant hikes in the power tariff. The Company also has started executing orders for Automatic Power Factor Relay Panels upto 12 kV. To further supplement demand for its products, the Company is in the process of developing 3 Phase Surge Capacitors for protection of Motors and Breakers, etc.

In HV range, the strategy of executing turnkey jobs for capacitors alongwith Associated Equipments has paid-off well.

Few export orders from Indonesia, Saudi Arabia, etc. have also been successfully executed by the Company during the year.

### FINANCIAL REVIEW

The financial performance of the Company during the year 2011-12 can be ascertained from the following key indicators :

- There has been a Net Loss in the current fiscal of ₹ 13.93 crores as compared to a Net Profit of ₹ 17.80 crores in the previous year which is mainly due to unprecedented sharp devaluation of the rupee, severe liquidity crunch and flaring prices of inputs.
- Despite continued endeavour to contain, financial cost at ₹ 23.97 crores have increased by ₹ 13.01 crores from the previous year on account of soaring interest rates and increased borrowings for working capital requirements due to enhanced business volume and delayed payment from customers, hampering cash flow.
- Total Borrowings increased by ₹ 17.18 crores mainly due to increase in working capital requirement consequent upon increase in the Turnover.

- The market value of quoted investment decreased to ₹ 59.90 crores from ₹ 89.15 crores in the previous year.
- The level of inventories decreased from ₹ 109.38 crores to ₹ 102.45 crores because of strict inventory management.
- Sundry Debtors increased to ₹ 128.49 crores as on 31st March, 2012 as compared to ₹ 102.46 crores as at the end of the previous year mainly due to retention of money by customers in Turnkey Contracts and delayed payments from some Power Utilities.
- The Company is now in the process of realizing Industrial Investment Promotion Assistance from the State Government. The first two year's benefits have since been realized. The total amount of assistance realizable as on 31st March, 2012 is ₹ 9.63 crores.
- The level of Current Liabilities have increased marginally due to shift from Buyers' Credit to Suppliers' Credit.
- 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 ₹ 0.63 crores and WDV of ₹ 0.12 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 risks. 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 its 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 increase 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, the 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 organization 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.
- Computerized 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 feature 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 the year 1982 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, Gymnasium, 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 their immediate redressal.

Presently the Company is employing 1180 permanent employees as on 31st March, 2012.

## **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 Securities & Exchange Board of India (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, 2012, four Board Meetings were held on 14th May, 2011, 30th July, 2011, 11th November, 2011 and 14th February, 2012.

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		Number 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	8	2	2
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	4	No	1	2	2
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	1	No	9	1	4
Shri S.P. Tamrakar (Alternate to Shri Dinesh Chanda)	Independent Non-Executive	None	No	None	None	None

Notes :

- 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 Memberships/Chairmanships is in accordance with Clause 49 of the Listing Agreement(s) and reflects the Memberships/Chairmanships 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, 2012 :

(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 those 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 directorships 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, debentureholders, 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 Member of the Audit Committee	Meetings held and attendance particulars			
	14th May, 2011	30th July, 2011	11th November, 2011	14th February, 2012
Dr. S.R. Jain	Yes	Yes	Yes	Yes
Shri S.S. Kothari	Yes	Yes	Yes	Yes
Shri J.C. Sharma	Yes	Yes	Yes	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 COMMITTEE

The Remuneration Committee was constituted by the Board of Directors in their meeting held on 14th February, 2012 in pursuance of the provisions of the Listing Agreement(s) and Schedule XIII of the Companies Act, 1956, comprising of all three Independent Non-Executive Directors viz. Dr. S.R.Jain, Shri S.C.Jain and Shri J.C.Sharma as its members. The Secretary of the Company acts as the Secretary of the Remuneration Committee. During the year, there has been no meeting after constitution of the Committee.

#### 5. 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, ₹ 5,000/- for each meeting of the Share Transfer and Shareholders'/Investors' Grievance Committee and ₹ 5,000/- for each meeting of the Remuneration 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 details of remuneration paid to Directors for the financial year ended 31st March, 2012 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	0.95
Shri J.C. Sharma	1.75
Shri Dinesh Chanda	1.75
Shri S.K. Daga (Alternate to Shri S.N.Prasad)	0.20
Shri S.P.Tamrakar (Alternate to Shri Dinesh Chanda)	-
<b>Total</b>	<b>8.65</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.





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

The Share Transfer and Shareholders'/Investors' Grievance 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/dematerialization or rematerialization, 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, 2012, three Share Transfer and Shareholders'/Investors' Grievance Committee Meetings were held on 14th May, 2011, 11th November, 2011 and 14th February, 2012.

During the year, 33 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	4	4
Non-receipt of Dividend Warrants	27	27
Others	2	2
<b>TOTAL</b>	<b>33</b>	<b>33</b>

All the complaints have been attended/resolved to the satisfaction of the complainants during the year. No request for transfer was pending for approval as on 31st March, 2012.

## 7. 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
2008-09	Registered Office : P.O. Birla Vikas, SATNA - 485 005 (M.P.)	AGM	6th August, 2009	4.00 P.M.
2009-10	Same as above	AGM	29th June, 2010	11.00 A.M.
2010-11	Same as above	AGM	2nd August, 2011	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 in the year 2009-2010 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.

## 8. DISCLOSURES

- 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 No. 32 to the financial statements in the Annual Report.
- 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 Exchanges or SEBI or any statutory authority.
- 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 Note No. 2.1 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, 2012 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 with regard to maintenance of Non-Executive Chairman's office, tenure of independent directors, 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. The Company has, however constituted a Remuneration Committee, which has been dealt elaborately in Point No. 4 of this Report.

## 9. 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 Exchanges 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](http://www.unistar.co.in)
- (d) Whether it also displays official news releases : No
- (e) The presentations made to institutional investors or to the analysts. : Nil

## 10. GENERAL SHAREHOLDER INFORMATION

### 10.1 Annual General Meeting

- Date, Time and Venue : 28th June, 2012 at 11 A.M.  
Registered Office of the Company at  
P.O. Birla Vikas,  
SATNA - 485 005 (M.P.).

### 10.2 Financial Calendar (2012-13) (tentative and subject to change)

1st Quarterly Results	Last week of July, 2012
2nd Quarterly/Half yearly Results	Last week of October, 2012
3rd Quarterly Results	Last week of January, 2013
Audited yearly Results for the year ending 31st March, 2013	2nd week of May, 2013

- 10.3 Book Closure date(s)** : 22nd June, 2012 to 28th June, 2012  
(Both Days inclusive)

- 10.4 Dividend Payment date** : Not Applicable


**10.5 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, 5<sup>th</sup> Floor, Plot No. C/1, G Block,  
 Bandra-Kurla Complex, Bandra (East),  
 Mumbai – 400 051

**10.6 Stock Codes**

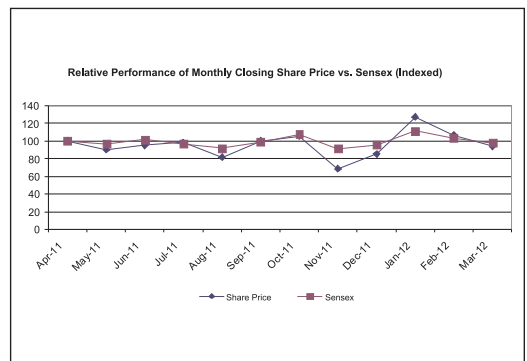
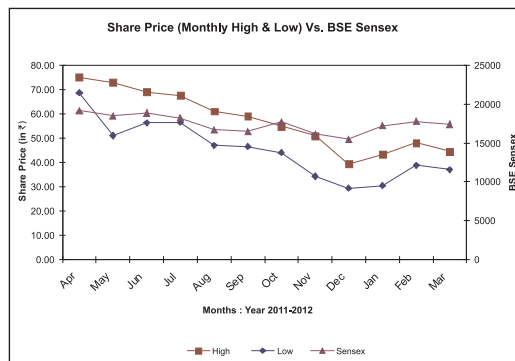
- BSE, Mumbai - 504212  
 NSE, Mumbai - UNIVCABLES EQ  
 ISIN Numbers - INE279A01012  
 (For demat trading)  
 Depository Connectivity - NSDL and CDSL

Note : Annual listing fees for the year 2011-2012 has been duly paid to both the Stock Exchanges.

**10.7 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 Exchange 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, 2011	75.10	68.60	48111	77.00	68.00	67305
May, 2011	73.00	61.00	18218	75.00	59.00	78902
June, 2011	69.00	56.35	65669	68.80	56.05	37876
July, 2011	67.50	56.55	90625	70.95	57.60	46973
August, 2011	61.00	47.00	29026	62.00	46.55	43709
September, 2011	59.00	46.50	80682	58.35	46.00	66763
October, 2011	54.85	44.05	21524	52.85	43.60	51354
November, 2011	50.90	34.25	41800	51.75	33.80	22595
December, 2011	39.40	29.40	47566	42.40	28.75	46338
January, 2012	43.35	30.40	57809	42.60	30.05	49025
February, 2012	48.05	38.85	42001	48.95	37.00	37684
March, 2012	44.50	37.00	79314	45.00	36.00	82967

**10.8 Share price performance in comparison to broad based indices - BSE Sensex :**


**10.9 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

#### 10.10 Share Transfer System :

Trading in Equity Shares of the Company is permitted only in dematerialized 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 dematerialization 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 Exchanges 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.

#### 10.11 (a) Distribution of Shareholding as on 31st March, 2012 :

Number of Equity Shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 5000	12275	98.88	3415759	14.77
5001 - 10000	53	0.43	378512	1.64
10001 - 50000	47	0.38	1134243	4.90
50001 - 100000	10	0.08	696844	3.01
100001 - 1000000	24	0.19	6341396	27.42
1000001 and above	5	0.04	11163500	48.26
<b>GRAND TOTAL</b>	<b>12414</b>	<b>100.00</b>	<b>23130254</b>	<b>100.00</b>
Physical Mode	4655	37.50	14092462	60.93
Electronic Mode	7759	62.50	9037792	39.07

#### (b) Category of Shareholders as on 31st March, 2012 :

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	12164	97.99	9805352	42.39
Financial Institutions/Insurance Companies/Banks/Mutual Funds	18	0.14	1010306	4.37
NRIs/FIIs/OCBs/Foreign Shareholders	207	1.67	74673	0.32
<b>GRAND TOTAL</b>	<b>12414</b>	<b>100.00</b>	<b>23130254</b>	<b>100.00</b>



### 10.12 Dematerialization of Shares and liquidity :

9037792 Equity Shares representing 39.07% of the total Equity Capital of the Company are held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31st March, 2012.

