

UNI[★]STAR[®]



UNIVERSAL CABLES LTD.

Annual Report & Accounts
for the Year Ended 31st March 2013





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 2012-2013

DIRECTORS

SHRI HARSH V. LODHA
DR. S. R. JAIN
SHRI S.S. KOTHARI
SHRI S.C. JAIN
SHRI J.C. SHARMA
SHRI DINESH CHANDA
SHRI D.R. BANSAL

Chairman

Chief Mentor & Executive Director

AUDIT COMMITTEE

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

Chairman

CHIEF EXECUTIVE OFFICER

SHRI Y.S. LODHA

COMPANY SECRETARY

SHRI AVANISH DWIVEDI

AUDITORS

V. SANKAR AIYAR & CO.
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





Notice

TO THE SHAREHOLDERS

NOTICE is hereby given that the Sixty-Eighth Annual General Meeting of the Members of Universal Cables Limited will be held at the Registered Office of the Company at Birla Vikas, Satna (M.P.) on Tuesday, the 9th July, 2013 at 11.00 A.M. to transact the following business :-

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Harsh V. Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Dinesh Chanda, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Messrs V. Sankar Aiyar & Co., Chartered Accountants, the retiring auditors, as Statutory Auditors of the Company (including Goa Unit), 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.

Registered Office :

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

By order of the Board

(Avanish Dwivedi)
Company Secretary

21st May, 2013

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF SUCH MEMBER. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
2. Messrs Satish Dhume & Co., Chartered Accountants, the retiring branch auditors have given an intimation in writing expressing their inability to be re-appointed as branch auditors for the Company's Goa Unit. It is proposed that Messrs V. Sankar Aiyar & Co., Chartered Accountants, who are being re-appointed as Statutory Auditors of the Company, at the ensuing Annual General Meeting of the Company to be held on 9th July, 2013, be also entrusted with the responsibility of audit of the Company's Goa Unit for the financial year 2013-14. 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.4 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. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 3rd July, 2013 to Tuesday, the 9th July, 2013 (both days inclusive).
4. Messrs Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 is the Registrar and Share Transfer Agent for physical shares of the Company. Link Intime India Pvt. Ltd. is also the depository interface of the Company with both NSDL and CDSL.
5. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
6. 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, 2006 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.
7. Additional information pursuant to Clause 49 of the Listing Agreement(s) with Stock Exchanges, on Directors recommended for re-appointment at the forthcoming Annual General Meeting, are given in the Annexure to the Notice.
8. Members/Proxies are requested to deposit the Attendance Slip duly filled in and signed for attending the Meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and, on a poll, to vote on their behalf at the Annual General Meeting. Members who hold shares in de-materialized form are requested to bring their DP I.D. and client I.D. No.(s) for easier identification of attendance at the meeting.


ANNEXURE TO NOTICE

Details of Directors seeking re-appointment in the ensuing Annual General Meeting scheduled to be held on 9th July, 2013.

Name of Director	Shri Harsh V. Lodha	Shri Dinesh Chanda
Date of Birth	13.02.1967	26.10.1936
Date of Appointment	24.04.1998	23.05.2007
Expertise in specific functional areas	<p>He is an eminent Chartered Accountant and has served as Partner of M/s Lodha & Co., Chartered Accountants. He has been actively involved in significant assignments in the areas of takeovers and mergers/reconstructions and rehabilitations, international and domestic financing, project structuring, capital mobilization, joint-ventures and collaborations. He is serving on the Managing Committee of ASSOCHAM. He has served on the Executive Committee of FICCI and as Chairman of its Corporation Laws and Governance Committee and Co-Chairman of its Young Leaders Forum. He has served as a Member of Working Group on Corporate Governance set up by the Department of Company Affairs, Government of India and Working Group to frame guidelines for the registration and operations of the Securitisation Companies and Asset Reconstruction Companies constituted by the Reserve Bank of India. He has served as Member of the Accounting Standards Board of The Institute of Chartered Accountants of India. He has served as Vice President of the Indian Chamber of Commerce, Calcutta and as Chairman of its Economic Affairs Committee, Banking & Finance and Direct Tax Committees. He has served as Honorary Consul of the Government of Romania for West Bengal, Orissa and Bihar. Also served as the Vice Consul of the Republic of Philippines for Eastern India. He is on Boards of several reputed Companies.</p>	<p>After doing B.Sc. from BHU in 1955, he did B.E. (Electrical) from University of Roorkee in 1958. He is a Life Member of Institution of Engineers (I) and also of Indian Institute of Welding. He is a Chartered Engineer (I) since July, 1995. In his professional career spanning over 46 years upto February, 2006, he contributed in Government/PSU and Private Sector Industries. He started his career with Tata Power Co. Ltd., Bombay and moved to U.P. State Electricity Board in a Hydel power project. Later on he held various positions in Bharat Heavy Electricals Ltd. and participated in technology transfer and absorption from Siemens, Germany for manufacture of 200 MW/500 MW thermal sets. He has been exposed to Production Planning and Control of Electrical Machines for 1½ years at USSR and Germany. He moved to Heavy Engineering Corporation Ltd., Ranchi and was Director on the Board for 6½ years. During his tenure, technology transfer in latest steel making techniques with SMS, Germany and heavy coal mining machinery from USA & U.K. and other equipment were absorbed. After this, he had 11 years long stint in cement production. Optimising energy consumption, introducing systems & debottlenecking for enhanced capacity was his key contribution. Throughout his career he has been an enabling, empowering and charismatic personality.</p>
List of outside Directorships held*	Alfred Herbert (India) Ltd. Birla Corporation Ltd. Birla Ericsson Optical Ltd. Birla Furukawa Fibre Optics Ltd. Fenner (India) Ltd. Hindustan Gum & Chemicals Ltd. Punjab Produce Holdings Ltd. Vindhya Telelinks Ltd.	None
Chairman/Member of the Committee of the Board of Directors of the Company	None	Member - Audit Committee Member - Share Transfer and Shareholders'/Investors' Grievance Committee



Chairman/Member of the Committee of the Board of Directors of other Public Companies	Chairman - Share Transfer and Shareholders'/Investors' Grievance Committee of Birla Corporation Ltd. - Investors Grievance Committee of Alfred Herbert (India) Ltd. Member - Audit Committee of Fenner (India) Ltd. - Audit Committee of Punjab Produce Holdings Ltd.	None
Shareholding of the Non-Executive Director	7950 Shares	150 Shares
Relationship between Directors inter-se	None	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.)
21st May, 2013

By order of the Board

(Avanish Dwivedi)
Company Secretary

Important Communication to Members

In support of the 'Green Initiative' taken up by the Ministry of Corporate Affairs which permits companies to send documents like General Meeting Notices, Annual Reports, etc., to its members in electronic form, the Company has decided to send all permitted communications electronically to the preferred email addresses of its Members. We request all esteemed Members to register/update email addresses with their respective Depository Participants in case of shares held in dematerialized form and in case of shares held in physical form, with Registrar & Share Transfer Agents Messrs 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: universalcablesogogreen@linkintime.co.in, quoting the Folio Number and name of the Company. Such registration/updation 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.



Five Years at a Glance

(₹ in crores)

Particulars	Year				
	2012-13	2011-12	2010-11	2009-10	2008-09
OPERATING RESULTS					
Revenue from Operations/Turnover	684.72	673.19	576.18	527.61	640.91
Other Income	8.19	8.44	15.15	21.35	7.61
Gross Revenue	692.91	681.63	591.33	548.96	648.52
Profit before Interest, Depreciation & Tax	33.50	17.75	54.35	66.05	47.97
Finance Costs/Interest	25.68	23.97	10.96	7.86	20.23
Profit/(Loss) before Depreciation & Tax	7.82	(6.22)	43.39	58.19	27.74
Depreciation	14.77	14.81	16.57	16.87	16.49
Tax Expense/(Credit)	(2.33)	(7.10)	9.02	14.18	4.25
Net Profit/(Loss)	(4.62)	(13.93)	17.80	27.14	7.00
Dividend	-	-	4.63	5.78	2.31
Corporate Dividend Tax	-	-	0.73	0.99	0.39
Retained Earnings	(4.62)	(13.93)	12.44	20.37	4.30
Cash Earnings	10.15	0.88	34.37	44.01	23.49
ASSETS & LIABILITIES					
Fixed Assets					
Gross Block	284.51	262.97	260.44	284.69	271.61
Net Block	142.56	135.19	144.82	144.04	144.01
Investments	50.74	50.74	50.74	50.74	28.33
Current & Other Assets	388.33	274.50	264.02	247.03	245.37
Total Assets	581.63	460.43	459.58	441.81	417.71
Share Capital	23.13	23.13	23.13	23.13	23.13
Reserves & Surplus	164.69	169.35	183.34	171.04	150.81
Net Worth	187.82	192.48	206.47	194.17	173.94
Borrowings	211.83	164.57	147.38	134.25	125.62
Deferred Tax Liabilities	4.06	6.40	13.84	12.92	10.49
Current Liabilities & Provisions	177.92	96.98	91.89	100.47	107.66
Total Liabilities	581.63	460.43	459.58	441.81	417.71
Earnings per Ordinary Share (₹)	(2.00)	(6.02)	7.70	11.73	3.03
Cash Earnings per Ordinary Share (₹)	4.39	0.38	14.86	19.03	10.16
Dividend per Share (₹)	-	-	2.00	2.50	1.00
Net Worth per Ordinary Share (₹)	81.20	83.22	89.27	83.95	75.20

Directors' Report

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Annual Report, together with the Audited Financial Statements of the Company for the year ended 31st March, 2013.

FINANCIAL MATTERS

Description	Amount (₹ in lacs)			
	Year Ended 31st March, 2013		Year Ended 31st March, 2012	
Gross Income		69290.58		68161.81
Profit before Interest, Depreciation and Tax		3350.36		1775.12
Finance Cost		2568.64		2397.26
Profit/(Loss) before Depreciation and Tax		781.72		(622.14)
Depreciation and Amortization	1476.88		1481.01	
Earlier Year Taxes	1.20		34.16	
Deferred Tax (Credit)	(234.09)	1243.99	(744.30)	770.87
(Loss) for the year		(462.27)		(1393.01)
Surplus brought forward from previous year		4907.18		6300.19
Surplus carried to Balance Sheet		4444.91		4907.18

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

GENERAL & CORPORATE MATTERS

Despite stiff competition during the year under review, your Company has been able to register slightly higher gross revenue at ₹ 692.91 crores as compared to ₹ 681.62 crores for the previous fiscal.

In terms of EBITDA also, the Company witnessed significant improvement at ₹ 33.50 crores as compared to ₹ 17.75 crores for the previous year.

Although the increase in overall revenue, has helped the Company to contain its net loss at ₹ 4.62 crores as against ₹ 13.93 crores for the year 2011-12, intense competition leading to compromise in margins, longer working capital cycle due to financial strife faced by the ultimate customers in the power sector, higher finance costs on account of liquidity crunch and elevated input prices have hindered resilience of the Company to overcome its subdued performance in the previous fiscal.

The power sector which is inextricably intertwined with the country's economic development still remains a weak spot. Despite major reforms in place, the power sector, being plagued with multifaceted problems such as fuel scarcity, shortage of equipments, infrastructural constraints, etc. has been perennially lagging behind its target, thereby exposing the economic development to a major risk. The hydrocarbon fuel linkage for the power plants, which is the mainstay for conventional power, is in a diabolic state. Even the nuclear energy remains shrouded with uncertainties. In this sector, the Industry does not see any cataclysmic change in the immediate future. There is an air of uncertainty of the industry either re-entering into recession or enduring a prolonged period of low demand growth.

Though the economy is on low ebb, there is a silver lining of a good potential that imminently lies ahead for meeting the rising per capita energy demand which gives the industry a redeeming hope of a sustainable demand spiral. Economic recession is no stranger to the Company, it has passed through cyclical phases of low demand where the Company has shown indefatigable spirit, resilience and unending zest to emerge as a strong player.



The Company in its quest for future products deserves the credit for developing 400kV cable, the highest achieved level in the world for underground cables, which has a promising future for power sub-transmission networks. This achievement is the first of its kind by an Indian manufacturer. This development inarguably pitchforks the Company into the top echelon of global players.

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

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 the Chief Mentor & Executive Director 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 attached hereto and forms part of this Directors' Report.

DIRECTORS' 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, 2013, 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 2012-13 and of the loss for the year ended 31st March, 2013;
- ◆ 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 Accounts for the year ended 31st March, 2013 have been prepared on a 'going concern' basis.

