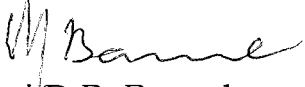
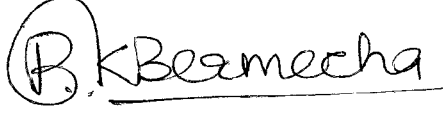
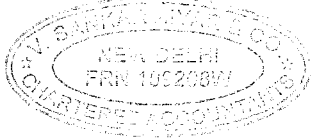

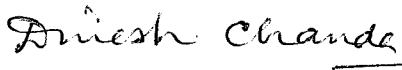


# FORM A

1	Name of the Company	Universal Cables Limited
2	Annual financial statements for the year ended	31 <sup>st</sup> March 2014
3	Type of Audit Observation	Un-qualified/Matter of Emphasis: Not Applicable
4	Frequency of Observation	Not Applicable
5	To be signed by -	
	<ul style="list-style-type: none"><li>CEO/Managing Director</li></ul>	 Shri D.R. Bansal Chief Mentor & Executive Director
	<ul style="list-style-type: none"><li>CFO</li></ul>	 Shri Rakesh Barmecha Assistant Vice - President (Finance & Accounts)
	<ul style="list-style-type: none"><li>Auditor of the Company</li></ul> 	For V. Sankar Aiyar & Co., Chartered Accountants FRN: 109208W  R. Raghuraman Partner [Membership No.081350]
	<ul style="list-style-type: none"><li>Audit Committee Chairman</li></ul>	 Shri Dinesh Chanda Chairman of Audit Committee