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 2011-12 is given below :

Bombay Stock Exchange Limited, Mumbai (BSE)	National Stock Exchange of India Limited, Mumbai (NSE)	BSE + NSE
2552	2567	5119

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 Exchanges where the equity shares of the Company are listed.

- 10.13 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.
- 10.14 Plant Location(s)** : P.O. Birla Vikas, SATNA - 485 005 (M.P.)
- 10.15 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

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



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

As required under Clause 49 of the Listing Agreement(s) with Stock Exchanges 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 2011-12.

For Universal Cables Limited

Place: New Delhi  
Date : 3rd May, 2012

D.R. BANSAL  
Chief Executive Officer

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## **AUDITORS' 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, 2012, 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  
Date : May 03, 2012



# 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, 2012 and also the statement of profit and loss 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. We did not audit the financial statements of Optic Fibre Unit, Goa whose financial statements reflect the total assets of ₹ 1227.51 lacs (previous year ₹ 2960.94 lacs) as at March 31, 2012, total revenue of ₹ 2236.45 lacs (previous year ₹ 2718.26 lacs) and cash inflows amounting to ₹ 11.01 lacs (cash outflows amounting to ₹ 4.73 lacs in the previous year) for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of other auditors.
4. 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.
5. 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, statement of profit and loss 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, statement of profit and loss 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, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 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, 2012;
    - (b) in the case of the statement of profit and loss, of the loss 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 03, 2012

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**Annexure referred to in paragraph 4 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) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (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 are not applicable to the Company.
- (vi) The Company has not accepted any deposits from the public.
- (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, 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*.
- (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 explanations 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	Demand from Tax Authorities for disallowances towards capital subsidy treated as revenue receipts and other miscellaneous differences (excluding ₹ 296.65 lacs refunded by tax authorities vide order from Appellate Tribunal in favour of the Company)	296.65	FY 2000-01 to FY 2006-07	Hon'ble Calcutta High Court
Income Tax Act, 1961	Demand from Tax Authorities for disallowances towards capital subsidy treated as revenue receipts and other miscellaneous differences (net-of ₹ 273.61 lacs deposited under protest by the Company/adjusted by the tax authorities)	152.40	FY 2007-08	CIT (A) - VI, Kolkata
Income Tax Act, 1961	Demand from Tax Authorities for disallowances towards capital subsidy treated as revenue receipts and other miscellaneous differences (net-of ₹ 94.34 lacs deposited under protest by the Company/adjusted by the tax authorities)	242.13	FY 2008-09	CIT (A) - VI, Kolkata

- (x) The Company has no accumulated losses at the end of the financial year and it has incurred cash loss during the year. In the immediately preceding financial year, the Company had not incurred cash loss.
- (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.



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- (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 03 , 2012


**BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS**
**Balance Sheet as at 31st March, 2012**

	Notes	31st March 2012 (₹ in lacs)	31st March 2011 (₹ in lacs)
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	2313.32	2313.32
Reserves and Surplus	4	16934.96	18334.07
		<u>19248.28</u>	<u>20647.39</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term Borrowings	5	24.63	610.03
Deferred Tax Liabilities (Net)	6	639.64	1383.94
Other Long-term Liabilities	7	5.84	12.10
Long-term Provisions	8	223.80	228.00
		<u>893.91</u>	<u>2234.07</u>
<b>CURRENT LIABILITIES</b>			
Short-term Borrowings	9	15802.16	13917.98
Trade Payables	10	3260.46	2671.82
Other Current Liabilities	10	5485.17	4599.31
Short-term Provisions	11	1353.48	1888.30
		<u>25901.27</u>	<u>23077.41</u>
	<b>TOTAL</b>	<u>46043.46</u>	<u>45958.87</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	12	13428.25	14332.05
Intangible Assets	12	82.04	150.38
Capital Work-in-progress		9.04	-
Non-current Investments	13	5074.42	5074.42
Long-term Loans and Advances	14	587.18	417.99
Trade Receivables	17	2062.87	1206.02
Other Non-current Assets	15	747.44	573.63
		<u>21991.24</u>	<u>21754.49</u>
<b>CURRENT ASSETS</b>			
Inventories	16	10245.21	10938.22
Trade Receivables	17	10786.64	9040.39
Cash and Bank Balances	18	299.86	269.01
Short-term Loans and Advances	19	1984.81	2697.31
Other Current Assets	20	735.70	1259.45
		<u>24052.22</u>	<u>24204.38</u>
	<b>TOTAL</b>	<u>46043.46</u>	<u>45958.87</u>
Summary of Significant Accounting Policies	2.1		

The Notes 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

D. R. Bansal  
Chief Executive Officer

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

Chairman

Directors

Per Rajiv Goyal  
Partner  
Membership No. 94549  
New Delhi, 3rd May, 2012

Pankaj Kalani  
President (Commercial) & Secretary



## Statement of Profit and Loss for the year ended 31st March, 2012

	Notes	For the year ended 31st March 2012 (₹ in lacs)	For the year ended 31st March 2011 (₹ in lacs)
<b>INCOME</b>			
Revenue from Operations (Gross)	21	67319.11	57618.23
Less : Excise Duty		5326.75	4570.04
Revenue from Operations (Net)		61992.36	53048.19
Other Income	22	843.52	1514.53
<b>Total Revenue</b>		<b>62835.88</b>	<b>54562.72</b>
<b>EXPENDITURE</b>			
Cost of Raw Materials Consumed	23	45307.62	33877.47
Purchase of Stock-in-trade		3354.63	2835.26
(Increase)/Decrease in Inventories of Materials under Process, Finished Goods, Scrap and Traded Goods	24	(813.20)	652.43
Employee Benefits Expenses	25	3676.54	3591.31
Other Expenses	26	9535.17	8171.63
<b>Total Expenditure</b>		<b>61060.76</b>	<b>49128.10</b>
<b>Earnings before Interest, Tax, Depreciation and Amortization</b>		<b>1775.12</b>	<b>5434.62</b>
Depreciation and Amortization Expenses	27	1481.01	1656.83
Finance Costs	28	2397.26	1095.85
<b>Profit/(Loss) before Tax</b>		<b>(2103.15)</b>	<b>2681.94</b>
<b>Tax Expense</b>			
Current Tax		-	810.00
Earlier Year Taxes		34.16	-
Deferred Tax (Credit)/Charge		(744.30)	92.03
<b>Total Tax Expense/(Credit)</b>		<b>(710.14)</b>	<b>902.03</b>
<b>Profit/(Loss) for the year</b>		<b>(1393.01)</b>	<b>1779.91</b>
<b>Earnings Per Share (₹)</b>			
Basic & Diluted Earnings per Share	29	(6.02)	7.70
[Nominal Value of ₹ 10/- per share (Previous year ₹ 10/-)]			
Summary of Significant Accounting Policies	2.1		

The Notes referred to above form an integral part of the Statement of Profit and Loss.

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

Per Rajiv Goyal  
Partner  
Membership No. 94549  
New Delhi, 3rd May, 2012

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, 2012**

Description	2011-12		2010-11	
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit/(Loss) before Taxation</b>		<b>(2103.15)</b>		2681.94
<b>Adjustments for :</b>				
Depreciation	<b>1481.01</b>		1656.83	
(Profit)/Loss on Disposal of fixed assets (Net)	<b>(220.86)</b>		17.33	
Interest Income	<b>(38.52)</b>		(75.73)	
Dividend Income	<b>(18.69)</b>		(18.69)	
Interest Expense	<b>1390.53</b>		718.93	
Provision for Doubtful Debts and Advances	<b>75.93</b>		-	
Unrealised Foreign Exchange Loss	<b>144.61</b>	<b>2814.01</b>	-	2298.67
<b>Operating Profit before Working Capital Changes</b>		<b>710.86</b>		4980.61
<b>Movement in Working Capital :</b>				
Increase/(Decrease) in Trade Payables	<b>583.42</b>		(1367.07)	
Increase/(Decrease) in Long-term Provisions	<b>(4.20)</b>		1.10	
Increase/(Decrease) in Short-term Provisions	<b>74.78</b>		(24.58)	
Increase in Other Current Liabilities	<b>494.68</b>		341.38	
(Decrease) in Other Long-term Liabilities	<b>(6.26)</b>		(13.11)	
(Increase) in Trade Receivables	<b>(2642.42)</b>		(1564.27)	
Decrease in Inventories	<b>693.01</b>		136.19	
(Increase) in Long-term Loans and Advances	<b>(37.63)</b>		(189.11)	
Decrease/(Increase) in Short-term Loans and Advances	<b>688.69</b>		(1530.28)	
Decrease/(Increase) in Other Current Assets	<b>495.40</b>		(868.65)	
Decrease/(Increase) in Other Non-current assets	<b>(173.77)</b>	<b>165.70</b>	254.59	(4823.81)
<b>Cash from Operations</b>		<b>876.56</b>		156.80
Direct Taxes (paid)		<b>(215.26)</b>		(566.24)
<b>Net cash from Operating activities</b>		<b>661.30</b>		(409.44)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed assets	<b>(598.01)</b>		(3250.53)	
Proceeds from sale of Fixed assets	<b>293.83</b>		1509.15	
Loan Received Back	-		500.00	
Interest Received	<b>37.89</b>		86.86	
Fixed Deposit Taken	-		(0.21)	
Fixed Deposit Encashed	-		251.23	
Dividend Received	<b>18.69</b>		18.69	
<b>Net cash (used in) Investing activities</b>		<b>(247.60)</b>		(884.81)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
(Repayment) of Long-term Borrowings	<b>(252.13)</b>		(409.57)	
Proceeds from Short-term Borrowings	<b>1825.92</b>		2927.54	
Interest Paid	<b>(1427.43)</b>		(725.31)	
Dividend Paid (Including Corporate Dividend Tax)	<b>(529.21)</b>		(663.06)	
<b>Net cash from/(used in) Financing activities</b>		<b>(382.85)</b>		1129.60



## Cash Flow Statement for the year ended 31st March, 2012 (Contd.)

Description	2011-12		2010-11	
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>30.85</b>		(164.65)
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>269.01</b>		433.66
<b>Cash and Cash Equivalents at the end of the year</b>		<b>299.86</b>		269.01
<b>Components of Cash and Cash Equivalents</b>				
Cash on Hand		<b>3.76</b>		4.79
Cheques on Hand		<b>128.90</b>		72.52
<b>With Banks :</b>				
On Current Accounts		<b>86.53</b>		144.48
On Unclaimed Dividend Accounts*		<b>55.67</b>		47.22
On Deposit Accounts		<b>25.00</b>		-
		<b>299.86</b>		269.01

\*These balances are not available for use by the Company as they represent 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  
S. R. Jain  
S. S. Kothari  
S. C. Jain  
J. C. Sharma  
Dinesh Chanda

*Chairman*

*Directors*

Per Rajiv Goyal  
Partner  
Membership No. 94549  
New Delhi, 3rd May, 2012

Pankaj Kalani  
*President (Commercial) & Secretary*



## Notes to Financial Statements for the year ended 31st March, 2012

### 1. Nature of Operations

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

### 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). 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 except for the Accounting Policy change as described in Note 2.1 (a) below.