INDUSTRIAL RELATIONS & SAFETY

Industrial relations remained by and large cordial during the year.

DIRECTORS

The Board of Directors of the Company at its meeting held on 3rd May, 2012 had appointed Shri D.R. Bansal as the Chief Mentor & Executive Director of the Company for a period of 3 (Three) years with effect from 5th May, 2012 to 4th May, 2015 for which requisite approvals including from shareholders of the Company vide a Special Resolution passed at the Annual General Meeting held on 28th June, 2012 and the Central government have been obtained.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Harsh V. Lodha and Shri Dinesh Chanda, the Directors, are due to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Details about Directors seeking 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.

Shri S.N. Prasad, a Director of the Company has left for his heavenly abode on 13th December, 2012.

Shri S.K. Daga acted as Alternate Director to Shri S.N. Prasad till 13th December, 2012, when he vacated the office of the Alternate Director upon the sad demise of Shri S.N. Prasad.

Shri S.P. Tamrakar acted as Alternate Director to Shri Dinesh Chanda, till he vacated the office under section 313(2) of the Companies Act, 1956 with effect from 31st October, 2012.

AUDITORS

Messrs V. Sankar Aiyar & Co., Chartered Accountants, retire as Auditors of the Company and being eligible offer themselves for re-appointment for the financial year 2013-2014.

Messrs Satish Dhume & Co., Chartered Accountants, Panaji, Goa the retiring branch auditors at the ensuing Annual General Meeting have given an intimation in writing expressing their inability to be re-appointed as branch auditors for the Company's Goa Unit. Your Directors recommend that Messrs V. Sankar Aiyar & Co., Chartered Accountants who are being re-appointed



as Statutory Auditors of the Company, at the ensuing Annual General Meeting of the Company, be also entrusted with the responsibility of audit of the Company's Goa Unit for the financial year 2013-2014.

Your Company has appointed Messrs D. Sabyasachi & Co., Cost Accountants, as Cost Auditors for conducting audit of the cost accounts maintained by the Company in respect of cables and capacitors. The due date and actual date of filing of the cost audit report of the Company for the financial year 2011-12 are 31.01.2013 and 15.01.2013, respectively.

AUDITORS'S REPORT

Notes to Financial Statements are self explanatory including with respect to Emphasis of Matter paragraph drawn by the Auditors in their report and therefore, do not call for any further comments or explanations.

JOINT VENTURE

Birla Furukawa Fibre Optics Limited (BFL), a joint venture between the Company and 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.

BFL has recorded considerable growth in its operations notwithstanding that it is just a three years old Company.

Your directors are pleased to inform that Birla Ericsson Optical Ltd., a venture promoted by your Company in association with Vindhya Telelinks Limited and Ericsson Cables AB, Sweden has shown significant improvement in the financial performance during the year under review.

INDUSTRIAL RELATIONS

Industrial relations remained cordial throughout the year. Your Directors recognize and appreciate the sincere and hard work, loyalty, dedicated efforts and contribution of all the employees in most difficult and challenging business environment during the year.

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

PARTICULARS OF EMPLOYEES

As required under Section 217(2A) of the Companies Act, 1956 and the Rules made thereunder, particulars of the employee concerned are given in **Annexure 'A'** which is attached hereto and forms a part of the Directors' Report.

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 'B'** which is attached hereto and forms a part of the Directors' Report.

ACKNOWLEDGEMENT

The Board desires to place on record its grateful appreciation for the excellent assistance and co-operation received from the State Government and continued support extended to the Company by the bankers, investors, suppliers, esteemed customers and other business associates.

Yours faithfully,

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

Chairman

Directors

Chief Mentor & Executive Director

New Delhi, 21st May, 2013


ANNEXURE 'A'
PARTICULARS OF EMPLOYEES AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREIN AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

Name	Designation	Remuneration received (₹)	Qualification	Experience (Years)	Date of commencement of Employment	Age (Years)	Previous Employment held
Shri D.R. Bansal	Chief Mentor & Executive Director	94,84,589	M.Sc.	51	01.08.1964	73	Hindustan Gum & Chemicals Ltd., Bhiwani (Designation-Sales Incharge & Chief Chemist)

Notes :

- (1) The employment is contractual.
- (2) Other terms & conditions are as per Company's Rules & Regulations.
- (3) Shri D.R. Bansal is not a relative of any Director of the Company.
- (4) Remuneration received includes Salary, Company's contribution to Provident Fund and taxable value of Perquisites.
- (5) Shri D.R. Bansal does not own more than 2% of the outstanding shares of the Company as on 31st March, 2013.

Harsh V. Lodha	}	<i>Chairman</i>
S.R. Jain		<i>Directors</i>
S.S. Kothari		
S. C. Jain		
J.C. Sharma		
Dinesh Chanda		
D.R. Bansal		<i>Chief Mentor & Executive Director</i>

New Delhi, 21st May, 2013

ANNEXURE 'B'
PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1965, AND THE RULES MADE THEREUNDER AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.
(A) CONSERVATION OF ENERGY
Following Energy Conservation measures were taken during the year :

Continued Energy conservation drive by Upgradation/Modernisation of Electrical Control System of old plant & machinery by adoption of energy efficient digital drives.

(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: <ol style="list-style-type: none"> (i) 185 Square mm, 3 core 11 kV grade Flexible Trailing Cable of 1000 meters standard length without any joint for use in open cast mines. (ii) Torsion Test equipment for estimation of life under simulating field condition of 18/30 kV grade G9X type flexible Wind Turbine Cables at Ambient temperature of -20°C. (iii) Zero Halogen Low Smoke, oil and heat resistant Thermosetting Composite Insulation Compound suitable for 120°C continuous operation for Electric Locomotives. (iv) 3300 V Fluoroelastomeric Insulated Cable for lead wire of rolling stock.
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2.	Benefits derived as a result of the above R&D	Import substitution, technology up-gradation, improvement in productivity & overall operating efficiencies and extension of product range.
3.	Future plan of action	(i) Development of composite trailing cable with fibre optic. (ii) Development of thermal and radiation resistant LSOH type FS and Non-FS MV power cables.
4.	Expenditure on R&D	(a) Capital ₹ 21.34 lacs (b) Recurring ₹ 134.44 lacs (c) Total ₹ 155.78 lacs (d) Total R&D expenditure 0.23% (as percentage of total turnover)

II. Technology absorption, adaptation and innovation

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation.	The Company absorbs and adapts the technologies on a continuous basis to meet its specific product needs from time to time. Innovation in process control, product development, cost reduction and quality improvement are being made on a continuous basis looking to the market requirements.
2.	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	(a) New product development (b) Cost optimization (c) Improved productivity and process controls (d) Import substitution and overall cost reduction
3.	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following may be furnished: (a) Technology imported (b) Year of import (c) Has technology been fully absorbed? If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	Know-how and Technical Assistance from Furukawa Electric Co. Ltd., Japan for manufacture of 132 kV to 400 kV XLPE Cables by Continuous Vulcanization (CV) process using VCV Line. 2006-2007 Technology imparted is being absorbed.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings : ₹ 311.26 lacs

Outgo : ₹ 12141.92 lacs

Harsh V. Lodha

S.R. Jain

S.S. Kothari

S. C. Jain

J.C. Sharma

Dinesh Chanda

D.R. Bansal

Chairman

Directors

Chief Mentor & Executive Director

New Delhi, 21st May, 2013



Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company prides itself of being in the vanguard of the Indian Power Cables & Capacitors industry. With a sense of strong commitment for continuous technology up-gradation, the Company has been steering itself to higher realms of technology, always ensuring to stay ahead of competition.

The Company's iconic Brand, "Unistar", synonymic to "uncompromised quality" maintains its sheen as ever and is recognised as the most trusted name in the industry. The Company has been continuously re-modelling its strategic manoeuvres while addressing the pressing challenges confronting the Industry at various points of time. The Company with its overarching goal to bring value to its customer has etched a reputation for delivering quality products, meeting customer satisfaction and constantly moving up the technology ladder.

In this complex and demanding market place where it is imperative to address the customer's changing needs during changing times, the Company with certitude believes that a customer-centric approach is central to its long term success and has therefore been constantly aligning the Company's strategy with customer values.

The financial year began with indications of a modest economic revival which gave the Industry a glimmer of hope for an improved market demand. The infrastructural segment painted a positive outlook giving the industry a "go signal". However, the industry sentiments were short lived as the Government was gripped by the "policy paralysis", bringing a deadlock to the decision making process stalling the economic growth at a critical juncture. This phenomenon eventually drifted across a wide section of infrastructural industries bringing a large number of on-going projects to a grinding halt and future ones to a stillborn status.

The political inaction, policy deadlock and instability in the financial system have dragged on for far too long which has not been conducive to the investor confidence. Not surprising, this situation has further exacerbated with the "risk-off" attitude of investors. Even the global investors who were once salivating over the country's infrastructural opportunities have switched to a wait-and-watch mode. The industry sentiments remains disenchanted with the dark shadow cast over the economy, sinking the hope of an emerging buoyant market. This leaves the industry obsessively concerned with the future scenario.

The longstanding economic duress has put the industry's patience on test for long, weakening its faith. As a consequence of losing hope on an immediate economic upturn and the possibility of a demand rebound, industry players are conceding to the option of making a footprint on the overseas market as a logical element of their strategic plan for growth.

The Company recognised that it needs to de-risk itself from a polarized high-end market segment and stretch out to a broader market base to offset the market aberrations. With this in mind, the Company staged a strategic manoeuvre, incisively aimed at recovering its lost ground in the high volume medium and low voltage market segment.

With the intensification of the competitive climate in the market, the Company acknowledges that the manufacturing cost structure has always been the "Achilles heel" of the Company which needs immediate attention. With this in perspective, the Company has taken a strategic viewpoint to transform itself to a high-volume cost-competitive manufacturing base. To strengthen its manufacturing vertical, the Company is expanding its medium voltage capacity by installing an additional Continuous Catenary Vulcanizing (CCV) line. Concurrently, to supplement the capacity constraints, the overall down-stream manufacturing facilities are also under augmentation. With the addition of this infrastructure, it would facilitate sustainable growth in the top-line from which the Company clearly envisages a virtuous cycle of multiple gains enabling it to transform into a cost competitive manufacturing base. With the installation of the 2nd CCV line, the Company would have a unique flexible manufacturing range which could cater to asymmetric demand patterns of EHV and MV power cable market segments. Needless to mention, the Company would achieve maximum mileage when both segments have a buoyant demand. More so, with the integration of the global market, the cost-effective manufacturing augurs well in favour of the Company's future growth prospects.

Another serious concern faced by the Industry is the acute crisis of liquidity in the market which has given rise to delayed payments. This is accompanied with the cascading effects of high borrowing interest rates and credit crunch. The Company is carefully weighing its option to accept contracts which are not conducive to its business operation and can hamper its cash flow.

The Company has been successful in driving the top-line growth despite the nonchalant market. In the process, the Company has been successful in reducing the input raw material cost with better bargaining power and scaling down the manufacturing cost by optimizing the down time and improvement in productivity. With sharp focus on logistics, there has been improvement in the cash-to-cash cycle.

The Company is in the process of relocating its manufacturing facilities for winding wires to its Goa location where other synergic light duty cables are also planned for manufacturing.

In a bid to step out into the overseas market, the Company is aggressively attempting to secure overseas business. The Company has been successful in winning a contract for cables for a prestigious project in Oman.

PRODUCT-WISE PERFORMANCE, OPPORTUNITIES, THREATS & BUSINESS OUTLOOK

Power Cables & Capacitors :

Gross revenue from this segment during the year was ₹ 692.91 crores as compared to ₹ 659.57 crores during the previous year.

EHV Power Cables :

The EHV segment showed a depressed demand. Nevertheless, in the forthcoming year, the demand outlook is much better. The implementation of underground transmission, though unavoidable, is an expensive option, therefore decision making for project implementation takes its own course of time. This has been the major cause for the cyclical demand pattern for EHV cable.

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 the rise in the per capita demand, a huge chasm of imbalance between power generation and distribution needs to be bridged. Mega EHV power transmission corridors are being constructed across the length & breadth of the country for evacuation and transmission of power to the distribution nodes. This is implicitly encouraging for the Company as these large transmission lines entering in the metropolis have to be dovetailed with the EHV underground sub-transmission networks within and around the metro-cities & satellite towns. Notably, the infrastructure in the underground transmission segment is in its embryonic 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 areas. This phenomenon would inevitably drive the demand of EHV cables through the growth curve.