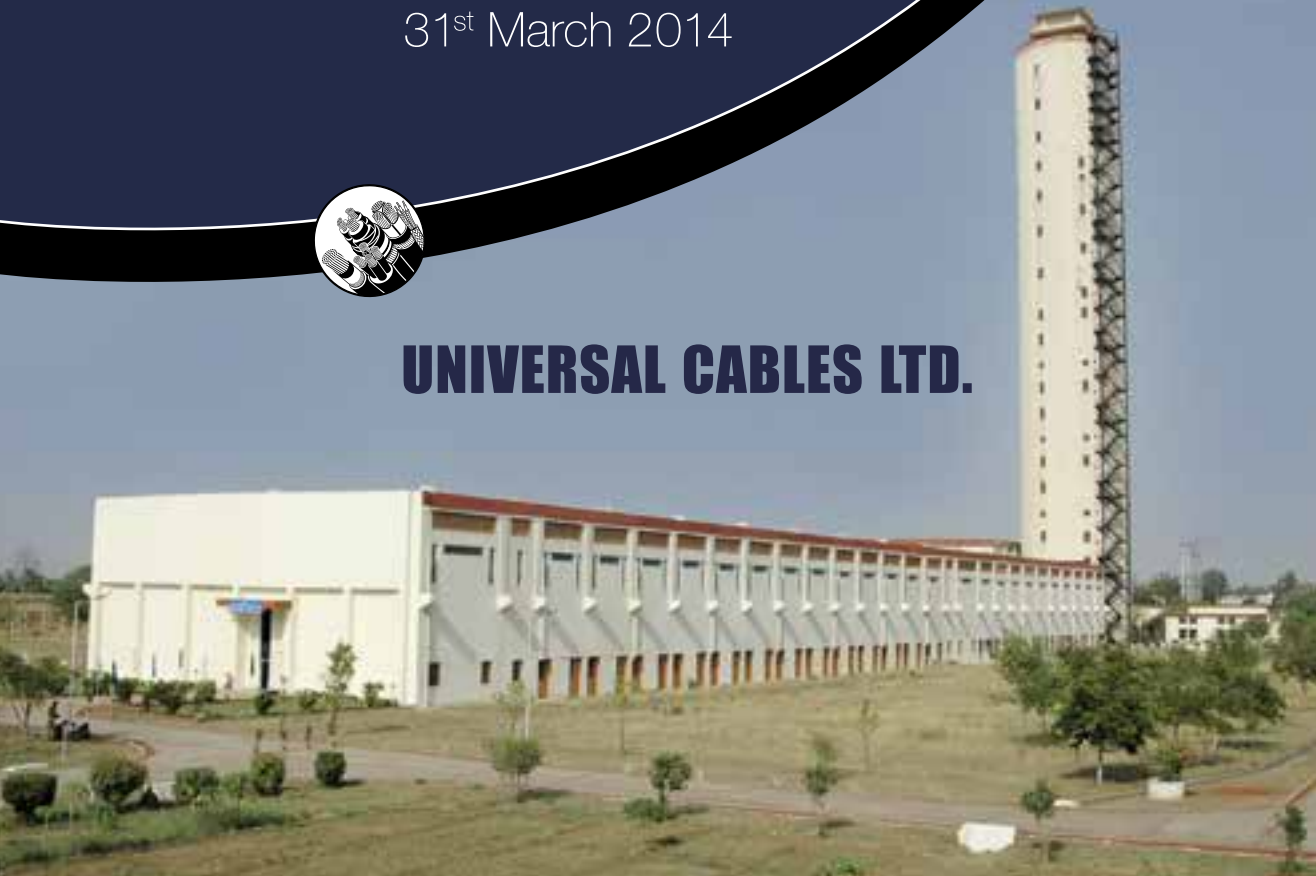


**UNI★STAR<sup>®</sup>**

Annual Report  
& Accounts  
for the Year Ended  
31<sup>st</sup> March 2014



**UNIVERSAL CABLES LTD.**

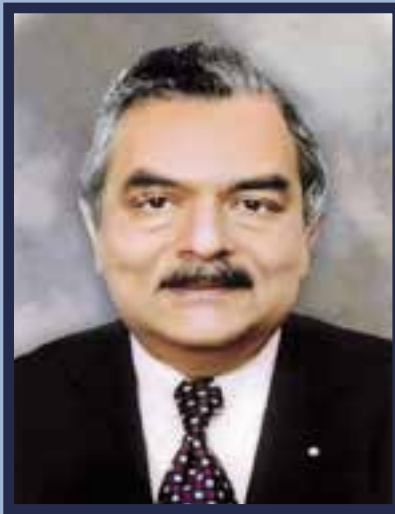




**Syt. Madhav Prasadji Birla**  
(1918-1990)



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



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

*Our source of Inspiration*



# UNIVERSAL CABLES LIMITED

## ANNUAL REPORT 2013-2014

### DIRECTORS

SHRI HARSH V. LODHA  
DR. S. R. JAIN  
SHRI S.S. KOTHARI  
SHRI S.C. JAIN  
SHRI DINESH CHANDA  
SHRI B.R. NAHAR  
SHRI D.R. BANSAL

*Chairman*

*Chief Mentor & Executive Director*

### AUDIT COMMITTEE

SHRI DINESH CHANDA  
DR. S.R. JAIN  
SHRI S.S. KOTHARI

*Chairman*

### CHIEF EXECUTIVE OFFICER

SHRI Y.S. LODHA

### COMPANY SECRETARY

SHRI OM PRAKASH PANDEY

### 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  
CIN : L31300MP1945PLC001114

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IS / ISO 9001:2000



IS / ISO 14001







# UNIVERSAL CABLES LIMITED

CIN: L31300MP1945PLC001114

Registered Office:

P.O. Birla Vikas, Satna – 485 005 (M.P.), India

Phone: (07672) 257121 to 257127 • Fax: (07672) 257131

E-mail: headoffice@unistar.co.in • Website: www.unistar.co.in

## NOTICE

### TO THE SHAREHOLDERS

**NOTICE** is hereby given that the Sixty-Ninth Annual General Meeting of the Members of Universal Cables Limited will be held at the Registered Office of the Company at P.O. Birla Vikas, Satna - 485 005 (M.P.) on Tuesday, 12th August, 2014 at 11.00 A.M. to transact the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Harsh V. Lodha (holding DIN 00394094), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint Messrs V. Sankar Aiyar & Co., Chartered Accountants, (Registration No. 109208W), the retiring auditors, as Statutory Auditors of the Company for further period of upto three financial years starting from 1st April, 2014, to hold office from the conclusion of this Meeting until the conclusion of the next third Annual General Meeting of the Company subject to ratification by shareholders in the subsequent Annual General Meeting(s) at a remuneration and on the other terms and conditions as shall be fixed by the Board of Directors of the Company.

#### SPECIAL BUSINESS:

4. To appoint Shri Bachh Raj Nahar (holding DIN 00049895) as a Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

“RESOLVED that Shri Bachh Raj Nahar (DIN 00049895) who was appointed as an Additional Director of the Company with effect from 19th May, 2014 by the Board of Directors under Section 161 of the Companies Act, 2013 and holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To appoint Shri S.S. Kothari (holding DIN 000052448) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Shri S.S. Kothari (DIN 000052448), a Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation.”

6. To appoint Shri S.C. Jain (holding DIN 00194087) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Shri S.C. Jain (DIN 00194087), a Director of the Company who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation.”

7. To appoint Dr. S.R. Jain (holding DIN 00364293) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Dr. S.R. Jain (DIN 00364293), a Director of the Company whose period of office is liable to determination by retirement of director by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation.”



8. To appoint Shri Dinesh Chanda (holding DIN 00939978) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
- “RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement with stock exchanges, Shri Dinesh Chanda (DIN 00939978), a Director of the Company whose period of office is liable to determination by retirement of director by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term upto 31st March, 2019, not liable to retire by rotation.”
9. To ratify/approve the remuneration of the Cost Auditors for the financial year 2014-15 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
- “RESOLVED that pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Messrs D. Sabyasachi & Co., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company relating to manufacture of Cables and Capacitors for the financial year 2014-15, be paid the remuneration of Rs.90,000/- (Rupees Ninety Thousand Only) plus service tax, if applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred for the purpose by the said Cost Auditors.
- RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Registered Office:**

P.O. Birla Vikas,  
Satna – 485 005 (M.P.)