#### 2.1 Summary of Significant Accounting Policies :

##### (a) Change in accounting policy

During the year ended 31st March, 2012, the Revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company for preparation and presentation of its financial statements. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for presentation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

##### (b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### (c) Fixed Assets

###### (i) Tangible 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. In case of revaluation of fixed assets, the revalued amount as determined by the valuer is considered in the books of account and the differential amount is transferred to Revaluation Reserve. Depreciation on excess of revalued amount over cost is transferred from Revaluation Reserve to the Statement of Profit and Loss.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

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 imputed rate of interest that reflects current market assessment of the time value of money and risks specific to the asset.



(ii) **Depreciation on tangible assets**

Leasehold land is amortized on a straight line basis over the period of lease, i.e. 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.

(iii) **Intangible Assets and Amortization of Intangible Assets**

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 capitalized 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.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS-5 "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies".

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

(d) **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 Statement of Profit and Loss on a straight line basis over the lease term.

Where the Company is the Lessor :

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs including depreciation are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

(e) **Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements 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.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.



**(f) Inventories**

(i) Inventories are valued as follows :

Raw materials, Stores and Spare Parts	Lower of cost and net realisable value. Cost is determined on a 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 realisable 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 realisable 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 realisable 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.

**(g) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

**Sale of Goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer. The Company collects service tax, sales taxes, and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise Duty deducted from gross revenue is the amount that is included in the gross revenue and not the entire amount of liability arising during the year.

**Contract Revenue (Including Installation and Commissioning)**

Revenue from fixed price construction contracts is recognized 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 other 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.

**Interest**

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

**Dividend**

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

**Export Benefits**

Duty drawback 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.

## (h) 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 recognized as income or as expenses in the year in which they arise.

### (iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts, are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

## (i) Retirement and other employee benefits

(i) Retirement benefits in the form of Superannuation Fund is a defined contribution scheme and the contribution is charged to the Statement of Profit and Loss of the year when the contribution to the fund is due.

(ii) Retirement benefits in the form of Provident Fund (where contributed to the Regional PF Commissioner) is a defined contribution scheme. The contributions to the Provident Fund are charged to the Statement of Profit and Loss for the year when the contributions to the fund are due. The Company has no obligation, other than the contribution payable to the Provident Fund.

Retirement benefits in the form of Provident Fund contributed to the Trust set up by the employer is a defined benefit scheme and the payments are charged to the Statement of Profit and Loss of the year when the payments to the Trust are due. Shortfall in the funds, if any, is adequately provided for by the Company.

(iii) The Company operates two defined benefit plans for its employees, viz., Gratuity and Pension liability. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the Statement of Profit and Loss.

(iv) Accumulated leave, which is expected to be utilized within the next 12 months from the Balance Sheet date, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the entire leave as a Short-term Provisions in the Balance Sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**(j) 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized 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 realized. 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 asset 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 asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

**(k) Segment Reporting Policies****Identification of Segments**

The Company's operating businesses are organized 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 segments.

**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.

**(l) 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 number 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.

**(m) Provisions**

A provision is recognized 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.

**(n) 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.

**(o) Government Grants and Subsidies**

Grants and Subsidies from the Government are recognized 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 recognized 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.

**(p) Borrowing Costs**

Borrowing costs include interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest 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 capitalized 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.

**(q) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(r) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/(loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.



<b>31st March 2012</b>	31st March 2011
(₹ in lacs)	(₹ in lacs)

### 3. SHARE CAPITAL

#### Authorised

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

#### Issued

2,31,36,074	(2,31,36,074)	Equity Shares of ₹10/- each	<u><b>2313.61</b></u>	<u>2313.61</u>
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#### Subscribed and Fully paid up

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

**(a) Reconciliation of the number of shares outstanding and the amount of share capital as at 31st March, 2012 and 31st March, 2011 is as under :**

Description	31st March, 2012		31st March, 2011	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
Outstanding at the beginning of the year	<b>2,31,30,254</b>	<b>2313.32</b>	2,31,30,254	2313.32
Outstanding at the end of the year	<b>2,31,30,254</b>	<b>2313.32</b>	2,31,30,254	2313.32

**(b) Terms/Rights attached to Equity Shares :**

The Company has only one class of Shares referred to as Equity Shares having a par value of ₹10/- per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the Annual General Meeting. For the year ended 31st March, 2012, the amount of per share dividend recognized as distributions to equity shareholders is ₹ Nil (Previous year ₹ 2/-).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the amount paid up or credited as paid up on such equity shares respectively, after distribution of all preferential amounts.

**(c) Detail of Shareholders holding more than 5% shares in the Company is as under :**

Name of the Shareholders	31st March, 2012		31st March, 2011	
	No. of Shares held	Holding % age	No. of Shares held	Holding % age
Vindhya Telelinks Limited	<b>48,39,908</b>	<b>20.92</b>	48,39,908	20.92
Punjab Produce & Trading Co. Pvt. Limited	<b>29,10,128</b>	<b>12.58</b>	29,10,128	12.58
Gwalior Webbing Co. Limited	<b>16,88,573</b>	<b>7.30</b>	16,88,573	7.30

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :**

30,92,310 (Previous year 30,92,310) Equity Shares of ₹ 10/- each amounting to ₹ 3,09,23,100/- 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.



	31st March 2012 (₹ in lacs)	31st March 2011 (₹ in lacs)
<b>4. RESERVES AND SURPLUS</b>		
<b>Revaluation Reserve</b>		
Balance as per last account	163.18	177.76
Less : Amount transferred to the Statement of Profit and Loss as reduction from depreciation	6.10	14.58
<b>Closing Balance</b>	<u>157.08</u>	<u>163.18</u>
<b>Securities Premium Account</b>		
Balance as per last account	1767.56	1767.56
<b>Closing Balance</b>	<u>1767.56</u>	<u>1767.56</u>
<b>General Reserve</b>		
Balance as per last account	10103.14	9853.14
Add : Transfer from Surplus Balance in the Statement of Profit and Loss	-	250.00
<b>Closing Balance</b>	<u>10103.14</u>	<u>10103.14</u>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last account	6300.19	5305.71
Profit/(Loss) for the year	(1393.01)	1779.91
Amount available for Appropriation	4907.18	7085.62
<b>Less: Appropriations</b>		
Proposed Dividend	-	462.61
Corporate Dividend Tax	-	72.82
Transfer to General Reserve	-	250.00
<b>Total Appropriations</b>	<u>-</u>	<u>785.43</u>
<b>Net Surplus in the Statement of Profit and Loss</b>	<u>4907.18</u>	<u>6300.19</u>
<b>Total Reserves and Surplus</b>	<u>16934.96</u>	<u>18334.07</u>

#### 5. LONG-TERM BORROWINGS

Foreign Currency Loan - Buyer's Credit - Secured	24.63	610.03
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Foreign Currency Loan - Buyer's Credit from Bank(s) are secured by hypothecation of all present and future current assets. Further these facilities are secured by way of first charge on the immovable properties of the Company. It is repayable within 2 years from the Balance sheet date and carries rate of Interest ranging from 2.50% - 3.00%. Long Term Foreign Currency Loan - Buyer's Credit are repayable in 4 to 6 Installments of ₹ 5.50 lacs to ₹ 10.10 lacs.

#### 6. DEFERRED TAX LIABILITIES (NET)

<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes in following years	445.31	293.50
Unabsorbed depreciation*	430.72	-
Carry forward business loss*	126.12	-
Provision for Doubtful Debts and Advances	24.64	-
<b>Gross Deferred Tax Assets</b>	<u>1026.79</u>	<u>293.50</u>
<b>Deferred Tax Liabilities</b>		
Impact of difference in Depreciation and other differences in block of Fixed Assets and Intangible Assets as per Tax and Financial Books	1666.43	1677.44
<b>Gross Deferred Tax Liabilities</b>	<u>1666.43</u>	<u>1677.44</u>
<b>Deferred Tax Liabilities (Net)</b>	<u>639.64</u>	<u>1383.94</u>

\*The Company has recognized deferred tax assets on carry forward business losses and unabsorbed depreciation, as the Company is having timing differences the reversal of which will result in sufficient income to realise the deferred tax asset recognized on carry forward business losses and unabsorbed depreciation.