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

Rubber Cables for Original Equipment Manufacturers & Industries :

The Company has an impressive product line-up of speciality cables and is well established as the technology leader. It has been serving the original equipment manufacturers (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. It is also in the process of developing photovoltaic cables for solar farms. 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, holds the leading edge over its competitors.

MV Power Cables :

While the EHV demand took a setback, the MV demand has more or less been constant. During the past few years, the Company had been constantly losing ground as it had been focussing mainly in the high-end EHV segment. The Company took concerted action to stage a come-back and has increased its market share which has largely contributed to its top-line. 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 vibrancy to the demand.

LV Power Cables :

The market has gradually commoditized with major demand of the industry being catered by dealers and distributors. The LV 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. The company has restricted its market share in this segment and diverted its energy and resources in the higher value-added products. Notwithstanding, the Company maintains its focus mainly on project requirements where the regional players with inadequate quality standard are screened out. In keeping with the market trend, the Company also plans to reinforce its dealer and distribution network.

Export :

The Company maintains its status as a "Star Export House". The Company is the member of the Federation of Indian Export Organisation (FIEO) as manufacturer exporter which gives the Company a formidable recognition as a manufacturer and exporter.

Overseas Competition :

Though a few international players have set up manufacturing plants in India, other international players from Europe, South East Asia and Far East are keenly observing the Indian market ready to set up manufacturing bases at the opportune moment. These players are keen mainly on the high-end products. As the dust settles down with the economic revival, it is expected that more international players would make a foray in the Indian market space. The Company is confident to face the challenges from the international competition as it is technically at par with the best-of-class global players.

Capacitors :

With growth in the Power Sector and consequential increase in Mega Watts (MW), addition of MVAr (Capacitors) to improve power factor and the efficiency of power utilization has a bright prospect for growth. Avenues for Capacitors Segment are also good in view of focus on power quality, harmonic mitigation and thrust for improvement in productivity.

Besides Capacitors, the Company has developed Capacitor Switches upto 12 kV, the demand prospects for which are fair. In LT Range the Company is developing LT MPP Gas filled and Resin filled Capacitors, a product that has better synergy with its current product portfolio.

Rising input costs coupled with intense competition have been the major concerns for the Company's products in Capacitors Segment.

FINANCIAL REVIEW

The financial performance of the Company during the year 2012-13 can be ascertained from the following key indicators :

- There has been a Loss in the current fiscal of ₹ 4.62 crores as compared to a Loss of ₹ 13.93 crores in the previous year which is mainly due to severe liquidity crunch, flaring prices of inputs and pressure on the market prices which is constantly heaping up.
- Despite continued endeavour to contain, financial cost at ₹ 25.69 crores has increased by ₹ 1.71 crores from the previous year on account of increased borrowings for working capital requirements due to enhanced business volume and delayed payment from customers, hampering cash flow.
- Total Borrowings increased by ₹ 47.26 crores mainly due to increase in Working Capital requirement.
- The market value of quoted investment increased to ₹ 76.49 crores from ₹ 59.90 crores in the previous year.
- The level of inventories has increased from ₹ 102.45 crores to ₹ 126.79 crores mainly because of increase in work-in-progress.
- Trade Receivables increased to ₹ 219.85 crores as on 31st March, 2013 as compared to ₹ 128.49 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 of the customers as per evolving industry norms.
- The Company is now in the process of realizing Industrial Investment Promotion Assistance from the State Government. The first three year's benefits have since been realised. The total amount of such Assistance as on 31st March, 2013 is ₹ 10.60 crores.
- The level of Current Liabilities have increased due to shift from Buyer's Credit to Supplier's Credit.

RISK AND CONCERNS

Due to the inherent nature of any business, risk factors arise out of uncertain events and your Company is also not an exception to this. However, your Company has an effective and strong risk management framework in place which enables active monitoring of the business activities for identification, assessment and neutralization/mitigation of potential internal

and external risk. Some of the major risks to which the Company is exposed and the Company's policy to reduce the adverse impacts of the same are :

Competition Risk :

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

Key Employees Risk :

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

Raw Material Price risk :

The costs of copper and aluminium, the most significant raw materials being used, have been subjected to considerable volatility over the past few years. Volatility in the price of copper, aluminium, polyethylene, etc. may in turn lead to significant fluctuations in our cost of sales. Additionally, sharp increases in the price of copper can also reduce demand if customers decide to defer their purchases of copper cables. Although the Company attempts to recover copper and other raw material price changes either in the selling price of products or through hedging, there is high element of risk involved.

Exchange Rate Risk :

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

Working Capital Risk :

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

Human resources continue to be a key thrust area for the Company. The Company is sincerely dedicated to attain organizational excellence by developing and inspiring the true potential of Company's human capital and providing them opportunities for growth, well-being and enrichment.

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, workshops & seminars 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 programmes and courses, such as Quality Circles and 5S initiatives.

The Company is dedicated to the welfare of its employees, their families, 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. It also maintains adequate greenery within its premises.

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 regularly doing various social activities related to village upliftment, family planning, medical and educational support, environmental awareness, child welfare etc. under its CSR programmes.

The Company is maintaining a Residential Colony for its employees at Satna with Welfare Centre, Reading Room, Staff Club, Indoor/Outdoor games facilities, Dish T.V., Temple, Childrens Park, Dispensary etc. It celebrates all the festivals such as Holi, Diwali, Dushehra, Janmashtami, Vishwakarma Puja, Republic Day, Nag Panchami, Van Mahotsava and the New Year with active involvement of its employees.

The Company's relationship with the work force and the Union continues to be very cordial indicating prevalence of excellent relationship between Employees and the Management. A committee, comprising of senior officials, regularly reviews the issues related to the employees, which are resolved through mutual, collaborative and participative discussions.

Long-term Agreement with the Worker's Union was renewed during the year for a period of three years which shall help in boosting performance of the Company.

The Company was employing 1169 permanent employees as on 31st March, 2013.

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 developments, 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.

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement(s) entered into with the Stock Exchanges)

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). The Company has a Non-Executive Chairman. The number of Independent Directors on the Board is Five (5) and the number of Non-Executive Directors are six (6). 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, 2013, four Board Meetings were held on 3rd May, 2012, 30th July, 2012, 31st October, 2012 and 9th February, 2013.

The details of composition of the Board as at 31.03.2013, the attendance record at the Board Meetings held 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
Dr. S.R. Jain	Independent Non-Executive	4	No	2	4	1
Shri S.S. Kothari	Independent Non-Executive	4	No	None	1	None
Shri S.C. Jain	Independent Non-Executive	4	No	1	2	None
Shri J.C. Sharma	Independent Non-Executive	4	No	1	3	2
Shri Dinesh Chanda	Independent Non-Executive	4	Yes	None	2	None
Shri D.R. Bansal Chief Mentor & Executive Director	Executive	3	No	4	4	None
Part of the Year						
Shri S.N. Prasad*	Non Independent Non-Executive	None	No	-	-	-
Shri S.K. Daga** (Alternate to Shri S.N.Prasad)	Non Independent Non-Executive	None	No	-	-	-
Shri S.P. Tamrakar*** (Alternate to Shri Dinesh Chanda)	Independent Non Executive	None	No	-	-	-

Notes :

- (i) Number of other Directorships held by the Directors, as mentioned above, do not include alternate directorships, and directorships held in Foreign Companies, Companies under section 25 and Indian Private Limited Companies besides trustee/membership of Managing Committees of various trusts and other bodies and are based on the latest declarations received from the Directors.



- (ii) The details of Committee 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) Consequent upon the sad demise of Shri S.N. Prasad, Director of the Company, on 13th December, 2012, no disclosure regarding number of the Directorship and Committee membership/Chairmanship is given.
- ** (iv) Consequent upon the sad demise of Shri S.N. Prasad, Shri S.K. Daga, vacated the office of the Alternate Director to Shri S.N. Prasad with effect from 13th December, 2012, hence no disclosure regarding number of the Directorship and Committee membership/Chairmanship is given.
- *** (v) Shri S.P. Tamrakar, vacated the office of Alternate Director to Shri Dinesh Chanda with effect from 31st October, 2012, no disclosure regarding number of the Directorship and Committee membership/Chairmanship is therefore given.
- (vi) Disclosure of the number of equity shares of the Company held by the Non-Executive Directors as on 31st March, 2013 :

(a)	Shri Harsh V. Lodha	7950
(b)	Dr. S.R. Jain	100
(c)	Shri S.S. Kothari	100
(d)	Shri S.C. Jain	100
(e)	Shri J.C. Sharma	100
(f)	Shri Dinesh Chanda	150

The Company has a system to circulate and provide all material information to the Board including those as required under Annexure-IA of Clause 49 of the Listing Agreement(s) to facilitate meaningful and focused discussions at the Meetings and 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 possess ability to understand and analyse financial statements. The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreements. Dr. S.R. Jain has accounting and related financial management expertise.

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

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

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees and also approval of payment for any other services rendered by the statutory auditors.
- (iii) Reviewing, with the management, the quarterly and annual financial statements before submission to the Board for approval.
- (iv) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system.

- (v) Reviewing the adequacy of internal audit function and discussion with internal auditors about any significant findings and follow up thereon.
- (vi) Reviewing the findings of any internal investigations by the Internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of material nature and reporting the matter to the Board.
- (vii) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- (viii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (ix) To review mandatorily the following information -
- Management discussion and analysis of financial condition and results of operations.
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management.
 - Management letters/letters of internal control weaknesses issued by the statutory auditors.
 - Internal audit reports relating to internal weaknesses; and
 - The appointment, removal and terms of remuneration of the Chief Internal auditor.

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

Name of Member of the Audit Committee	Meetings held and attendance particulars			
	3rd May, 2012	30th July, 2012	31st October, 2012	8th February, 2013
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 constituted in pursuance of the provisions of the Listing Agreement(s) and Schedule XIII to the Companies Act, 1956, comprises of 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.

The Remuneration Committee formulates and recommends to the Board a compensation structure for Executive Director of the Board. During the year, only one Remuneration Committee Meeting was held on 3rd May, 2012 and all the members attended the meeting.

5. REMUNERATION OF DIRECTORS

At present, six Directors on the Board are Non-Executive and one Director is 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, 2013 are set out below :

(a) Non-Executive Directors

Name of the Director	Sitting Fees (₹ in lacs)
Shri Harsh V. Lodha	0.80
Shri S.N. Prasad	-
Dr. S.R. Jain	1.65
Shri S.S. Kothari	1.60
Shri S.C. Jain	0.95
Shri J.C. Sharma	1.75
Shri Dinesh Chanda	1.70
Shri S.K. Daga (Alternate to Shri S.N.Prasad)	-
Shri S.P.Tamrakar (Alternate to Shri Dinesh Chanda)	-
Total	8.45



(b) Chief Mentor & Executive Director

(₹ in lacs)

Name	Salary	Perquisites, etc.	Total
Shri D.R. Bansal	79.14	15.71	94.85

Notes : (1) Sitting fees include fees paid for attending Committee Meetings.

(2) The Company does not have any scheme for grant of Stock Options.

(3) The Executive Director's remuneration is exclusive of contribution to gratuity fund and provision for pension and leave encashment benefits which are based on actuarial valuation done on an overall Company basis and hence not precisely ascertained.

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 Independent 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 Avanish Dwivedi, Secretary of the Company as the Compliance Officer.

During the financial year ended 31st March, 2013, two meetings of the Committee were held on 30th July, 2012 and 31st October, 2012, which were attended by all the members.

During the year, 28 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	5	5
Non-receipt of Dividend Warrants	21	21
Others	2	2
TOTAL	28	28

All the complaints have been attended/resolved to the satisfaction of the complainants during the year except in cases which are constrained by dispute or legal impediments or other sub-judiced matters, if any. No request for transfer was pending for approval as on 31st March, 2013.

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
2009-10	Registered Office :	AGM	29th June, 2010	11.00 A.M.
2010-11	P.O. Birla Vikas,	AGM	2nd August, 2011	11.00 A.M.
2011-12	Satna - 485 005 (M.P.)	AGM	28th June, 2012	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 except two special resolutions concerning ratification, confirmation and approval of the remuneration paid to Shri D.R. Bansal as Chief Executive Officer of the Company for the financial year 2011-12 and appointment of Shri D.R. Bansal as Chief Mentor & Executive Director of the Company with effect from 5th May, 2012 for a period of three years. In the ensuing Annual General Meeting, there is no resolution required to be passed as Special Resolution through Postal Ballot.

8. DISCLOSURES

(a) There are no materially significant related party transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large. Transactions with the related parties during the year have been disclosed in summary form in Note No. 32 to the financial statements in the Annual Report.