	31st March 2012 (₹ in lacs)	31st March 2011 (₹ in lacs)
<b>7. OTHER LONG-TERM LIABILITIES</b>		
Security Deposit	3.54	3.84
Others - Retention Money	<u>2.30</u>	<u>8.26</u>
	<b>5.84</b>	<b>12.10</b>
<b>8. LONG-TERM PROVISIONS</b>		
Provision for Pension (Refer Note No. 30)	<b>223.80</b>	228.00
<b>9. SHORT-TERM BORROWINGS</b>		
<b>Working Capital Loans from Banks - Secured</b>		
Cash Credit Account	<b>11816.74</b>	2955.40
Foreign Currency Loan - Buyer's Credit	<b>1985.42</b>	10962.58
<b>Loan From a Body Corporate - Unsecured</b>	<b>2000.00</b>	-
	<u><b>15802.16</b></u>	<u>13917.98</u>
<p>Cash Credit and Foreign Currency Loan - Buyer's Credit from Bank(s) are secured by hypothecation of all present and future current assets. Further these facilities are secured by way of first charge on the immovable properties of the Company. Cash Credit amount is repayable on demand and carries interest @ 13.00% to 14.75%. Foreign Currency Loan is repayable within 3 months to 12 months and carries rate of Interest ranging from 2.00% to 3.50%. Loan from a Body Corporate is repayable on demand and carries interest @ 12.00%.</p>		
<b>10. OTHER CURRENT LIABILITIES</b>		
<b>Trade Payables</b>		
Acceptances	<b>282.98</b>	447.13
Dues to :		
Micro, Small & Medium Enterprises (Refer Note No.40)	<b>421.02</b>	401.26
Other than Micro, Small & Medium Enterprises	<b>2556.46</b>	1823.43
	<u><b>3260.46</b></u>	<u>2671.82</u>
<b>Other Liabilities</b>		
Current Maturities of Long Term Borrowings (Refer Note No. 5)	<b>630.03</b>	210.40
Interest accrued but not due on Borrowings	<b>27.73</b>	64.63
Security Deposits*	<b>33.75</b>	36.15
Excess of Billing Over Revenue (Refer Note No. 38)	<b>106.48</b>	667.50
Others		
Statutory Dues	<b>471.81</b>	419.90
Creditors for Expenses	<b>1222.64</b>	1463.66
Retention Money	<b>16.99</b>	9.50
Unclaimed Dividend	<b>55.67</b>	47.22
(To be Transferred to Investor Education and Protection Fund as and when due)		
Advance from Customers	<b>2920.07</b>	1680.35
	<u><b>5485.17</b></u>	<u>4599.31</u>
<b>Total Other Current Liabilities</b>	<u><b>8745.63</b></u>	<u>7271.13</u>
*Security Deposits are Repayable on Demand.		
<b>11. SHORT-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
Provision for Pension (Refer Note No. 30)	<b>24.61</b>	24.61
Provision for Compensated Absences	<b>592.63</b>	544.40
Provision for Gratuity (Refer Note No. 30)	<b>50.69</b>	24.14
	<u><b>667.93</b></u>	<u>593.15</u>
<b>Others</b>		
Provision for Taxation (net of advance tax)	<b>685.55</b>	757.49
Provision for Proposed Dividend	-	462.61
Provision for Corporate Dividend Tax	-	75.05
	<u><b>685.55</b></u>	<u>1295.15</u>
<b>Total Short-term Provisions</b>	<u><b>1353.48</b></u>	<u>1888.30</u>

## 12. FIXED ASSETS

(₹ in lacs)

Description	Tangible Assets								Intangible Assets			Grand Total
	Freehold Land	Leasehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Total	Computer Software	Technical Know-how	Total	
<b>Gross Block</b>												
As at 1st April, 2010	191.01	267.07	4587.79	21314.63	573.90	242.56	257.32	27434.28	104.16	222.51	326.67	27760.95
Additions	-	-	641.04	3234.47	25.60	33.35	30.45	3964.91	19.79	-	19.79	3984.70
Disposals	-	-	-	5587.89	59.09	28.72	21.55	5697.25	4.74	-	4.74	5701.99
As at 31st March, 2011	191.01	267.07	5228.83	18961.21	540.41	247.19	266.22	25701.94	119.21	222.51	341.72	26043.66
Additions	-	-	12.47	473.94	95.18	6.22	0.12	587.93	-	-	-	587.93
Disposals	-	-	-	251.58	21.86	20.92	48.87	343.23	-	-	-	343.23
As at 31st March, 2012	191.01	267.07	5241.30	19183.57	613.73	232.49	217.47	25946.64	119.21	222.51	341.72	26288.36
<b>Depreciation</b>												
As at 1st April, 2010	-	64.12	1540.59	11792.74	299.37	165.49	76.03	13938.34	41.70	85.30	127.00	14065.34
Additions	-	3.04	130.00	1378.10	48.98	19.98	25.38	1605.48	21.42	44.50	65.92	1671.40
Disposals	-	-	-	4129.32	26.03	12.58	6.00	4173.93	1.58	-	1.58	4175.51
As at 31st March, 2011	-	67.16	1670.59	9041.52	322.32	172.89	95.41	11369.89	61.54	129.80	191.34	11561.23
Additions	-	3.04	130.72	1206.59	48.74	8.37	21.31	1418.77	23.84	44.50	68.34	1487.11
Disposals	-	-	-	217.05	19.26	20.56	13.40	270.27	-	-	-	270.27
As at 31st March, 2012	-	70.20	1801.31	10031.06	351.80	160.70	103.32	12518.39	85.38	174.30	259.68	12778.07
<b>Net Block</b>												
As at 31st March, 2011	191.01	199.91	3558.24	9919.69	218.09	74.30	170.81	14332.05	57.67	92.71	150.38	14482.43
As at 31st March, 2012	191.01	196.87	3439.99	9152.51	261.93	71.79	114.15	13428.25	33.83	48.21	82.04	13510.29

Notes :

- (i) Gross Block and WDV in respect of the Fixed Assets viz. Land, Buildings and Plant & Equipment include the following amounts on account of addition on revaluation made during the year ended 31st March, 1984 as per valuation carried out by an approved valuer on the basis of existing use value method as under :

(₹ in lacs)

Sl. No.	Assets	Gross Block		WDV	
		2012	2011	2012	2011
1	Land	37.87	37.87	37.87	37.87
2	Buildings	541.43	541.43	119.21	125.31
3	Plant & Equipment	999.47	1013.07	-	-
	<b>Total</b>	<b>1578.77</b>	<b>1592.37</b>	<b>157.08</b>	<b>163.18</b>

- (ii) Gross Block, Depreciation and WDV in respect of Fixed Assets given on operating lease by the Company and comprised in the Fixed Assets are as under :

(₹ in lacs)

Sl. No.	Assets	Gross Block		Depreciation during the year		Total Depreciation		Net Block	
		2012	2011	2012	2011	2012	2011	2012	2011
1	Land	127.67	127.67	1.34	1.34	35.58	34.24	92.09	93.43
2	Buildings	1033.41	1033.41	35.00	35.00	222.61	187.61	810.80	845.80
	<b>Total</b>	<b>1161.08</b>	<b>1161.08</b>	<b>36.34</b>	<b>36.34</b>	<b>258.19</b>	<b>221.85</b>	<b>902.89</b>	<b>939.23</b>

- (iii) Gross Block, Depreciation and WDV in respect of Buildings constructed on leasehold land are as under :

(₹ in lacs)

Description	2012	2011
Gross Block	1519.38	1519.38
Depreciation Charge for the Current Year	49.93	49.93
Accumulated Depreciation	361.75	311.82
Written Down Value	1157.63	1207.56



			31st March 2012 (₹ in lacs)	31st March 2011 (₹ in lacs)
<b>13. NON-CURRENT INVESTMENTS</b>				
<b>Trade Investments (Valued at Cost)</b>	No. of Shares	No. of Shares		
<b>Investments in Equity Instruments</b>	Current year	Previous year		
<b>Fully paid Equity Shares of ₹ 10/- each</b>				
<b>Quoted</b>				
Vindhya Telelinks Limited	34,54,530	34,54,530	<b>1897.31</b>	1897.31
<b>Investment in Joint Venture</b>				
Birla Ericsson Optical Limited	39,00,100	39,00,100	<b>850.01</b>	850.01
<b>Unquoted</b>				
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>Investment in Joint Venture</b>				
Birla Furukawa Fibre Optics Limited	45,00,000	45,00,000	<b>2241.00</b>	2241.00
<b>Non Trade Investments (Valued at Cost)</b>				
<b>Investments in Equity Instruments</b>				
<b>Quoted</b>				
<b>Fully paid Equity Shares of ₹ 10/- each</b>				
Birla Corporation Limited	2,96,730	2,96,730	<b>52.78</b>	52.78
Rameshwara Jute Mills Limited	900	900	<b>0.11</b>	0.11
<b>Unquoted</b>				
<b>Fully paid Equity Shares of ₹ 10/- each</b>				
Birla Financial Corporation Limited	3,00,366	3,00,366	<b>30.04</b>	30.04
Chennai Willingdon Corporate Foundation	55	55	<b>0.01</b>	0.01
<b>Fully paid Equity Shares of ₹ 100/- each</b>				
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>Investments in Government Securities</b>				
<b>Unquoted</b>				
6 year National Savings Certificates (Deposited with Sales Tax Authorities)			<b>0.18</b>	0.18
			<b>5074.42</b>	5074.42
Aggregate Amount of Quoted Investments			<b>2800.21</b>	2800.21
Market Value of Quoted Investments			<b>5989.93</b>	8915.40
Aggregate Amount of Unquoted Investments			<b>2274.21</b>	2274.21
<b>14. LONG TERM LOANS AND ADVANCES</b>				
Unsecured and Considered Good :				
Capital Advances			<b>17.05</b>	16.01
Loans To Employees			<b>18.69</b>	13.97
Advances recoverable in cash or in kind or for value to be received			<b>1.25</b>	0.50
Advance Income Tax			<b>206.65</b>	63.33
Balances with Statutory/Government Authorities			<b>113.78</b>	111.71
Security Deposit			<b>229.76</b>	212.47
			<b>587.18</b>	417.99
Unsecured and Considered Doubtful :				
Security Deposit			<b>12.80</b>	-
			<b>599.98</b>	417.99
Less : Provision for Doubtful Security Deposit			<b>12.80</b>	-
			<b>587.18</b>	417.99

	31st March 2012 (₹ in lacs)	31st March 2011 (₹ in lacs)
<b>15. OTHER NON-CURRENT ASSETS</b> (Unsecured and Considered Good)		
Industrial Investment Promotion Assistance	746.98	573.21
Non Current Bank Balances		
Deposit Accounts with Original Maturity of more than 12 Months (lodged with government departments)	0.21	0.21
Interest Receivable	0.25	0.21
	<u>747.44</u>	<u>573.63</u>
<b>16. INVENTORIES (Valued at lower of Cost or Net Realisable Value)</b>		
Raw Materials [including material in transit ₹ 247.47 lacs (Previous year ₹ 1645.27 lacs)] (Refer Note No. 23)	2464.45	4053.57
Work in Progress (Refer Note No. 24)	4229.20	2750.27
Finished Goods [including material in transit ₹ 206.11 lacs (Previous year ₹ Nil)] (Refer Note No. 24)	2809.21	3119.24
Traded Goods [including material in transit ₹ 3.13 lacs (Previous year ₹ 267.05 lacs)] (Refer Note No. 24)	3.37	331.78
Stores and Spares [including material in transit ₹ Nil (Previous year ₹ 37.99 lacs)]	673.75	590.84
Scrap	65.23	92.52
	<u>10245.21</u>	<u>10938.22</u>
<b>17. TRADE RECEIVABLES (Unsecured)</b>		
<b>Non-Current</b>		
Debts Outstanding for a period exceeding six months from the date they are due for payment -		
Considered Good	-	-
Considered Doubtful	-	-
	<u>-</u>	<u>-</u>
Other Debts -		
Considered Good	2062.87	1206.02
	<u>2062.87</u>	<u>1206.02</u>
<b>Current</b>		
Debts outstanding for a period exceeding six months from the date they are due for payment -		
Considered Good	349.13	489.27
Considered Doubtful	39.32	-
	<u>388.45</u>	<u>489.27</u>
Other Debts -		
Considered Good	10437.51	8551.12
	<u>10825.96</u>	<u>9040.39</u>
Less : Provision for Doubtful Debts	39.32	-
	<u>10786.64</u>	<u>9040.39</u>
<b>Total Trade Receivables</b>	<u>12849.51</u>	<u>10246.41</u>



31st March 2012 (₹ in lacs)	31st March 2011 (₹ in lacs)
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**18. CASH AND BANK BALANCES****Cash and Cash Equivalents****Balance with Banks**

On Current Accounts	86.53	144.48
On Deposit Accounts with Original Maturity of less than 3 Months	25.00	-
On Unpaid Dividend Accounts	55.67	47.22
Cheques/Drafts on Hand	128.90	72.52
Cash on Hand	3.76	4.79

**Other Bank Balances**

On Deposit Accounts with Original Maturity of more than 12 Months	0.21	0.21
	<u>300.07</u>	<u>269.22</u>
Less : Amount disclosed under Other Non-Current assets (Refer Note No. 15)	0.21	0.21
	<u>299.86</u>	<u>269.01</u>

**19. SHORT TERM LOANS AND ADVANCES**

## Unsecured and Considered Good

Loans To Employees	58.54	43.73
Advances recoverable in cash or in kind or for value to be received	426.20	1640.03
Balances with Statutory/Government Authorities	1351.79	472.66
Security Deposit	148.28	540.89
	<u>1984.81</u>	<u>2697.31</u>

## Unsecured and Considered Doubtful

Security Deposit	23.81	-
	<u>2008.62</u>	<u>2697.31</u>

## Less : Provision for Doubtful Security Deposit

	23.81	-
	<u>1984.81</u>	<u>2697.31</u>

**20. OTHER CURRENT ASSETS**

## (Unsecured and Considered Good)

## Receivables on account of -

Interest on Deposits	0.65	0.06
Export/Deemed Export Benefits	385.36	222.54
Industrial Investment Promotion Assistance	215.56	612.43
Fixed Assets held for Sale	-	28.94
Unamortized Premium on Forward Contract	10.48	38.00
Unbilled Revenue (Refer Note No. 38)	123.65	357.48
	<u>735.70</u>	<u>1259.45</u>



<b>For the year ended 31st March 2012 (₹ in lacs)</b>	<b>For the year ended 31st March 2011 (₹ in lacs)</b>
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## 21. REVENUE FROM OPERATIONS

<b>Sale of Products</b>		
Finished Goods	<b>60137.83</b>	51152.79
Traded Goods	<b>4034.37</b>	3179.58
<b>Sale of Services</b>		
Installation and Commissioning Charges Received	<b>1883.90</b>	2158.88
<b>Other Operating Revenue</b>		
Scrap Sales	<b>1182.79</b>	1006.55
Duty Drawback	<b>80.22</b>	120.43
<b>Revenue from Operations (Gross)</b>	<b>67319.11</b>	57618.23
Less : Excise Duty	<b>5326.75</b>	4570.04
<b>Revenue from Operations (Net)</b>	<b>61992.36</b>	53048.19

In accordance with the Explanation below Para 10 of Notified Accounting Standard 9 : Revenue Recognition, Excise Duty on sales amounting to ₹ 5326.75 lacs (Previous year ₹ 4570.04 lacs) has been reduced from sales in the Statement of Profit and Loss and Excise Duty on increase in stocks amounting to ₹ 17.99 lacs is considered as expense (₹ 116.78 lacs being Excise Duty on decrease in stock has been considered as income in the Previous year) in Note No. 26 "Other Expenses" of the financial statements.

## DETAILS OF PRODUCTS SOLD

<b>Manufactured Goods Sold</b>		
Electrical Cables, Wires, Conductors and Strips of all types	<b>57439.76</b>	46857.22
Capacitors	<b>2698.07</b>	3085.22
Optical Fibre	<b>-</b>	1210.35
	<b>60137.83</b>	51152.79
<b>Traded Goods Sold</b>		
Associated Equipments	<b>1896.74</b>	1778.37
Optical Fibre	<b>2137.63</b>	1401.21
	<b>4034.37</b>	3179.58
<b>Total Sale of Products</b>	<b>64172.20</b>	54332.37

## 22. OTHER INCOME

Interest		
On Bank Deposits	<b>0.24</b>	10.86
Others	<b>38.28</b>	64.87
Dividend - On Non-current Investments	<b>18.69</b>	18.69
Rent received	<b>104.92</b>	219.03
Foreign Exchange Fluctuation (Net)	<b>-</b>	648.28
Industrial Investment Promotion Assistance	<b>389.34</b>	357.64
Profit on Disposal of Fixed Assets	<b>220.86</b>	-
Other Non Operating Income	<b>71.19</b>	195.16
	<b>843.52</b>	1514.53



	For the year ended 31st March 2012 (₹ in lacs)	For the year ended 31st March 2011 (₹ in lacs)
<b>23. COST OF RAW MATERIALS CONSUMED</b>		
Inventories at the beginning of the year	4053.57	3623.01
Add : Purchases (Net)	<u>43718.50</u>	<u>34308.03</u>
	47772.07	37931.04
Less : Inventories at the end of the year	<u>2464.45</u>	<u>4053.57</u>
	<u>45307.62</u>	<u>33877.47</u>
<b>Details of Raw Materials Inventories</b>		
Aluminium	447.18	428.47
Copper	386.94	1810.95
PVC Compound	71.05	110.42
Others	1559.28	1703.73
	<u>2464.45</u>	<u>4053.57</u>
<b>Details of Raw Materials Consumed</b>		
Aluminium	9297.16	7185.31
Copper	19664.83	12712.24
PVC Compound	3647.70	3301.85
Others	12697.93	10678.07
	<u>45307.62</u>	<u>33877.47</u>
<b>24. (INCREASE)/DECREASE IN INVENTORIES</b>		
Inventories at the end of the year		
Work in Progress	4229.20	2750.27
Finished Goods	2809.21	3119.24
Scrap	65.23	92.52
Traded Goods	3.37	331.78
	<u>7107.01</u>	<u>6293.81</u>
Inventories at the beginning of the year		
Work in Progress	2750.27	2775.70
Finished Goods	3119.24	4109.06
Scrap	92.52	49.65
Traded Goods	331.78	11.83
	<u>6293.81</u>	<u>6946.24</u>
(Increase)/Decrease in Inventories	<u>(813.20)</u>	<u>652.43</u>
<b>(Increase)/Decrease in Inventories</b>		
Work in Progress	(1478.93)	25.43
Finished Goods	310.03	989.82
Scrap	27.29	(42.87)
Traded Goods	328.41	(319.95)
	<u>(813.20)</u>	<u>652.43</u>





<b>For the year ended 31st March 2012 (₹ in lacs)</b>	<b>For the year ended 31st March 2011 (₹ in lacs)</b>
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#### 24. (INCREASE)/DECREASE IN INVENTORIES (Contd.)