- (b) There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years and no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority.
- (c) The Company has generally complied with all the mandatory requirements as specified in the revised Clause 49 of the Listing Agreement(s) 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 (Chief Mentor & Executive Director) and the CFO [Vice President (Commercial)] have furnished a Certificate to the Board for the year ended 31st March, 2013 in compliance with the revised Clause 49.V of the Listing Agreement(s).
- (h) In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, Shri Avnish Dwivedi, Company 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 - Financial Express (All Editions)
Vernacular Newspaper - Dainik Bhaskar/Nav Bharat/Nav Swadesh/Star Samachar (Satna Edition)
- (c) Any website, where displayed : 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 : 9th July, 2013 at 11 A.M.
Registered Office of the Company at
P.O. Birla Vikas,
Satna - 485 005 (M.P.)

10.2 Financial Calendar (2013-14)

(tentative and subject to change)

1st Quarterly Results	Last week of July, 2013
2nd Quarterly/Half yearly Results	Last week of October, 2013
3rd Quarterly Results	Last week of January, 2014
Audited yearly Results for the year ending 31st March, 2014	Second week of May, 2014



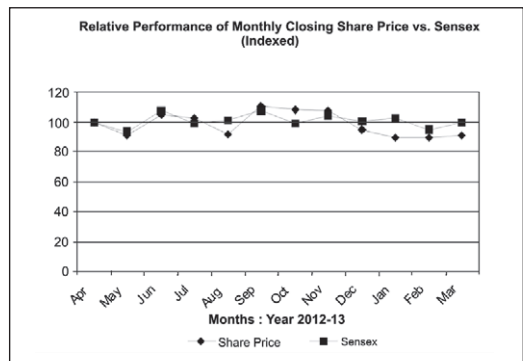
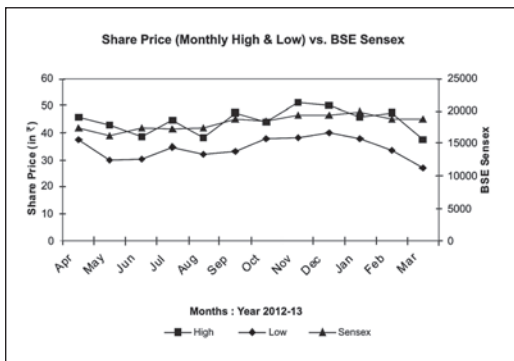
10.3 Book Closure date(s)	:	3rd July, 2013 to 9th July, 2013 (Both Days inclusive)
10.4 Dividend Payment date	:	Not Applicable
10.5 Listing on Stock Exchanges	:	(a) Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 (b) National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th 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 2012-13 has been duly and timely paid to BSE & NSE.

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, 2012	46.00	37.15	20205	44.75	38.00	11354
May, 2012	42.70	30.00	26726	43.00	31.00	14108
June, 2012	38.50	30.20	36973	40.95	30.25	29924
July, 2012	44.75	34.60	44415	47.20	34.75	77725
August, 2012	38.10	32.15	18969	40.00	28.15	19433
September, 2012	47.40	33.00	36918	41.95	34.00	68969
October, 2012	43.80	37.75	40327	43.75	36.35	90970
November, 2012	50.90	38.00	179032	47.60	40.00	148901
December, 2012	50.00	39.90	92813	53.95	42.40	100971
January, 2013	45.70	37.80	33995	45.50	32.00	25108
February, 2013	47.25	33.50	181962	41.30	33.25	94397
March, 2013	37.35	26.85	36660	37.00	27.45	115466

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 and approved by them on fortnightly basis. A summary of transfers/transmissions of equity shares so approved by the Registrar & Share Transfer Agent is placed at every Board Meeting. Transfers upto 2500 shares in each deed are approved directly by the Registrar & Share Transfer Agent and transfers over and above 2500 shares per deed are sent to the Company for placing before the Committee of Directors for approval. The average time taken for processing share transfer requests in physical form including despatch of share certificates is generally two 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, 2013 :

Number of Equity Shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 5000	11799	98.77	3247025	14.04
5001 - 10000	56	0.47	404380	1.75
10001 - 50000	51	0.43	1199619	5.18
50001 - 100000	10	0.08	693400	3.00
100001 - 1000000	26	0.22	8648122	37.39
1000001 and above	4	0.03	8937708	38.64
Grand Total	11946	100.00	23130254	100.00
Physical Mode	4577	38.31	9960482	43.06
Electronic Mode	7369	61.69	13169772	56.94

(b) Category of Shareholders as on 31st March, 2013 :

Category	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Indian Promoter(s)/Promoters Group*	26	0.22	12239923	52.92
Resident Individuals & Corporates	11702	97.96	9815012	42.43
Financial Institutions/Insurance Companies/Banks/Mutual Funds	18	0.15	1010306	4.37
NRIs/FIIs/OCBs/Foreign Shareholders	200	1.67	65013	0.28
Grand Total	11946	100.00	23130254	100.00

* For definitions of "Promoter Shareholding" and "Promoter Group" please refer to Clause 40A of the Listing Agreement(s) with the Stock Exchanges.



10.12 Dematerialization of Shares and liquidity :

13169772 Equity Shares representing 56.94% of the total Equity Capital of the Company were held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on 31st March, 2013.

The Company's shares are reasonably liquid. However, they were infrequently traded on Bombay Stock Exchange Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai during the financial year 2012-13. Relevant data for the approximate average daily turnover in terms of volume for the financial year 2012-13 is given below :

Bombay Stock Exchange Limited, Mumbai (BSE)	National Stock Exchange of India Limited, Mumbai (NSE)	BSE + NSE
3121	3281	6402

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** : 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)



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 2012-13.

For Universal Cables Limited

D.R. BANSAL

Chief Mentor & Executive Director

Place : New Delhi

Date : 21st May, 2013

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To The Shareholders of Universal Cables Limited

1. We have examined the compliance of conditions of Corporate Governance by Universal Cables Limited ("the Company") for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.
2. 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 Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. 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.
4. 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 V. Sankar Aiyar & Co.

Chartered Accountants

Firm Registration No. 109208W

R. Raghuraman

Partner

Membership No. 081350

Place : New Delhi

Date : 21st May, 2013



Independent Auditors' Report

TO THE MEMBERS OF UNIVERSAL CABLES LIMITED

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (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.

Emphasis of Matter

We draw attention to Note No. 41 to the financial statements regarding non provision for the shortfall in the market value of a quoted investment for the stated reason. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of Goa Unit whose financial statements reflect the total assets of ₹ 2007.15 lacs (previous year ₹ 1227.51 lacs) as at March 31, 2013, total revenue of ₹ 0.55 lac (previous year ₹ 2236.45 lacs) and cash outflows amounting to ₹ 11.37 lacs [Previous year ₹ 11.01 lacs (cash inflow)] 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.

Report on Other Legal and Regulatory Requirements

1. As required by section 227(3) of the Act, we report that :
 - (a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

-
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Goa Unit not visited by us. The Branch Auditor's report have been forwarded to us and have been appropriately dealt with;
- (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns received from Goa Unit not visited by us.
- (d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the Directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31.03.2013 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
2. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.109208W

R. Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : 21st May, 2013



Annexure referred to in paragraph 2 of the Auditors' report to the shareholders of Universal Cables Limited for the year ended 31st March, 2013

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Major items of fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. No material discrepancies were noticed on such verification.
(c) Since there is no substantial disposal of fixed assets during the year, the preparation of financial statements on a going concern basis is not affected on this account.
2. (a) As explained to us, inventories except stock in transit, have been physically verified by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. No material discrepancies were noticed on verification, between physical stocks and book records.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (b), (c), and (d) of the Order are not applicable to the Company.
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register required to be maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of clause 4 (iii) (f) and (g) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
5. (a) According to the information given to us, the particulars of contracts or arrangements during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of rupees five lacs during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public in terms of sections 58A and 58AA or any other relevant provisions of the Act and the rules made thereunder.
7. A firm of Chartered Accountants has been appointed to carry out the internal audit. In our opinion, the internal audit system is commensurate with the size and nature of business of the Company.
8. We have broadly reviewed the books of accounts maintained by the Company, pursuant to rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been maintained and the required statements are in the process of compilation. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. (a) The Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employee state insurance, income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities, though there has been slight delay in a few cases. No undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.
(b) There are no amounts in respect of sales tax, excise duty, service tax, customs duty, wealth-tax and cess that have not been deposited with the appropriate authorities on account of any dispute.

(c) The disputed dues on account of income tax which have remained unpaid as on 31.03.2013 are as follows :-

Name of the statute	Nature of dues	Amount (₹ in lacs)	Period to which amount relates	Forum where dispute pending
Income Tax Act, 1961	Income tax	50.77	FY 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	38.42	FY 2007-08	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	242.49	FY 2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	261.31	FY 2009-10	Commissioner of Income Tax (Appeals)

10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by our audit. However, the Company had incurred cash losses in the year immediately preceding the current financial year.
11. On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding debentures and loans from financial institutions during the year.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
13. The Company does not carry on the business of a chit fund/Nidhi/Mutual Benefit Fund. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given a corporate guarantee to a bank for credit facilities sanctioned to Birla Furukawa Fibre Optics Limited (joint venture) amounting to ₹ 3520.00 lacs as stated in Note No. 37. In our opinion, the terms and conditions of the guarantee given by the Company, for the credit facilities sanctioned to the joint venture by the bank, are not prejudicial to the interest of the Company. According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
16. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
19. The Company has neither issued nor had any outstanding debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud on or by the Company has been noticed or reported during the year under audit.

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No.109208W

R. Raghuraman
Partner
Membership No. 081350

Place : New Delhi
Date : 21st May, 2013


BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS
Balance Sheet as at 31st March, 2013

	Notes	31st March 2013 (₹ in lacs)	31st March 2012 (₹ in lacs)
EQUITY & LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	2313.32	2313.32
Reserves and Surplus	4	16469.35	16934.96
		<u>18782.67</u>	<u>19248.28</u>
NON-CURRENT LIABILITIES			
Long-term Borrowings	5	386.34	24.63
Deferred Tax Liabilities (Net)	6	405.55	639.64
Other Long-term Liabilities	7	4.13	5.84
Long-term Provisions	8	227.57	223.80
		<u>1023.59</u>	<u>893.91</u>
CURRENT LIABILITIES			
Short-term Borrowings	9	20512.56	15802.16
Trade Payables	10	12204.73	4321.99
Other Current Liabilities	10	4300.05	4423.64
Short-term Provisions	11	1338.93	1353.48
		<u>38356.27</u>	<u>25901.27</u>
	TOTAL	<u>58162.53</u>	<u>46043.46</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	12		
Tangible Assets		13702.24	13428.25
Intangible Assets		46.51	82.04
Capital Work-in-progress		506.62	9.04
Non-current Investments	13	5074.42	5074.42
Long-term Loans and Advances	14	769.24	587.18
Trade Receivables	17	2104.01	2062.87
Other Non-current Assets	15	702.52	747.44
		<u>22905.56</u>	<u>21991.24</u>
CURRENT ASSETS			
Inventories	16	12679.05	10245.21
Trade Receivables	17	19881.04	10786.64
Cash and Bank Balances	18	274.32	299.86
Short-term Loans and Advances	19	1697.72	1984.81
Other Current Assets	20	724.84	735.70
		<u>35256.97</u>	<u>24052.22</u>
	TOTAL	<u>58162.53</u>	<u>46043.46</u>
Summary of Significant Accounting Policies	2.1		
Other Notes on Financial Statements	30-44		

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

As per our attached report of even date

 For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

 D.R. Bansal
Chief Mentor & Executive Director

Harsh V. Lodha

Chairman

 R. Raghuraman
Partner
Membership No. 081350

 Vinod Bansal
Vice President (Commercial) & CFO

S.R. Jain

S.S.Kothari

S.C. Jain

J.C. Sharma

Dinesh Chanda

Directors

 Place : New Delhi
Date : 21st May, 2013

 Avanish Dwivedi
Company Secretary



Statement of Profit and Loss for the year ended 31st March, 2013

	Notes	For the year ended 31st March 2013 (₹ in lacs)	For the year ended 31st March 2012 (₹ in lacs)
INCOME			
Revenue from Operations (Gross)	21	68471.50	67319.11
Less : Excise Duty		6579.37	5326.75
Revenue from Operations (Net)		61892.13	61992.36
Other Income	22	819.08	842.70
Total Revenue		62711.21	62835.06
EXPENDITURE			
Cost of Raw Materials Consumed	23	45924.93	45331.55
Purchase of Stock-in-trade		2070.02	3354.63
(Increase) in Inventories of Materials under Process, Finished Goods, Scrap and Traded Goods	24	(195.17)	(813.20)
Employee Benefits Expense	25	4150.15	3676.54
Other Expenses	26	7410.92	9510.42
Total Expenditure		59360.85	61059.94
Earnings before Interest, Tax, Depreciation and Amortization			
Depreciation and Amortization Expenses	27	1476.88	1481.01
Finance Costs	28	2568.64	2397.26
(Loss) before Tax		(695.16)	(2103.15)
Tax Expense/(Credit)			
Earlier Year Taxes		1.20	34.16
Deferred Tax (Credit)		(234.09)	(744.30)
Total Tax Expense/(Credit)		(232.89)	(710.14)
(Loss) for the year		(462.27)	(1393.01)
Earnings Per Share (₹)			
Basic & Diluted Earnings per Share [Nominal Value of ₹ 10/- per share (Previous year ₹ 10/-)]	29	(2.00)	(6.02)
Summary of Significant Accounting Policies	2.1		
Other Notes on Financial Statements	30-44		