##### Details of Purchase of Traded Goods

Associated Equipments	<b>1536.66</b>	1182.07
Optical Fibre	<b>1817.97</b>	1653.19
<b>Total</b>	<b>3354.63</b>	<b>2835.26</b>

##### Details of Inventories

Work in Progress		
Cables	<b>4022.52</b>	2617.13
Capacitors	<b>206.68</b>	133.14
	<b>4229.20</b>	<b>2750.27</b>
Finished Goods		
Electrical Cables, Wires, Conductors and Strips of all types	<b>2734.91</b>	3073.84
Capacitors	<b>74.30</b>	45.40
	<b>2809.21</b>	<b>3119.24</b>
Traded Goods		
Associated Equipments	<b>3.37</b>	64.73
Optical Fibre	<b>-</b>	267.05
	<b>3.37</b>	<b>331.78</b>
Scrap	<b>65.23</b>	92.52
<b>Total Inventories</b>	<b>7107.01</b>	<b>6293.81</b>

#### 25. EMPLOYEE BENEFITS EXPENSES

Salaries, Wages and Bonus	<b>2853.29</b>	2802.08
Contribution to Provident and Other Funds	<b>224.12</b>	215.11
Gratuity Expenses (Refer Note No. 30)	<b>100.39</b>	106.60
Other Post Employment Benefits (Refer Note No. 30)	<b>85.31</b>	86.12
Staff Welfare Expenses	<b>413.43</b>	381.40
	<b>3676.54</b>	<b>3591.31</b>

#### 26. OTHER EXPENSES

Consumption of Stores and Spare Parts	<b>764.51</b>	662.53
Packing Expenses	<b>1230.34</b>	1047.85
Power and Fuel	<b>1206.17</b>	1143.16
Processing and Job Work Charges	<b>41.26</b>	71.02
Sub-contracting Expenses for Installation and Commissioning	<b>1316.79</b>	1268.06
Commission and Brokerage	<b>608.26</b>	436.82
Freight and Transportation Charges (Net)	<b>670.05</b>	713.16
Increase/(Decrease) of Excise Duty on Change in Inventories	<b>17.99</b>	(116.78)
Rent	<b>114.81</b>	120.03
Rates and Taxes	<b>73.65</b>	44.89
Insurance Charges	<b>89.93</b>	88.80
Repair and Maintenance :		
Machineries	<b>80.99</b>	92.56
Buildings	<b>234.59</b>	352.31
Others	<b>59.58</b>	85.28



	For the year ended 31st March 2012 (₹ in lacs)	For the year ended 31st March 2011 (₹ in lacs)
<b>26. OTHER EXPENSES (Contd.)</b>		
Directors' Sitting Fees	8.65	8.25
Auditors' Remuneration :		
As auditors		
Audit Fees (including ₹ 0.25 lac to Branch Auditors)	7.50	7.50
Tax Audit Fees (including ₹ 0.15 lac to Branch Auditors)	1.65	1.45
Limited Reviews (including ₹ 0.13 lac to Branch Auditors)	6.13	6.17
For Other Services		
Certification etc. (including ₹ 0.55 lac to Branch Auditors)	4.80	1.38
For Reimbursement of Expenses (including ₹ 0.10 lac to Branch Auditors)	1.82	1.22
Foreign Exchange Fluctuation (Net)	964.32	-
Donations and Contributions	11.45	4.12
Provision for Doubtful Debts and Advances	40.14	-
Provision for Doubtful Security Deposits	36.61	-
Loss on Disposal of Fixed Assets (Net)	-	17.33
Cash Discount	97.59	103.50
Premium on Forward Exchange Contract Amortized	187.17	497.11
Bank Charges	52.06	42.84
Miscellaneous Expenses	1606.36	1471.07
	<u>9535.17</u>	<u>8171.63</u>
<b>27. DEPRECIATION AND AMORTIZATION</b>		
Depreciation on Tangible Assets	1418.77	1605.48
Amortization of Intangible Assets	68.34	65.93
	<u>1487.11</u>	<u>1671.41</u>
Less : Recoupment from Revaluation Reserve	6.10	14.58
	<u>1481.01</u>	<u>1656.83</u>
<b>28. FINANCE COSTS</b>		
Interest	1390.53	718.93
Bank Charges	196.89	196.92
Exchange Difference to the extent considered as an adjustment to Borrowing Costs	809.84	180.00
	<u>2397.26</u>	<u>1095.85</u>
<b>29. EARNINGS PER SHARE (EPS)</b>		
Net Profit/(Loss) as per Statement of Profit and Loss	(1393.01)	1779.91
Number of Equity Shares Outstanding at the beginning of the year	23130254	23130254
Number of Equity Shares Outstanding at the end of the year	23130254	23130254
Weighted Average Number of Equity Shares Outstanding during the year	23130254	23130254
Basic and Diluted Earnings Per Share (₹)	(6.02)	7.70
[Nominal Value of ₹ 10/- per share (Previous year ₹ 10/-)]		

### 30. 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 a Pension Scheme in place for some of its employees who had opted for this Scheme in the past. Presently, there are 23 employees covered under the Scheme, out of which one employee is continuing his employment as on 31.03.2012 and the remaining 22 are retired ones.

The pension entitlement is based on the final salary and period of service put in by the pensioners as per the Pension Scheme of the Company. No escalation in the terminal salary is considered after retirement. The Pension is paid to the employee till his/her survival and thereafter it is paid to the surviving spouse as per the rate prescribed under the Scheme. No post-employment medical plans are covered under the Pension Scheme of the Company.

The following tables summarise the components of net benefit expense recognized in the Statement of Profit and Loss, the funded status and the amounts recognized in the Balance Sheet for the respective plans.

Net Employee Benefits Expense recognized in the Statement of Profit and Loss :

(₹ in lacs)

Description	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
Current Service Cost	67.34	61.89	-	-
Interest Cost on benefit obligation	90.95	78.28	17.27	17.23
Expected Return on Plan Assets	(99.48)	(86.73)	-	-
Net Actuarial Loss recognized during the year	36.69	41.66	2.59	6.93
Add: Movement in short term liability of current employees	4.89	11.50	-	(0.29)
Net Benefit Expense	100.39	106.60	19.86	23.87

Amounts recognized in the Balance Sheet :

(₹ in lacs)

Description	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
Defined Benefit Obligation at end of the period	1192.35	1098.21	248.41	252.61
Plan Assets at end of the period	1141.66	1074.07	-	-
Plan (Liabilities)	(50.69)	(24.14)	(248.41)	(252.61)

Experience Adjustment :

(₹ in lacs)

Description	Gratuity					Pension				
	2011-12	2010-11	2009-10	2008-09	2007-08	2011-12	2010-11	2009-10	2008-09	2007-08
Defined Benefit Obligation at end of period	1192.35	1098.21	1021.46	923.81	788.97	248.41	252.61	251.80	276.85	263.64
Plan Assets at end of the period	1141.66	1074.07	956.42	850.02	(776.57)	-	-	-	-	-
Plan Assets/(Liabilities)	(50.69)	(24.14)	(65.04)	(73.79)	12.40	(248.41)	(252.61)	(251.80)	(276.85)	263.64
Experience (Gain)/Loss adjustments on Plan Liabilities	36.69	41.66	70.68	140.52	-	2.59	6.93	(13.06)	27.73	-
Experience Loss adjustments on Plan Assets	52.43	-	-	-	-	-	-	-	-	-
Actuarial (Gain) due to change of assumptions	(15.74)	-	-	-	-	-	-	-	-	-



Changes in Present Value of the Defined Benefit Obligation are as follows :

(₹ in lacs)

Description	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
Opening Defined Benefit Obligation	<b>1098.21</b>	1021.46	<b>252.61</b>	251.80
Interest Cost	<b>90.95</b>	78.28	<b>17.27</b>	17.23
Current Service Cost	<b>67.34</b>	61.89	-	-
Benefits paid	<b>(101.72)</b>	(116.04)	<b>(24.06)</b>	(23.06)
Actuarial Loss on obligations	<b>36.69</b>	41.66	<b>2.59</b>	6.93
Already paid off of employees transferred from Group Companies	<b>4.80</b>	7.04	-	-
Add: Differential liability (short term) for current employees	<b>(3.92)</b>	3.92	-	(0.29)
Closing Defined Benefit Obligation	<b>1192.35</b>	1098.21	<b>248.41</b>	252.61

Changes in the Fair Value of Plan Assets are as follows :

(₹ in lacs)

Description	Gratuity	
	2011-12	2010-11
Opening Fair Value of Plan Assets	<b>1074.07</b>	956.42
Expected Return	<b>99.10</b>	86.73
Contributions by employer	<b>70.21</b>	146.96
Benefits paid	<b>(101.72)</b>	(116.04)
Closing Fair Value of Plan Assets	<b>1141.66</b>	1074.07

The major categories of Plan Assets as a percentage of the Fair Value of total Plan Assets are as follows :

Description	Gratuity (%)	
	2011-12	2010-11
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 :

Description	Gratuity		Pension	
	2011-12	2010-11	2011-12	2010-11
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>8.65%</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>9.40%</b>	9.30%	<b>N.A.</b>	N.A.
Remaining Working Life (Years)	<b>12.73</b>	12.82	<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 ₹ 100 lacs (Previous year ₹ 125 lacs) to the Gratuity Fund during the year 2012-13.

#### Defined Contribution Plan

(₹ in lacs)

Description	2011-12	2010-11	2009-10	2008-09	2007-08
Contribution to Family Pension Fund	<b>91.25</b>	92.40	90.88	86.58	81.95
Contribution to Provident Fund	<b>122.92</b>	115.12	105.22	94.46	79.45
Contribution to Superannuation Fund	<b>85.31</b>	86.12	81.92	75.31	72.38
Total	<b>299.48</b>	293.64	278.02	256.35	233.78

The Provident Fund being administered by Trusts is a Defined Benefit Scheme whereby the Company deposits an amount determined as a fixed percentage of basic pay to the Fund every month. The benefit vests upon commencement of employment. The interest credited to the accounts of the employees is adjusted on an annual basis to conform to the interest rate declared by the government for the Employees Provident Fund. The Guidance Note on implementing AS-15, Employee Benefits (Revised 2005) issued by the Accounting Standards Board (ASB) states that Provident Funds set up by employers, which require interest shortfall to be met by the employer, needs to be treated as Defined Benefit Plan. The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The Actuary has accordingly provided a valuation and based on the below provided assumptions, there is no shortfall as at 31st March, 2012.

Details of Fund and Plan Assets Position as of 31st March, 2012 are as follows :

(₹ in lacs)

Description	Amount
Plan Assets at Fair Value	4677.89
Present Value of Defined Benefit Obligation	4405.83
Surplus in Fund	272.06
Asset recognized in the Balance Sheet	-

### 31. 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 organisations/engineering industries like railways, shipping, refineries, etc. PVC winding wires are used for submersible pumps. Capacitor consists of high/low voltage capacitors.

Optical 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 31st March, 2012 and 31st March, 2011 and certain assets and liabilities information regarding industry segments at 31st March, 2012 and 31st March, 2011 :

(₹ in lacs)

Business Segments	Year ended 31st March, 2012			Year ended 31st March, 2011		
	Power Cables & Capacitors	Optical Fibre	Total	Power Cables & Capacitors	Optical Fibre	Total
<b>Revenue</b>						
External Sales (Including Other Operating Income)	59787.72	2204.64	61992.36	50510.19	2538.00	53048.19
Other Income*	693.11	0.76	693.87	1172.80	28.28	1201.08
Total Revenue	60480.83	2205.40	62686.23	51682.99	2566.28	54249.27
<b>Results</b>						
Segment result	18.45	2.32	20.77	3990.57	(154.48)	3836.09
Unallocated Corporate Income/(Expenses) (Net)			37.93			(330.95)
Operating Profit			58.70			3505.14
Interest Expenses (Net)			(2161.85)			(823.20)
Provision for Taxation			-			(810.00)
Earlier Year Taxes			(34.16)			-
Deferred Tax Credit/(Charge)			744.30			(92.03)
Profit/(Loss) from Ordinary Activities			(1393.01)			1779.91
<b>Other Information</b>						
Segment Assets	38775.35	1227.29	40002.64	37089.21	2958.81	40048.02
Unallocated Corporate Assets			6040.82			5910.85
Total Assets			46043.46			45958.87
Segment Liabilities	8761.59	251.58	9013.17	8042.36	389.28	8431.64
Unallocated Corporate Liabilities			17782.01			16879.84
Total Liabilities			26795.18			25311.48
Capital Expenditure	596.97	-	596.97	3274.87	1.42	3276.29
Depreciation	1414.26	40.41	1454.67	1406.83	223.76	1630.59
Unallocated Depreciation			26.34			26.24
<b>Other Non Cash Expenditure</b>						
Provision for Doubtful Debts (Net)	39.32	-	39.32	-	-	-
Provision for Doubtful Security Deposits	36.61	-	36.61	-	-	-

\* Excludes ₹ 149.65 lacs (₹ 313.45 lacs) netted of 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 :

Revenue from Operations by Geographical Market :

(₹ in lacs)

Geographical Market Segment	2011-12	2010-11
Domestic Market	59322.74	51575.76
Overseas Markets	2669.62	1472.43
<b>Total</b>	<b>61992.36</b>	<b>53048.19</b>

The following table shows the carrying amount of Trade Receivables by Geographical Market :

(₹ in lacs)

Geographical Market Segment	2011-12	2010-11
Domestic Market	12849.51	10216.05
Overseas Markets	-	30.36
<b>Total</b>	<b>12849.51</b>	<b>10246.41</b>

All the fixed assets of the Company are located in India and are common 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.

**32. Related Party Disclosure :**

Related Parties with whom transactions have taken place during the year are as follows :

Key Management Personnel	Shri. 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)

Sl. No.	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)</b>	<b>Transactions during the year</b>							
1	Purchase of Raw Materials, Stores, Spares and Packing Materials	2012 2011	- -	0.09 1.13	- 546.96	0.21 299.13	524.53 305.78	524.74 604.91
2	Sale of Raw Materials, Stores, Spares and Packing Materials	2012 2011	- -	10.49 5.32	- -	36.03 111.92	1.97 -	38.00 111.92
3	Other Service Charges and Rent Received	2012 2011	- -	- -	101.28 66.59	0.32 0.37	- -	0.32 0.37
4	Other Service Charges & Lease Rent Paid	2012 2011	- -	7.32 5.29	- -	417.81 217.35	- -	417.81 217.35
5	Sales of Finished & Other Goods	2012 2011	- -	- 457.66	12.93 3.74	346.90 640.45	- -	346.90 640.45
6	Purchase of Finished & Other Goods	2012 2011	- -	6.54 -	2065.52 1135.41	565.14 0.22	- -	565.14 0.22
7	Purchase of Fixed Assets	2012 2011	- -	- -	- -	- 13.43	- -	- 13.43

Sl. No.	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
8	Sale of Fixed Assets	2012	-	-	8.86	-	-	-
		2011	-	0.09	1484.19	-	-	-
9	Inter Corporate Loans/Deposit taken	2012	-	-	7.00	-	-	-
		2011	-	-	-	-	-	-
10	Inter Corporate Loans received back	2012	-	-	-	-	-	-
		2011	-	-	-	500.00	-	500.00
11	Interest on Inter Corporate Loans received	2012	-	-	-	-	-	-
		2011	-	-	-	23.93	-	23.93
12	Excise Credit Transfer	2012	-	-	-	-	-	-
		2011	-	-	205.80	-	-	-
13	Dividend Paid	2012	-	22.15	-	96.80	-	96.80
		2011	-	27.69	-	121.00	-	121.00
14	Remuneration Paid*	2012	35.25	-	-	-	-	-
		2011	48.22	-	-	-	-	-
15	Interest on Inter Corporate Loan/Deposit Paid	2012	-	-	0.58	-	-	-
		2011	-	-	-	-	-	-
16	Corporate Guarantee given	2012	-	-	-	-	-	-
		2011	-	-	3520.00	-	-	-
17	Reimbursements received/receivable	2012	-	0.30	1.29	0.37	0.01	0.38
		2011	-	0.11	-	0.32	-	0.32
18	Reimbursements paid/payable	2012	-	0.05	-	8.86	-	8.86
		2011	-	-	-	10.97	-	10.97
<b>(B)</b>	<b>Balance outstanding as at the year end</b>							
1	Advances recoverable in cash or in kind or for value to be received	2012	-	-	-	-	-	-
		2011	-	-	1489.99	-	-	-
2	Trade Payables/Other Liabilities	2012	-	-	7.00	528.84	-	528.84
		2011	12.00	-	373.91	136.95	-	136.95
3	Corporate Guarantee given	2012	-	-	3520.00	-	-	-
		2011	-	-	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 Shri D.R. Bansal (Key Management Personnel), is therefore 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.

### 33. Leases :

#### Assets Given on Operating Lease :

The Company has leased out Land and Buildings on Operating Lease. The lease term is for 55 months and thereafter renewable by mutual consent on mutually agreed terms. There is an escalation clause in the Lease Agreement that rent shall be increased for every subsequent period of 11 months by an amount equal to 6% of the lease rent. There is no restriction imposed by Lease Agreements. The rent is not based on any contingency. The leases are cancelable.

During the year, the Company has received lease rent of ₹ 104.92 lacs (Previous year ₹ 219.03 lacs) which is disclosed as rent received under Note No. 22 "Other Income".

#### Assets Taken on Operating Lease :

The Company has taken various Residential, Office and Warehouse premises under operating Lease Agreement(s). The Lease Agreement(s) generally do not have an escalation clause and there are no subleases. These leases are generally cancelable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by Lease Agreement(s). The aggregate lease rentals paid/payable are charged as "Rent" under Note No. 26 "Other Expenses".

The future minimum lease payments under non-cancelable operating lease is ₹ Nil (Previous year ₹ Nil).


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

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

Name of the JVCs	Country of Incorporation	Proportion of Ownership Interest	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 year(s) ended 31st March, 2012 and 31st March, 2011 in the above Companies, as per their financial statements are as under :

(₹ in lacs)

Proportion of Company's Interest in JVCs	BEOL		BFL	
	2011-12 (Unaudited)	2010-11 (Audited)	2011-12 (Unaudited)	2010-11 (Audited)
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Long-term Borrowings	9.35	21.89	118.03	274.19
Deferred Tax Liabilities (Net)	-	-	97.80	-
Long-term Provisions	21.91	19.68	7.61	9.72
<b>CURRENT LIABILITIES</b>				
Short-term Borrowings	356.39	93.94	1021.26	647.22
Trade Payables	198.06	67.73	741.24	309.43
Other Current Liabilities	41.59	201.07	391.63	1013.68
Short-term Provisions	6.32	6.07	4.86	1.24
<b>TOTAL</b>	<b>633.62</b>	<b>410.38</b>	<b>2382.43</b>	<b>2255.48</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed Assets				
Tangible Assets	418.94	457.22	2432.90	2466.26
Intangible Assets	0.45	1.05	2.22	-
Capital Work-in-progress	2.49	0.82	-	68.05
Non-current Investments	182.80	182.80	-	-
Long-term Loans and Advances	5.96	7.47	73.55	44.68
Other Non-current Assets	0.02	-	28.76	36.99
Deferred Tax Assets (Net)	-	-	-	5.08
<b>CURRENT ASSETS</b>				
Inventories	228.22	192.07	386.36	357.47
Trade Receivables	358.76	210.92	1260.46	522.63
Cash and Bank Balances	76.26	72.23	433.18	780.43
Short-term Loans and Advances	91.35	81.25	192.43	219.93
Other Current Assets	3.61	2.48	3.05	3.32
<b>TOTAL</b>	<b>1368.86</b>	<b>1208.31</b>	<b>4812.91</b>	<b>4504.84</b>



(₹ in lacs)

Proportion of Company's Interest in JVCs	BEOL		BFL	
	2011-12 (Unaudited)	2010-11 (Audited)	2011-12 (Unaudited)	2010-11 (Audited)
<b>Income</b>				
Revenue From Operations less Excise Duty	<b>976.34</b>	881.22	<b>4941.26</b>	1394.73
Other Income	<b>29.42</b>	30.34	<b>15.42</b>	74.79
Preoperative Income transferred to Capital Work-in-Progress	-	-	-	(6.62)
<b>Expenses</b>				
Cost of Raw Material Consumed	<b>746.43</b>	656.05	<b>2989.90</b>	1089.97
Purchase of Stock in Trade	<b>17.40</b>	31.04	<b>31.10</b>	-
(Increase)/Decrease in Inventories of Materials under process, Finished Goods, Scrap and Traded Goods	<b>(21.85)</b>	0.45	<b>(25.19)</b>	(201.02)
Employee Benefits Expenses	<b>96.05</b>	89.98	<b>172.01</b>	94.18
Finance Costs	<b>63.74</b>	26.83	<b>158.71</b>	31.35
Depreciation/Amortization	<b>49.37</b>	47.41	<b>259.87</b>	134.23
Other Expenses	<b>117.74</b>	116.73	<b>1086.31</b>	394.27
Preoperative Expenses transferred to Capital Work-in-Progress	-	-	-	(90.35)
Provision for Tax	<b>(0.42)</b>	(0.04)	<b>102.88</b>	(2.68)
Contingent Liabilities	<b>1682.51</b>	378.03	<b>178.42</b>	205.73
Capital Commitments	<b>0.07</b>	1.04	<b>8.10</b>	8.84

35. In view of excise duty tariff rates on the Company's finished products being lower than cenvatable Customs Duty on imported inputs, the Company has accumulated CENVAT credits aggregating to ₹ 965.81 lacs (Previous year ₹ 459.24 lacs). Since there is no time limit for utilization of these balances and based on the alternative mechanism devised for reduction of cenvat credit balances on a year on year basis, in the opinion of the management this does not call for any provision thereagainst.