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 V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

D.R. Bansal
Chief Mentor & Executive Director

Harsh V. Lodha
S.R. Jain

Chairman

R. Raghuraman
Partner
Membership No. 081350

Vinod Bansal
Vice President (Commercial) & CFO

S.S.Kothari
S.C. Jain

Directors

Place : New Delhi
Date : 21st May, 2013

Avanish Dwivedi
Company Secretary

J.C. Sharma
Dinesh Chanda


Cash Flow Statement for the year ended 31st March, 2013

Description	2012-13		2011-12	
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES				
(Loss) before Taxation		(695.16)		(2103.15)
Adjustments for :				
Depreciation	1476.88		1481.01	
Profit on disposal of fixed assets (Net)	(1.16)		(220.86)	
Interest Income	(24.26)		(38.52)	
Dividend Income	(18.69)		(18.69)	
Interest Expense	2351.27		1390.53	
Provision for Doubtful Debts and Advances	(15.77)		75.93	
Unrealised Foreign Exchange Loss	40.94	3809.21	144.61	2814.01
Operating Profit before Working Capital Changes		3114.05		710.86
Movement in Working Capital :				
Increase in Trade Payables	7885.49		338.10	
Increase/(Decrease) in Long-term Provisions	3.77		(4.20)	
Increase/(Decrease) in Short-term Provisions	(8.41)		74.78	
Increase in Other Current Liabilities	176.13		740.00	
(Decrease) in Other Long-term Liabilities	(1.71)		(6.26)	
(Increase) in Trade Receivables	(9128.67)		(2642.42)	
(Increase)/Decrease in Inventories	(2433.84)		693.01	
(Increase) in Long-term Loans and Advances	(60.97)		(37.63)	
Decrease in Short-term Loans and Advances	295.95		688.69	
Decrease in Other Current Assets	12.93		495.40	
Decrease/(Increase) in Other Non-current assets	44.75	(3214.58)	(173.77)	165.70
Cash from Operations		(100.53)		876.56
Direct Taxes paid		(81.04)		(215.26)
Net cash from/(used in) Operating activities		(181.57)		661.30
B. CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed assets	(2276.31)		(598.01)	
Proceeds from sale of Fixed assets	13.82		293.83	
Interest Received	22.36		37.89	
Dividend Received	18.69		18.69	
Net cash (used in) Investing activities		(2221.44)		(247.60)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from Long-term Borrowings	769.79		-	
Repayment of Long-term Borrowings	(754.36)		(252.13)	
Net Proceeds from Short-term Borrowings	4666.75		1825.92	
Interest Paid	(2299.67)		(1427.43)	
Dividend Paid (Including Corporate Dividend Tax)	(5.04)		(529.21)	
Net cash from/(used in) Financing activities		2377.47		(382.85)

Cash Flow Statement for the year ended 31st March, 2013 (Contd.)

Description	2012-13		2011-12	
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(25.54)		30.85
Cash and Cash Equivalents at the beginning of the year		299.86		269.01
Cash and Cash Equivalents at the end of the year		274.32		299.86
Components of Cash and Cash Equivalents				
Cash on Hand		1.57		3.76
Cheques/Drafts on Hand		182.19		128.90
With Banks :				
On Current Accounts		39.93		86.53
On Unclaimed Dividend Accounts*		50.63		55.67
On Deposit Accounts		-		25.00
		274.32		299.86

*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 V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

D.R. Bansal
Chief Mentor & Executive Director

Harsh V. Lodha *Chairman*

R. Raghuraman
Partner
Membership No. 081350

Vinod Bansal
Vice President (Commercial) & CFO

S.R. Jain
S.S.Kothari
S.C. Jain } *Directors*

Place : New Delhi
Date : 21st May, 2013

Avanish Dwivedi
Company Secretary

J.C. Sharma
Dinesh Chanda }



Notes to Financial Statements for the year ended 31st March, 2013

1. Nature of Operations

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

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.

2.1 Summary of Significant Accounting Policies :

(a) 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.

(b) 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 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 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 Amortisation 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.

(c) **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.

(d) **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.

(e) **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 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.

(f) 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.

(g) Foreign Currency Transactions

- (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 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.

(h) 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 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.

(i) Income Taxes

Tax expense comprises current and deferred taxes. Current income tax is 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 realized. 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.

(j) Segment Reporting Policies

Identification of Segments

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

Inter-segment Transfers

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

Allocation of common costs

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

Unallocated items

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

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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.



31st March 2013	31st March 2012
(₹ in lacs)	(₹ in lacs)

3. SHARE CAPITAL

Authorised

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

Issued

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

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

(a) Reconciliation of the number of shares outstanding and the amount of share capital as at 31st March, 2013 and 31st March, 2012 is as under :

Description	31st March, 2013		31st March, 2012	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
Outstanding at the beginning of the year	2,31,30,254	2313.32	2,31,30,254	2313.32
Outstanding at the end of the year	2,31,30,254	2313.32	2,31,30,254	2313.32

(b) Terms/Rights attached to Equity Shares :

The Company has issued only one class of Shares referred to as Equity Shares having a nominal value of ₹ 10/- per share. Each holder of Equity Share is entitled to one vote per share.

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

Name of the Shareholders	31st March, 2013		31st March, 2012	
	No. of Shares held	Holding % age	No. of Shares held	Holding % age
Vindhya Telelinks Limited	48,39,908	20.92	48,39,908	20.92
The Punjab Produce & Trading Co. Pvt. Limited	29,10,128	12.58	29,10,128	12.58
Gwalior Webbing Co. Pvt. Limited	16,88,573	7.30	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.

	31st March 2013 (₹ in lacs)	31st March 2012 (₹ in lacs)
4. RESERVES AND SURPLUS		
Revaluation Reserve		
Balance as per last account	157.08	163.18
Less : Amount transferred to the Statement of Profit and Loss as reduction from depreciation	3.34	6.10
Closing Balance	<u>153.74</u>	<u>157.08</u>
Securities Premium Account		
Balance as per last account	1767.56	1767.56
Closing Balance	<u>1767.56</u>	<u>1767.56</u>
General Reserve		
Balance as per last account	10103.14	10103.14
Closing Balance	<u>10103.14</u>	<u>10103.14</u>
Surplus in the Statement of Profit and Loss		
Balance as per last account	4907.18	6300.19
(Loss) for the year	(462.27)	(1393.01)
Net Surplus in the Statement of Profit and Loss	<u>4444.91</u>	<u>4907.18</u>
Total Reserves and Surplus	<u>16469.35</u>	<u>16934.96</u>

5. LONG-TERM BORROWINGS

Foreign Currency Loan - Buyer's Credit - Secured	670.09	654.66
Less : Current Maturities of Long Term Borrowings (Refer Note No. 10)	283.75	630.03
	<u>386.34</u>	<u>24.63</u>

Foreign Currency Loan - Buyer's Credit from Bank(s) are secured by hypothecation of entire present and future current assets of the Company. As collateral security, these facilities are additionally secured by way of first charge on certain immovable properties of the Company as continuing security by deposit of title deeds of such immovable properties. It is repayable within 2 years from the Balance sheet date and carries rate of Interest ranging from 2.50% - 3.50%. Long Term Foreign Currency Loan - Buyer's Credit are repayable in 3 equal Installments.

6. DEFERRED TAX LIABILITIES (NET)

Deferred Tax Assets		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes in following years	478.69	445.31
Unabsorbed depreciation*	687.58	430.72
Carry forward business loss*	71.04	126.12
Provision for Doubtful Debts and Advances	19.52	24.64
Gross Deferred Tax Assets	<u>1256.83</u>	<u>1026.79</u>
Deferred Tax Liabilities		
Impact of difference in Depreciation and other differences in block of Fixed Assets and Intangible Assets as per Tax and Financial Books	1662.38	1666.43
Gross Deferred Tax Liabilities	<u>1662.38</u>	<u>1666.43</u>
Deferred Tax Liabilities (Net)	<u>405.55</u>	<u>639.64</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.



	31st March 2013 (₹ in lacs)	31st March 2012 (₹ in lacs)
7. OTHER LONG-TERM LIABILITIES		
Security Deposit	1.83	3.33
Others - Retention Money	<u>2.30</u>	<u>2.51</u>
	<u>4.13</u>	<u>5.84</u>
8. LONG-TERM PROVISIONS		
Provision for Pension (Refer Note No. 30)	<u>227.57</u>	223.80
	<u>227.57</u>	<u>223.80</u>
9. SHORT-TERM BORROWINGS		
Working Capital Loans from Banks - Secured		
Cash Credit Account	6536.43	11816.74
Working Capital Demand Loan	7500.00	-
Foreign Currency Loan - Buyer's Credit	1392.23	1985.42
	<u>15428.66</u>	<u>13802.16</u>
Other Short-term Loans - Unsecured		
Loan From a Bank (repayable on demand)	2035.22	-
Loan From Bodies Corporate (repayable on demand)	3048.68	2000.00
	<u>5083.90</u>	<u>2000.00</u>
Total Short-term Borrowings	<u>20512.56</u>	<u>15802.16</u>
Working Capital Loans from Bank(s) are secured by hypothecation of entire present and future current assets of the Company. As collateral security, these facilities are additionally secured by way of first charge on certain immovable properties of the Company as continuing security by deposit of title deeds of such immovable properties.		
10. OTHER CURRENT LIABILITIES		
Trade Payables	12204.73	4321.99
(Refer Note No. 40 for dues to Micro, Small & Medium enterprises)		
Other Current Liabilities		
Current Maturities of Long Term Borrowings (Refer Note No. 5)	283.75	630.03
Interest accrued but not due on Borrowings	7.67	27.73
Interest accrued and due on Borrowings	71.66	-
Security Deposits	34.00	33.75
Excess of Billing Over Revenue (Refer Note No. 38)	43.73	106.48
Others		
Statutory Dues	426.24	471.81
Accrued Employee Benefits Expenses	166.41	161.11
Retention Money	11.71	16.99
Unclaimed Dividend	50.63	55.67
(To be Transferred to Investor Education and Protection Fund as and when due)		
Advance from Customers	<u>3204.25</u>	2920.07
	<u>4300.05</u>	<u>4423.64</u>
Total Other Current Liabilities	<u>16504.78</u>	<u>8745.63</u>
11. SHORT-TERM PROVISIONS		
Provision for Employee Benefits		
for Pension (Refer Note No. 30)	24.38	24.61
for Compensated Absences [Refer Note No. 2.1(h)]	609.06	592.63
for Gratuity (Refer Note No. 30)	26.08	50.69
	<u>659.52</u>	<u>667.93</u>
Others		
for Taxation (net of advance tax)	679.41	685.55
Total Short-term Provisions	<u>1338.93</u>	<u>1353.48</u>

12. FIXED ASSETS

(₹ in lacs)

Nature of Fixed Assets	Gross Block				Depreciation/Amortization				Net Block	
	As at 1st April 2012	Additions during the Year	Deductions/ Adjustments during the year	As at 31st March 2013	As at 1st April 2012	For the year	Deductions/ Adjustments During the Year	As at 31st March 2013	As at 31st March 2013	As at 31st March 2012
Tangible Assets										
Freehold Land	191.01	-	-	191.01	-	-	-	-	191.01	191.01
Leasehold Land	267.07	-	-	267.07	70.20	3.04	-	73.24	193.83	196.87
Buildings	5241.30	14.01	-	5255.31	1801.31	127.64	-	1928.95	3326.36	3439.99
Plant & Equipments	19183.57	1670.58	29.92	20824.23	10031.06	1228.77	22.10	11237.73	9586.50	9152.51
Office Equipments	613.73	21.83	19.13	616.43	351.80	42.47	16.39	377.88	238.55	261.93
Furniture & Fixtures	232.49	7.30	21.04	218.75	160.70	6.28	20.71	146.27	72.48	71.79
Vehicles	217.47	0.09	4.95	212.61	103.32	18.96	3.18	119.10	93.51	114.15
Total	25946.64	1713.81	75.04	27585.41	12518.39	1427.16	62.38	13883.17	13702.24	13428.25
Intangible Assets										
Computer Software	119.21	17.53	-	136.74	85.38	15.97	-	101.35	35.39	33.83
Technical Know-how	222.51	-	-	222.51	174.30	37.09	-	211.39	11.12	48.21
Total	341.72	17.53	-	359.25	259.68	53.06	-	312.74	46.51	82.04
Capital Work-in-Progress									506.62	9.04
Grand Total	26288.36	1731.34	75.04	27944.66	12778.07	1480.22	62.38	14195.91	14255.37	13519.33
Previous Year	26043.66	587.93	343.23	26288.36	11561.23	1487.11	270.27	12778.07	13519.33	

Notes :

- (i) Gross Block and WDV in respect of the Fixed Assets viz. Land, Buildings and Plant & Equipments 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 :

(₹ in lacs)

Sl. No.	Assets	Gross Block		WDV	
		2013	2012	2013	2012
1	Land	37.87	37.87	37.87	37.87
2	Buildings	541.43	541.43	115.87	119.21
3	Plant & Equipments	999.47	999.47	-	-
	Total	1578.77	1578.77	153.74	157.08

- (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	
		2013	2012	2013	2012	2013	2012	2013	2012
1	Land	127.67	127.67	1.34	1.34	36.92	35.58	90.75	92.09
2	Buildings	1033.41	1033.41	35.00	35.00	257.61	222.61	775.80	810.80
	Total	1161.08	1161.08	36.34	36.34	294.53	258.19	866.55	902.89

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

(₹ in lacs)

Description	2013	2012
Gross Block	1531.00	1519.38
Depreciation Charge for the Current Year	50.19	49.93
Accumulated Depreciation	411.94	361.75
Written Down Value	1119.06	1157.63



	31st March 2013 (₹ in lacs)	31st March 2012 (₹ in lacs)
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13. NON-CURRENT INVESTMENTS
Trade Investments (Valued at Cost)
Investments in Equity Instruments
Fully paid Equity Shares of ₹ 10/- each

No. of Shares Current year	No. of Shares Previous year
-------------------------------	--------------------------------

Quoted

Vindhya Telelinks Limited 34,54,530 34,54,530 **1897.31** 1897.31

Investment in Joint Venture

Birla Ericsson Optical Limited 39,00,100 39,00,100 **850.01** 850.01

Unquoted

Universal Telelinks Private Limited 9,800 9,800 **0.98** 0.98

Universal Electricals Private Limited 9,800 9,800 **0.98** 0.98

Investment in Joint Venture

Birla Furukawa Fibre Optics Limited 45,00,000 45,00,000 **2241.00** 2241.00

Non Trade Investments (Valued at Cost)
Investments in Equity Instruments
Quoted
Fully paid Equity Shares of ₹ 10/- each

Birla Corporation Limited 2,96,730 2,96,730 **52.78** 52.78

Rameshwara Jute Mills Limited 900 900 **0.11** 0.11

Unquoted
Fully paid Equity Shares of ₹ 10/- each

Birla Financial Corporation Limited 3,00,366 3,00,366 **30.04** 30.04

Chennai Willingdon Corporate Foundation 55 55 **0.01** 0.01

Fully paid Equity Shares of ₹ 100/- each

Industry House Limited 600 600 **0.40** 0.40

Baroda Agents & Trading Co. Private Limited 800 800 **0.62** 0.62

Investments in Government Securities
Unquoted

6 year National Savings Certificates (Deposited with Sales Tax Authorities) **0.18** 0.18

5074.42 5074.42

Aggregate Amount of Quoted Investments **2800.21** 2800.21

Market Value of Quoted Investments (Refer Note No. 41) **7649.11** 5989.93

Aggregate Amount of Unquoted Investments **2274.21** 2274.21

14. LONG TERM LOANS AND ADVANCES
Unsecured and Considered Good :

Capital Advances **64.44** 17.05

Loans To Employees **11.08** 18.69

Advances recoverable in cash or in kind or for value to be received **1.13** 1.25

Advance Income Tax **280.35** 206.65

Balances with Statutory/Government Authorities **156.95** 113.78

Security Deposits **255.29** 229.76

769.24 587.18

Unsecured and Considered Doubtful :

Security Deposits **12.80** 12.80

782.04 599.98

Less : Provision for Doubtful Security Deposits **12.80** 12.80

769.24 587.18



**31st March
2013**
(₹ in lacs)

**31st March
2012**
(₹ in lacs)

15. OTHER NON-CURRENT ASSETS

(Unsecured and Considered Good)

Industrial Investment Promotion Assistance	702.23	746.98
Non Current Bank Balances		
Deposit Accounts with Original Maturity of more than 12 Months (lodged with government departments)	0.21	0.21
Interest Receivable	0.08	0.25
	702.52	747.44

16. INVENTORIES (Valued at lower of Cost or Net Realisable Value)

Raw Materials [including material in transit ₹ 1395.08 lacs (Previous year ₹ 247.47 lacs)] (Refer Note No. 23)	4436.19	2464.45
Work in Progress (Refer Note No. 24)	3919.44	4229.20
Finished Goods [including material in transit ₹ Nil (Previous year ₹ 206.11 lacs)] (Refer Note No. 24)	3025.20	2809.21
Traded Goods [including material in transit ₹ 70.68 lacs (Previous year ₹ 3.13 lacs)] (Refer Note No. 24)	151.39	3.37
Stores and Spares [including material in transit ₹ 1.71 lacs (Previous year ₹ Nil)]	940.68	673.75
Scrap [Refer Note No. 2.1(e)]	206.15	65.23
	12679.05	10245.21

17. TRADE RECEIVABLES (Unsecured)

Non-Current

Other Debts -

Considered Good	2104.01	2062.87
	2104.01	2062.87

Current

Debts outstanding for a period exceeding six months from the date
they are due for payment -

Considered Good	997.00	349.13
Considered Doubtful	32.41	39.32
	1029.41	388.45

Other Debts -

Considered Good	18884.04	10437.51
	19913.45	10825.96

Less : Provision for Doubtful Debts

	32.41	39.32
	19881.04	10786.64

Total Trade Receivables

	21985.05	12849.51
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	31st March 2013 (₹ in lacs)	31st March 2012 (₹ in lacs)
18. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
Balance with Banks		
On Current Accounts	39.93	86.53
On Deposit Accounts with Original Maturity of less than 3 Months	-	25.00
On Unpaid Dividend Accounts	50.63	55.67
Cheques/Drafts on Hand	182.19	128.90
Cash on Hand	1.57	3.76
Other Bank Balances		
On Deposit Accounts with Original Maturity of more than 12 Months	0.21	0.21
	<u>274.53</u>	<u>300.07</u>
Less : Amount disclosed under Other Non-Current assets (Refer Note No. 15)	0.21	0.21
	<u>274.32</u>	<u>299.86</u>
19. SHORT TERM LOANS AND ADVANCES		
Unsecured and Considered Good		
Loans To Employees	51.88	58.54
Advances recoverable in cash or in kind or for value to be received	770.01	426.20
Balances with Statutory/Government Authorities	565.28	1351.79
Security Deposits	310.55	148.28
	<u>1697.72</u>	<u>1984.81</u>
Unsecured and Considered Doubtful		
Security Deposits	14.95	23.81
	<u>1712.67</u>	<u>2008.62</u>
Less : Provision for Doubtful Security Deposits	14.95	23.81
	<u>1697.72</u>	<u>1984.81</u>
20. OTHER CURRENT ASSETS		
(Unsecured and Considered Good)		
Receivables on account of -		
Interest on Deposits	2.72	0.65
Export/Deemed Export Benefits	167.37	385.36
Industrial Investment Promotion Assistance	357.64	215.56
Insurance Claims	73.29	-
Unamortized Premium on Forward Contract	7.55	10.48
Unbilled Revenue (Refer Note No. 38)	116.27	123.65
	<u>724.84</u>	<u>735.70</u>



For the year ended 31st March 2013 (₹ in lacs)	For the year ended 31st March 2012 (₹ in lacs)
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21. REVENUE FROM OPERATIONS

Sale of Products

Finished Goods	62968.24	60137.83
Traded Goods	2719.93	4034.37

Sale of Services

Installation and Commissioning Charges	1611.72	1883.90
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Other Operating Revenue

Scrap Sales	1165.33	1182.79
Duty Drawback	6.28	80.22

Revenue from Operations (Gross)

	68471.50	67319.11
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Less : Excise Duty	6579.37	5326.75
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Revenue from Operations (Net)

61892.13	61992.36
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DETAILS OF PRODUCTS SOLD

Manufactured Goods Sold

Electrical Cables, Wires, Conductors and Strips of all types	60311.06	57439.76
Capacitors	2657.18	2698.07
	62968.24	60137.83

Traded Goods Sold

Associated Equipments	2719.93	1896.74
Optical Fibre	-	2137.63
	2719.93	4034.37

Total Sale of Products

65688.17	64172.20
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22. OTHER INCOME

Interest

On Bank Deposits	0.02	0.24
Others	24.24	38.28
Dividend - On Non-current Investments	18.69	18.69
Rent received	195.04	104.92
Foreign Exchange Fluctuation (Net)	50.86	-
Industrial Investment Promotion Assistance	312.90	389.34
Profit on Disposal of Fixed Assets	1.16	220.86
Other Non Operating Income	216.17	70.37
	819.08	842.70



	For the year ended 31st March 2013 (₹ in lacs)	For the year ended 31st March 2012 (₹ in lacs)
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23. COST OF RAW MATERIALS CONSUMED

Inventories at the beginning of the year	2464.45	4053.57
Add : Purchases (Net)	47896.67	43742.43
	<u>50361.12</u>	<u>47796.00</u>
Less : Inventories at the end of the year	4436.19	2464.45
	<u>45924.93</u>	<u>45331.55</u>
Details of Raw Materials Inventories		
Aluminium	528.29	447.18
Copper	691.30	386.94
PVC Compound	315.13	71.05
XLPE Compound	1579.69	494.88
Others	1321.78	1064.40
	<u>4436.19</u>	<u>2464.45</u>
Details of Raw Materials Consumed		
Aluminium	12385.23	9297.16
Copper	15665.54	19664.83
PVC Compound	4556.67	3647.70
XLPE Compound	5568.44	4677.06
Others*	7749.05	8044.80
	<u>45924.93</u>	<u>45331.55</u>

*None of these individually account for more than 10% of total cost of materials consumed.

24. (INCREASE)/DECREASE IN INVENTORIES

Inventories at the end of the year		
Work in Progress	3919.44	4229.20
Finished Goods	3025.20	2809.21
Scrap	206.15	65.23
Traded Goods	151.39	3.37
	<u>7302.18</u>	<u>7107.01</u>
Inventories at the beginning 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>
(Increase) in Inventories	<u>(195.17)</u>	<u>(813.20)</u>



For the year ended 31st March 2013 (₹ in lacs)	For the year ended 31st March 2012 (₹ in lacs)
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24. (INCREASE)/DECREASE IN INVENTORIES (Contd.)