**36. Capital and other commitments :**

- Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 1528.63 lacs (Previous year ₹ 123.87 lacs).
- The Company has entered into EPC contracts and contracts for sale of cables. Non-fulfillment of contract within specified period will lead to payment of Liquidated Damages ranging from 5% to 10%.
- For commitment relating to Lease arrangement, Refer to Note No. 33 "Leases".

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

(₹ in lacs)

Sl. No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
1	Income Tax*	<b>259.27</b>	428.04
2	Terminal Tax Liability**	<b>214.37</b>	-
3	Excise and Service Tax Cases***	<b>170.60</b>	-
4	Bills of exchange discounted with Banks	<b>3308.91</b>	1183.77
5	Corporate Guarantee issued in favour of SBI on behalf of the Joint Venture Company viz. "Birla Furukawa Fibre Optics Ltd."	<b>3520.00</b>	3520.00

\* Income Tax demand comprise demand from the Indian Tax Authorities for payment of additional tax of ₹ 233.54 lacs (Previous year ₹ 428.04 lacs) upon completion of tax assessments for the financial years 2007-08 and 2008-09. Further for the years 2009-10, 2010-11 and 2011-12, the Management has considered ₹ 25.73 lacs as contingent liability based on the issues raised in the tax assessments of earlier years. The Tax demands are mainly on account of disallowance of benefits which is linked to Capital Investments (determined @ 75% of total Commercial Tax (VAT + CST) paid and exemption from Entry Tax), Additional Depreciation, and other miscellaneous expenses under the Income Tax Act, 1961.



The Company is contesting the demands and the Management, believes that its position is likely to be upheld in the appellate process. The Company has accrued ₹ 1050.09 lacs (Previous year ₹ 869.33) in the financial statements for the tax demand raised and balance of ₹ 259.27 lacs has been disclosed as contingent liability. The management also believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

\*\* Terminal Tax liability is in respect of demand raised by the Municipal Corporation of Satna (M.P.) under provisions of the Madhya Pradesh Municipal Corporation Act, 1956. The Company has contested the demand *inter alia* by challenging its constitutional validity. The Company has been legally advised that the said demand against the Company is unsustainable and therefore there is hardly any likelihood of the Company being subjected to any Terminal Tax Liability.

\*\*\* On the basis of current status of individual cases and as per legal advice obtained by the Company, wherever applicable, the Company is confident that no provision is required in respect of these cases at this point in time.

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

(₹ in lacs)

Particulars	2011-2012	2010-2011
Contract revenue recognized as revenue during the year relating to ongoing projects	6565.12	7168.63
Contract cost incurred plus recognized profits upto reporting date	19978.48	17563.33
Advances received	521.83	146.78
Amount outstanding/retentions	5126.07	3964.26
Gross amount due from customers for contract work presented as an asset	123.65	357.48
Gross amount due to customers for contract work presented as a liability	106.48	667.50

**Contract revenue recognized as revenue during the year relating to Ongoing and Completed projects**

(₹ in lacs)

Particulars	2011-2012	2010-2011
Contract revenue recognized as revenue during the year relating to ongoing projects	6565.12	7168.63
Contract revenue recognized as revenue during the year relating to completed projects	1674.89	144.27
<b>Total</b>	<b>8240.01</b>	<b>7312.90</b>

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

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

Particulars	Currency	2011-12			2010-11			Purpose
		Amount in Foreign Currency	Exchange Rate	₹ in lacs	Amount in Foreign Currency	Exchange Rate	₹ in lacs	
FC Loans - Buyer's Credit	USD	2858832.27	51.53	1473.16	10256896.06	45.14	4629.96	Hedging of Buyer's Credit
Interest Accrued and not due on Loans	USD	39144.58	51.53	20.17	110137.61	45.14	49.72	Hedging of Interest payments

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

Particulars	Currency	2011-12			2010-11		
		Amount in Foreign Currency	Exchange Rate	₹ in lacs	Amount in Foreign Currency	Exchange Rate	₹ in lacs
Acceptances	USD	549165.16	51.53	282.98	990543.53	45.14	447.13
Trade Payables	USD	169205.92	51.53	87.19	367907.14	45.14	166.07
	SEK	46753.00	7.80	3.65	705437.60	7.19	50.72
	JPY	4143046.85	0.63	26.18	15630866.10	0.55	85.72
	EUR	-	-	-	315252.62	63.99	201.73
FC Loans - Buyer's Credit	USD	2264546.60	51.53	1166.92	15846360.19	45.14	7153.05
Interest Accrued and not due on Loans	USD	27597.41	51.53	14.22	144963.08	45.14	65.44
Advance from Customers	USD	-	-	-	105539.56	45.14	47.64
Trade Receivables	USD	-	-	-	68643.50	44.23	30.36
Loans and Advances	EUR	27343.58	65.67	17.96	9383.01	62.36	5.85
	USD	107583.60	51.04	54.91	7451.00	44.23	3.30
	JPY	103766.51	0.54	0.56	65513.00	0.53	0.35
	GBP	-	-	-	22547.60	70.99	16.01

(c) A sum of ₹ 10.48 lacs (Previous year ₹ 38.00 lacs) on account of unamortized foreign exchange premium on outstanding forward exchange contracts is being carried forward to be charged to Statement of Profit and Loss of the subsequent period.

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

(₹ in lacs)

Sl. No.	Particulars	2011-12	2010-11
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier :		
	Principal amount	392.97	373.77
	Interest thereon	28.05	27.49
(ii)	the amount of interest paid by the buyer in terms of Section 16, alongwith 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.	27.49	Nil
(iv)	the amount of interest accrued and remaining unpaid.	28.05	27.49
(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

41. The market value of a long term strategic quoted Non-current investment (trade) in a Joint Venture Company namely, Birla Ericsson Optical Limited is approximately ₹ 389 lacs as at 31st March, 2012, thus having a temporary decline of ₹ 461 lacs as compared to the carrying amount of the said investment. Having regard to the future growth potential of the investee company, in the opinion of the management the decline in the market value of Company's investment is not considered to be of permanent nature and hence does not call for any provision thereagainst.



42. In view of unexpected losses incurred by the company during the year, mainly on account of sharp weakening of Indian Rupee vis-à-vis US Dollar and other foreign currencies, elevated input prices amid high volatility and soaring interest rates, the Managerial Remuneration paid to Shri D.R. Bansal, Chief Executive Officer of the Company, has exceeded the limits prescribed under paragraph A Section II Part II of Schedule XIII to the Companies Act, 1956 which needs to be ratified, confirmed and approved by the Company in General Meeting in terms of paragraph B Section II Part II of Schedule XIII to the Companies Act, 1956.

The Company therefore is in the process of getting a Special Resolution passed in the ensuing Annual General Meeting to ratify, confirm and approve the Managerial Remuneration paid in excess to Shri D.R. Bansal, Chief Executive Officer of the Company, as aforesaid.

#### 43. Supplementary Statutory Information

(₹ in lacs)

	2011-12	2010-11
<b>(A) Earnings in Foreign Currency (on accrual basis)</b>		
1. Export at F.O.B. Value	2583.59	1453.17
2. Claims from Vendors	2.25	3.67
3. Others	-	8.49
<b>(B) Expenditure in Foreign Currency (on accrual basis) (Including Taxes, if any)</b>		
1. Travelling	34.26	48.70
2. Interest	251.59	313.25
3. Royalty	49.03	4.38
4. Commission	21.94	23.71
5. Technical Services	224.19	153.11
6. Others	29.10	78.51
<b>(C) Value of imports calculated on C.I.F. basis (on accrual basis)</b>		
1. Raw Materials	25021.01	17337.16
2. Stores & Spare Parts	110.51	103.08
3. Capital Goods	228.57	1656.27
4. Goods purchased for re-sale	47.86	720.40

#### (D) Imported and Indigenous Raw Materials and Stores & Spare Parts Consumed and percentage thereof :

(₹ in lacs)

Sl. No.	Particulars	Total Value of Consumption	Imported Value*	Indigenous Value*	Percentage of total consumption	
					Imported	Indigenous
1	Raw Materials	45307.62 (33877.47)	28116.62 (17485.65)	17191.00 (16391.82)	62.06 (51.61)	37.94 (48.39)
2	Stores & Spare Parts	764.51 (662.53)	111.65 (89.01)	652.86 (573.52)	14.60 (13.44)	85.40 (86.56)

\*As certified by the Management.

#### 44. Previous Year Figures

Till the year ended 31st March, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956 for preparation and presentation of its financial statements. During the year ended 31st March, 2012, the Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company. The Company has reclassified/regrouped previous year figures to confirm to this year's classification. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for presentation of financial statements. However, it impacts presentation and disclosure made in financial statements, particularly presentation of Balance Sheet. Figures shown in brackets, represent those of the previous year.

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*

Pankaj Kalani  
*President (Commercial) & Secretary*

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

*Chairman*

*Directors*

Per Rajiv Goyal  
Partner  
Membership No. 94549  
New Delhi, 3rd May, 2012



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

Registered 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 67th Annual General Meeting of the Company to be held on  
Thursday, the 28th June, 2012 and at any adjournment thereof in favour of/against the resolution(s).

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2012

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 the dematerialized form are requested to quote their DP ID and Client ID for identification.

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

**UNIVERSAL CABLES LIMITED**

Registered 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 SEVENTH ANNUAL GENERAL MEETING being held at the Registered Office of the Company on Thursday, the 28th June, 2012.

Registered Folio No.	
DP ID*	
Client ID*	
No. of Share 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.







Glimpses of Chairman's visit to factory premises at Satna.



Company's products being showcased at IEEMA International Exhibition at Mumbai in January, 2012



CSR activities during the year

## UNIVERSAL CABLES LIMITED

*Regd. Office: Power Cable Plant & Capacitor Plant*  
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Visit us at :

[www.unistar.co.in](http://www.unistar.co.in)

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**UNIVERSAL CABLES LIMITED**

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