Details of Purchase of Traded Goods

Associated Equipments	2070.02	1536.66
Optical Fibre	-	1817.97
	<u>2070.02</u>	<u>3354.63</u>

Details of Inventories

Work in Progress		
Cables	3792.63	4022.52
Capacitors	126.81	206.68
	<u>3919.44</u>	<u>4229.20</u>
Finished Goods		
Electrical Cables, Wires, Conductors and Strips of all types	2946.00	2734.91
Capacitors	79.20	74.30
	<u>3025.20</u>	<u>2809.21</u>
Traded Goods - Associated Equipments	151.39	3.37
Scrap	206.15	65.23
Total Inventories	<u>7302.18</u>	<u>7107.01</u>

25. EMPLOYEE BENEFITS EXPENSE

Salaries, Wages, Bonus and Benefits, etc.	3324.03	2853.29
Contribution to Provident and Other Funds	241.01	224.12
Gratuity Expenses	51.20	100.39
Other Post Employment Benefits	85.74	85.31
Staff Welfare Expenses	448.17	413.43
	<u>4150.15</u>	<u>3676.54</u>

26. OTHER EXPENSES

Consumption of Stores and Spare Parts	618.62	740.58
Packing Expenses	1302.90	1230.34
Power and Fuel	1445.81	1206.17
Processing and Job Work Charges	42.67	41.26
Sub-contracting for Installation and Commissioning	1154.01	1316.79
Sales Commission (other than Sole Selling Agent)	347.93	608.26
Freight and Transportation Charges (Net)	786.00	670.05
Increase of Excise Duty on Change in Inventories	86.71	17.99
Rent	137.18	114.81
Rates and Taxes	58.73	73.65
Insurance Charges	87.68	89.93
Repair and Maintenance :		
Machinery	74.60	80.99
Buildings	116.10	234.59
Others	59.28	59.58



	For the year ended 31st March 2013 (₹ in lacs)	For the year ended 31st March 2012 (₹ in lacs)
26. OTHER EXPENSES (Contd.)		
Directors' Sitting Fees	8.45	8.65
Auditors' Remuneration :		
As auditors		
Audit Fees (including ₹ 0.25 lac to Branch Auditors)	7.75	7.50
Tax Audit Fees (including ₹ 0.15 lac to Branch Auditors)	1.65	1.65
Limited Review (including ₹ 0.17 lac to Branch Auditors)	3.92	6.13
For Other Services		
Certification etc. (including ₹ 0.03 lac to Branch Auditors)	1.78	4.80
For Reimbursement of Expenses (including ₹ 0.21 lac to Branch Auditors)	0.63	1.82
Foreign Exchange Fluctuation (Net)	-	964.32
Donations and Contributions	2.20	11.45
Provision for Doubtful Debts and Advances	-	39.32
Provision for Doubtful Security Deposits	-	36.61
Cash Discount	161.15	97.59
Premium on Forward Exchange Contract Amortized	51.50	187.17
Miscellaneous Expenses	853.67	1658.42
	<u>7410.92</u>	<u>9510.42</u>
27. DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	1427.16	1418.77
Amortization of Intangible Assets	53.06	68.34
	<u>1480.22</u>	<u>1487.11</u>
Less : Recoupment from Revaluation Reserve	3.34	6.10
	<u>1476.88</u>	<u>1481.01</u>
28. FINANCE COSTS		
Interest	2351.27	1390.53
Bank Charges	181.21	196.89
Exchange Difference to the extent considered as an adjustment to Borrowing Costs	36.16	809.84
	<u>2568.64</u>	<u>2397.26</u>
29. EARNINGS PER SHARE (EPS)		
(Loss) as per Statement of Profit and Loss	(462.27)	(1393.01)
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 (₹)	(2.00)	(6.02)
[Nominal Value of ₹ 10/- per share (Previous year ₹ 10/-)]		

30. Employee Benefit Plans :

The Company's defined benefit plans include the approved funded Gratuity scheme which is administered through Group Gratuity Scheme with Life Insurance Corporation of India and non-funded schemes viz. Pension (applicable only to certain employees). Such defined benefits are provided for in the Statement of Profit and Loss based on valuations, as at the Balance Sheet date, made by independent actuaries.

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	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	68.09	67.34	-	-
Interest Cost on benefit obligation	88.10	90.95	16.92	17.27
Expected Return on Plan Assets	(101.34)	(99.48)	-	-
Net Actuarial Loss recognized during the year	9.18	36.69	11.30	2.59
Add: Movement in short term liability of current employees	(12.83)	4.89	-	-
Net Benefit Expense	51.20	100.39	28.22	19.86

Amounts recognized in the Balance Sheet :

(₹ in lacs)

Description	Gratuity		Pension	
	2012-13	2011-12	2012-13	2011-12
Defined Benefit Obligation at end of the period	1137.79	1192.35	251.95	248.41
Plan Assets at end of the period	1111.71	1141.66	-	-
Plan (Liabilities)	(26.08)	(50.69)	(251.95)	(248.41)

Experience Adjustment :

(₹ in lacs)

Description	Gratuity					Pension				
	2012-13	2011-12	2010-11	2009-10	2008-09	2012-13	2011-12	2010-11	2009-10	2008-09
Defined Benefit Obligation at end of the period	1137.79	1192.35	1098.21	1021.46	923.81	251.95	248.41	252.61	251.80	276.85
Plan Assets at end of the period	1111.71	1141.66	1074.07	956.42	850.02	-	-	-	-	-
Plan (Liabilities)	(26.08)	(50.69)	(24.14)	(65.04)	(73.79)	(251.95)	(248.41)	(252.61)	(251.80)	(276.85)
Experience (Gain)/Loss adjustments on Plan Liabilities	9.18	36.69	41.66	70.68	140.52	11.30	2.59	6.93	(13.06)	27.73
Experience Loss adjustments on Plan Assets	44.26	52.43	-	-	-	-	-	-	-	-
Actuarial (Gain) due to change of assumptions	(35.08)	(15.74)	-	-	-	-	-	-	-	-



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

(₹ in lacs)

Description	Gratuity		Pension	
	2012-13	2011-12	2012-13	2011-12
Opening Defined Benefit Obligation	1192.35	1098.21	248.41	252.61
Interest Cost	88.10	90.95	16.92	17.27
Current Service Cost	68.09	67.34	-	-
Benefits paid	(202.33)	(101.72)	(24.46)	(24.06)
Actuarial Loss on obligations	9.18	36.69	11.08	2.59
Already paid off of employees transferred from Group Companies	(17.60)	4.80	-	-
Add: Differential liability (short term) for current employees	-	(3.92)	-	-
Closing Defined Benefit Obligation	1137.79	1192.35	251.95	248.41

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

(₹ in lacs)

Description	Gratuity	
	2012-13	2011-12
Opening Fair Value of Plan Assets	1141.66	1074.07
Expected Return	97.23	99.10
Contributions by employer	75.15	70.21
Benefits paid	(202.33)	(101.72)
Closing Fair Value of Plan Assets	1111.71	1141.66

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

Description	Gratuity (%)	
	2012-13	2011-12
Investments with Insurer	100	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	
	2012-13	2011-12	2012-13	2011-12
Mortality Table	IAL 2006-08	LIC 1994-96 Ultimate	IAL 2006-08	LIC 1996-98 Ultimate
Attrition Rate	5.00%	5.00%	N.A.	N.A.
Imputed Rate of Interest	8.05%	8.65%	8.00%	8.00%
Salary Rise	7.50%	7.50%	N.A.	N.A.
Return on Plan Assets	9.40%	9.40%	N.A.	N.A.
Remaining Working Life (Years)	12.13	12.73	N.A.	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 ₹ 80 lacs (Previous year ₹ 100 lacs) to the Gratuity Fund during the year 2013-14.

Defined Contribution Plan :

(₹ in lacs)

Description	2012-13	2011-12	2010-11	2009-10	2008-09
Contribution to Family Pension Fund	94.69	91.25	92.40	90.88	86.58
Contribution to Provident Fund	137.81	122.92	115.12	105.22	94.46
Contribution to Superannuation Fund	85.74	85.31	86.12	81.92	75.31
Total	318.24	299.48	293.64	278.02	256.35

The Provident Fund being administered by a Trust 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 Standard 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. An Independent Actuary has accordingly provided a valuation and based on the below provided assumptions, there is no shortfall as at 31st March, 2013.

Details of Fund and Plan Assets Position as of 31st March, 2013, are as follows :

(₹ in lacs)

Description	2012-13	2011-12
Plan Assets at Fair Value	4737.40	4677.89
Present Value of Defined Benefit Obligation	4399.68	4405.83
Surplus in Fund	337.72	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.

(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, 2013 and 31st March, 2012 and certain assets and liabilities information regarding industry segments as at 31st March, 2013 and 31st March, 2012 :

(₹ in lacs)

Business Segments	Year ended 31st March, 2013			Year ended 31st March, 2012		
	Power Cables & Capacitors	Optical Fibre	Total	Power Cables & Capacitors	Optical Fibre	Total
Revenue						
External Sales (Including Other Operating Income)	61892.13	-	61892.13	59787.72	2204.64	61992.36
Other Income*	794.82	-	794.82	692.29	0.76	693.05
Total Revenue	62686.95	-	62686.95	60480.01	2205.40	62685.41
Results						
Segment result	1668.01	-	1668.01	18.45	2.32	20.77
Unallocated Corporate Income/(Expenses) (Net)			-			37.93
Operating Profit			1668.01			58.70
Interest Expenses (Net)			(2363.17)			(2161.85)
Earlier Year Taxes			(1.20)			(34.16)
Deferred Tax Credit			234.09			744.30
(Loss) from Ordinary Activities			(462.27)			(1393.01)
Other Information						
Segment Assets	58162.53	-	58162.53	38775.35	1227.29	40002.64
Unallocated Corporate Assets			-			6040.82
Total Assets			58162.53			46043.46
Segment Liabilities	39379.86	-	39379.86	8761.59	251.58	9013.17
Unallocated Corporate Liabilities			-			17782.01
Total Liabilities			39379.86			26795.18
Capital Expenditure	2211.39	-	2211.39	596.97	-	596.97
Depreciation	1476.88	-	1476.88	1414.26	40.41	1454.67
Unallocated Depreciation			-			26.34
Other Non Cash Expenditure						
Provision for Doubtful Debts (Net)	32.41	-	32.41	39.32	-	39.32
Provision for Doubtful Deposits (Net)	27.75	-	27.75	36.61	-	36.61

*Excludes ₹ 24.26 lacs (₹ 149.65 lacs) netted of from Unallocated Corporate Expenses and Interest Expenses.


(b) Geographical Segments :

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

Revenue from Operations by Geographical Market :

(₹ in lacs)

Geographical Market Segment	2012-13	2011-12
Domestic Market	61582.87	59322.74
Overseas Markets	309.26	2669.62
Total	61892.13	61992.36

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

(₹ in lacs)

Geographical Market Segment	2012-13	2011-12
Domestic Market	21978.18	12849.51
Overseas Markets	6.87	-
Total	21985.05	12849.51

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 Mentor & Executive Director)
Joint Ventures	Birla Ericsson Optical Limited (BEOL) Birla Furukawa Fibre Optics Limited (BFL)
Enterprise which is significantly influenced by the Company	Vindhya Telelinks Limited (VTL)
Enterprise over which a Director is able to exercise significant influence	Shakun Polymers Limited (SPL)

(₹ in lacs)

Sl. No.	Particulars	Year	Key Management Personnel	Joint Ventures		Enterprises which are significantly influenced by the Company/Director		
			D.R. Bansal	BEOL	BFL	VTL	SPL	Total
(A)	Transactions during the year							
1	Purchase of Raw Materials, Stores, Spares and Packing Materials	2013 2012	- -	2.74 0.09	- -	449.48 0.21	310.62 524.53	760.10 524.74
2	Sale of Raw Materials, Stores, Spares and Packing Materials	2013 2012	- -	13.22 10.49	- -	261.53 36.03	- 1.97	261.53 38.00
3	Other Service Charges and Rent Received	2013 2012	- -	- -	206.35 101.28	0.37 0.32	- -	0.37 0.32
4	Other Service Charges & Lease Rent Paid	2013 2012	- -	31.88 7.32	- -	510.48 417.81	- -	510.48 417.81
5	Sales of Finished & Other Goods	2013 2012	- -	0.38 -	17.06 12.93	0.53 346.90	- -	0.53 346.90
6	Purchase of Finished & Other Goods	2013 2012	- -	- 6.54	- 2065.52	214.52 565.14	- -	214.52 565.14
7	Purchase of Fixed Assets	2013 2012	- -	14.67 -	- -	- -	- -	- -

Sl. No.	Particulars	Year	Key Management Personnel	Joint Ventures		Enterprises which are significantly influenced by the Company/Director		
			D.R. Bansal	BEOL	BFL	VTL	SPL	Total
8	Sale of Fixed Assets	2013	-	-	-	12.70	-	12.70
		2012	-	-	8.86	-	-	-
9	Inter Corporate Loans/Security Deposit taken	2013	-	-	-	200.00	-	200.00
		2012	-	-	7.00	-	-	-
10	Inter Corporate Loans repaid	2013	-	-	-	200.00	-	200.00
		2012	-	-	-	-	-	-
11	Inter Corporate Loans given	2013	-	-	-	255.00	-	255.00
		2012	-	-	-	-	-	-
12	Inter Corporate Loans received back	2013	-	-	-	255.00	-	255.00
		2012	-	-	-	-	-	-
13	Interest on Inter Corporate Loans/ Security Deposit Paid	2013	-	-	0.70	0.52	-	0.52
		2012	-	-	0.58	-	-	-
14	Interest on Inter Corporate Loans received	2013	-	-	-	3.20	-	3.20
		2012	-	-	-	-	-	-
15	Dividend Paid	2013	-	-	-	-	-	-
		2012	-	22.15	-	96.80	-	96.80
16	Remuneration Paid*	2013	94.85	-	-	-	-	-
		2012	35.25	-	-	-	-	-
17	Reimbursements received/receivable	2013	-	0.30	8.80	0.16	-	0.16
		2012	-	0.30	1.29	0.37	0.01	0.38
18	Reimbursements paid/payable	2013	-	-	0.02	8.86	-	8.86
		2012	-	0.05	-	8.86	-	8.86
(B) Balance outstanding as at the year end								
1	Trade Payables/Other Liabilities	2013	-	1.47	7.30	297.50	9.80	307.30
		2012	-	-	7.30	528.84	-	528.84
2	Corporate Guarantee given	2013	-	-	3520.00	-	-	-
		2012	-	-	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 : (1) No amount has been provided as doubtful debts or advances/written off or written back in respect of debts due from/to above parties.

(2) Transactions with related parties are done on arm's length basis in the ordinary course of business.

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 of 3% in the Lease Agreement for every subsequent period of 11 months. There is no restriction imposed by Lease Agreements. The leases are cancelable.

During the year, the Company has received lease rent of ₹ 195.04 lacs (Previous year ₹ 104.92 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".


34. Interest in Joint Venture Companies :

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

Name of the JVCs	Country of Incorporation	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, 2013 and 31st March, 2012 in the above Companies, as per their financial statements are as under :

(₹ in lacs)

Particulars	BEOL		BFL	
	2012-13 (Audited)	2011-12 (Audited)	2012-13 (Unaudited)	2011-12 (Audited)
LIABILITIES				
NON-CURRENT LIABILITIES				
Long-term Borrowings	1.64	9.35	110.75	118.03
Deferred Tax Liabilities (Net)	-	-	201.65	97.80
Long-term Provisions	14.17	21.91	-	7.61
CURRENT LIABILITIES				
Short-term Borrowings	433.73	356.39	938.97	1021.26
Trade Payables	474.96	198.06	1575.14	741.24
Other Current Liabilities	82.79	41.59	203.18	391.63
Short-term Provisions	14.56	6.32	28.67	4.86
TOTAL	1021.85	633.62	3058.36	2382.43
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	386.13	418.94	2331.00	2432.90
Intangible Assets	0.14	0.45	1.76	2.22
Capital Work-in-progress	52.21	2.49	-	-
Non-current Investments	182.80	182.80	-	-
Long-term Loans and Advances	14.63	5.96	86.81	73.55
Other Non-current Assets	-	0.02	31.19	28.76
CURRENT ASSETS				
Inventories	386.21	228.22	1189.49	386.36
Trade Receivables	485.44	358.76	1880.42	1260.46
Cash and Bank Balances	91.11	76.26	136.71	433.18
Short-term Loans and Advances	226.82	91.35	307.62	192.43
Other Current Assets	5.51	3.61	6.21	3.05
TOTAL	1831.00	1368.86	5971.21	4812.91

(₹ in lacs)

Particulars	BEOL		BFL	
	2012-13 (Audited)	2011-12 (Audited)	2012-13 (Unaudited)	2011-12 (Audited)
Income				
Revenue From Operations less Excise Duty	1609.49	976.34	5724.81	4941.26
Other Income	40.88	29.42	51.12	15.42
Expenses				
Cost of Raw Material Consumed	1205.08	746.43	3694.55	2989.90
Purchase of Stock in Trade	16.01	17.40	82.17	31.10
(Increase) in Inventories of Materials under process, Finished Goods, Scrap and Traded Goods	(50.83)	(21.85)	(280.94)	(25.19)
Employee Benefits Expenses	105.02	96.05	218.12	172.01
Finance Costs	64.29	63.74	103.10	158.71
Depreciation/Amortization	47.41	49.37	272.34	259.87
Other Expenses	189.46	117.74	966.87	1086.31
Provision for Tax	-	(0.42)	237.33	102.88
Contingent Liabilities	2044.30	1682.51	-	178.42
Capital Commitments	27.33	0.07	49.95	8.10

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 ₹ 550.96 lacs (Previous year ₹ 965.81 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 ₹ 1215.00 lacs (Previous year ₹ 1528.63 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%. Provision has been made on this account wherever necessary.
- 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, 2013	As at 31st March, 2012
1	Income Tax*	415.58	259.27
2	Terminal Tax Liability**	227.37	195.30
3	Excise and Service Tax Cases	91.84	170.60
4	Bills of exchange discounted with Banks	1269.91	3308.91
5	Corporate Guarantee issued in favour of SBI on behalf of the Joint Venture Company viz. "Birla Furukawa Fibre Optics Ltd."	3520.00	3520.00

* Income Tax demand comprise demand from the Indian Tax Authorities for payment of additional tax of ₹ 386.69 lacs (Previous year ₹ 233.54 lacs), upon completion of tax assessments for the financial years 2007-08, 2008-09 and 2009-10. Further for the years 2010-11, 2011-12 and 2012-13, the Management has considered ₹ 28.89 lacs (Previous year ₹ 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 ₹ 1264.98 lacs (Previous year ₹ 1050.09 lacs) in the financial statements for the tax demand raised and balance of ₹ 415.58 lacs (Previous year ₹ 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 no likelihood of the Company being subjected to any Terminal Tax Liability.

The future cash outflow in respect of items 1 to 3 above is determinable only on receipt of the decisions/judgements in the cases pending at various forums and authorities concerned.

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

(₹ in lacs)

Particulars	2012-13	2011-12
Contract revenue recognized as revenue during the year relating to ongoing projects	4412.26	6565.12
Contract cost incurred plus recognized profits upto reporting date	15522.50	19978.48
Advances received	133.59	521.83
Amount outstanding/retentions	2668.49	5126.07
Gross amount due from customers for contract work presented as an asset	116.27	123.65
Gross amount due to customers for contract work presented as a liability	43.73	106.48

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

(₹ in lacs)

Particulars	2012-13	2011-12
Contract revenue recognized as revenue during the year relating to ongoing projects	4412.26	6565.12
Contract revenue recognized as revenue during the year relating to completed projects	813.73	1674.89
Total	5225.99	8240.01

39. Derivative Instruments and Unhedged Foreign Currency Exposure

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

Particulars	Currency	2012-13			2011-12		
		Amount in Foreign Currency	Exchange Rate	₹ in lacs	Amount in Foreign Currency	Exchange Rate	₹ in lacs
FC Loans - Buyer's Credit	USD	661066.44	54.80	362.26	2858832.27	51.53	1473.16
Interest Accrued and not due on Loans	USD	23504.43	54.80	12.88	39144.58	51.53	20.17
Payables	USD	607611.41	54.80	332.97	-	-	-

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

Particulars	Currency	2012-13			2011-12		
		Amount in Foreign Currency	Exchange Rate	₹ in lacs	Amount in Foreign Currency	Exchange Rate	₹ in lacs
Payables	USD	2134618.13	54.80	1169.77	718371.08	51.53	370.17
	SEK	661650.00	8.45	55.91	46753.00	7.80	3.65
	JPY	2223477.00	0.58	13.00	4143046.85	0.63	26.18
	EUR	73354.30	70.28	51.55	-	-	-
FC Loans - Buyer's Credit	USD	3102288.52	54.80	1700.05	2264546.60	51.53	1166.92
Interest Accrued and not due on Loans	USD	15684.15	54.80	8.59	27597.41	51.53	14.22
Trade Receivables	USD	12727.00	53.98	6.87	-	-	-
Loans and Advances	EUR	-	-	-	27343.58	65.67	17.96
	USD	85000.00	54.25	46.11	107583.60	51.04	54.91
	JPY	-	-	-	103766.51	0.54	0.56

- (c) A sum of ₹ 7.55 lacs (Previous year ₹ 10.48 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	2012-13	2011-12
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier : Principal amount Interest thereon	1001.52 Nil	392.97 28.05
(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.	Nil	27.49
(iv)	the amount of interest accrued and remaining unpaid.	Nil	28.05
(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 ₹ 368 lacs as at 31st March, 2013, thus having a temporary decline of ₹ 482 lacs as compared to the carrying amount of the said investment. Having regard to the future growth potential anchored on core competencies, intrinsic assets base/net worth and state-of-the-art manufacturing facilities 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 other than temporary nature and hence does not call for any provision thereagainst.

42. There is no impairment of Fixed Assets during the year.


43. Supplementary Statutory Information

(₹ in lacs)

(A) Earnings in Foreign Currency (on accrual basis)

1. Export at F.O.B. Value
2. Claims from Vendors

	2012-13	2011-12
1. Export at F.O.B. Value	309.26	2583.59
2. Claims from Vendors	2.00	2.25
(B) Expenditure in Foreign Currency (on accrual basis) (Including Taxes, if any)		
1. Travelling	10.69	34.26
2. Interest	49.30	251.59
3. Royalty	47.20	49.03
4. Commission	-	21.94
5. Technical Services	304.02	224.19
6. Others	15.10	29.10
(C) Value of imports calculated on C.I.F. basis (on accrual basis)		
1. Raw Materials	9846.12	25021.01
2. Stores & Spare Parts	75.76	110.51
3. Capital Goods	1107.35	228.57
4. Goods purchased for re-sale	686.38	47.86

(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	45924.93 (45331.55)	9897.68 (28116.62)	36027.25 (17214.93)	21.55 (62.02)	78.45 (37.98)
2	Stores & Spare Parts	618.62 (740.58)	79.94 (111.65)	538.68 (628.93)	12.92 (15.08)	87.08 (84.92)

*As certified by the Management.

44. Previous Year Figures

The Company has reclassified/regrouped previous year figures wherever necessary, to conform to this year's classification. Figures shown in brackets, represent those of the previous year.

As per our attached report of even date

For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Registration No. 109208W

D.R. Bansal
Chief Mentor & Executive Director

Harsh V. Lodha *Chairman*

S.R. Jain

S.S.Kothari

S.C. Jain

J.C. Sharma

Dinesh Chanda

Directors

R. Raghuraman
Partner
Membership No. 081350

Vinod Bansal
Vice President (Commercial) & CFO

Place : New Delhi
Date : 21st May, 2013

Avanish Dwivedi
Company Secretary

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./Mrs. _____
of _____ in the district of _____ or failing
him/her, Mr./Mrs. _____ of _____
in the district of _____ as my/our proxy to vote for me/us and on my/our behalf at
the 68th Annual General Meeting of the Company to be held on Tuesday, the 9th July, 2013 and at any adjournment thereof
in favour of/against the resolution(s).

Signed this _____ day of _____, 2013

Signature _____

Affix Revenue Stamp of Thirty Paise
--

* Applicable for members holding shares in dematerialized form.

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

Tear here -

UNIVERSAL CABLES LIMITED

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 EIGHTH ANNUAL GENERAL MEETING being held at the Registered Office of the Company on Tuesday, the 9th July, 2013.

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

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

* Applicable for members holding shares in dematerialized form.

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



Company's products being showcased at Vidyut Expo, 2013 at Nagpur



Inauguration of SBI ATM at Company's Premises at Satna



Special Family Welfare camp organised during the year

UNIVERSAL CABLES LIMITED

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CHENNAI

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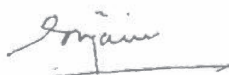
GOA

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Verna, Salcette, Goa - 403 722
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Fax : (0832) 2782614, 6696414
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If undelivered please return to :
UNIVERSAL CABLES LIMITED
Regd. Office : P.O. Birla Vikas, Satna - 485 005 (M.P.)

FORM A

1	Name of the Company	Universal Cables Limited
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit Observation	Un-qualified/Matter of Emphasis: Non provision for shortfall in the market value of the quoted investments for the reason stated in Note No. 41 of the Financial Statements.
4	Frequency of Observation	Not Applicable
5	To be signed by -	
	<ul style="list-style-type: none">• CEO/Managing Director	 Shri D.R. Bansal Chief Mentor & Executive Director
	<ul style="list-style-type: none">• CFO	 Shri Vinod Kumar Bansal Vice President (Commercial) & CFO
	<ul style="list-style-type: none">• Auditor of the Company	For V. Sankar Aiyar & Co., Chartered Accountants FRN: 109208W  R. Raghuraman Partner [Membership No.081350]
	<ul style="list-style-type: none">• Audit Committee Chairman	 Dr. S.R. Jain Chairman of Audit Committee