By order of the Board

(Om Prakash Pandey)  
Company Secretary

21st June, 2014

**NOTES FOR MEMBERS' ATTENTION**

- A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF OR HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF COMPANIES, SOCIETIES, ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE, ISSUED ON BEHALF OF THE NOMINATING ORGANIZATION.**  
**A person shall not act as Proxy for more than Fifty (50) members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholders. A proxy form is annexed herewith.**
- The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 6th August, 2014 to Tuesday, the 12th August, 2014 (both days inclusive).
- Messrs Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 continue to act in the capacity of Registrar & Share Transfer Agents for physical shares of the Company. Messrs Link Intime India Pvt. Ltd. is also the depository interface of the Company with both NSDL and CDSL. Members are requested to address all correspondences, including dividend matters, to the said Registrar & Share Transfer Agents.
- Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. The Company has connectivity from the NSDL and CDSL and equity shares of the Company may be held in the electronic form with any Depository Participant (DP) with whom the members/investors are having their demat account. The ISIN No. for the Equity Shares of the Company is INE279A01012. In case of any query/difficulty in any matter relating thereto may be addressed to the Registrar and Share Transfer Agents.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form shall submit their PAN details to the Company at its Registered Office or to the Registrar and Share Transfer Agents.
- This Notice of the Meeting (AGM) alongwith the Attendance Slip, Proxy Form and the Annual Report 2014 are being sent by electronic mode to all the members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
- All relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company during normal business hours on all working days except Saturdays, upto and including the date of the Meeting. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the Meeting (AGM).
- Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges in respect of the Directors seeking appointment/re-appointment at the Meeting are furnished and forms a part of the Notice. The Directors have furnished the requisite consents/declarations for their appointment/re-appointment.



10. 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 to the Company, a certified copy of the Board Resolution, Power of Attorney or such other valid authorisations, authorising them to attend and vote on their behalf at the 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.
11. Members desirous of obtaining any information on Annual Accounts of the Company at the Meeting are requested to write to the Company at least 10 (ten) days before the date of the Meeting, so that the information required may be made available at the Meeting.
12. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred Rs.7,76,437/- being the unpaid and unclaimed dividend amount pertaining to Interim Dividend 2006 on 21st June, 2013, to the Investor Education and Protection Fund of the Central Government.
13. Members who have so far not encashed their dividend warrants for the year ended 31st March, 2007 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.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members the facility of voting through electronic means, as an alternate, to enable them to cast their votes electronically and the business may be transacted through e-voting services provided by Central Depository Services Limited (CSDL). The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity share held by them as on 30th June, 2014 (Record Date).
15. The instructions for members for voting electronically are as under:-

**In case of members receiving the Notice through e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "Universal Cables Limited" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of "Universal Cables Limited" to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.





- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the Notice (physical copy) through Post/Courier then please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.**

16. The voting period begins on 6th August, 2014 and ends on 7th August, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30th June, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
17. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
18. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company as on the Record Date.
19. The Company has appointed Shri Rajesh Kumar Mishra, Practicing Company Secretary or failing him Shri Pardeep Nayak, Chartered Accountant as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
20. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
21. The results shall be declared on or after the Meeting (AGM) of the Company. The Results declared, along with the Scrutinizer's Report shall be placed on the Company's website [www.unistar.co.in](http://www.unistar.co.in) and on the website of CDSL within two (2) working days of passing of the resolutions at the Meeting (AGM) of the Company and communicated to the Stock Exchanges where the equity shares of the Company are listed viz. BSE Ltd. and National Stock Exchange of India Ltd.

#### ANNEXURE TO NOTICE

##### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

The following Statement set out all material facts relating to the Special Business mentioned in the accompanying Notice:

##### Item No. 4

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, Shri Bachh Raj Nahar as an Additional Director of the Company with effect from 19th May, 2014. In terms of the provisions of Section 161 of the Act, Shri Bachh Raj Nahar would hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Bachh Raj Nahar for the office of Director of the Company.

Shri Bachh Raj Nahar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board is confident that with his extensive business acumen, knowledge, and experience in diverse field, Shri Bachh Raj Nahar would definitely enhance the Board's strength and dynamism.

Save and except Shri Bachh Raj Nahar and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.4 of the Notice for approval by the Members.

##### Item No. 5

Shri S.S. Kothari is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 26.10.2005.

Shri S.S. Kothari retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri S.S. Kothari being eligible, has given his consent to act as a Director is proposed to be appointed as an Independent Director for five consecutive years w.e.f. 1st April, 2014. The Company has received a notice in writing from a member alongwith the deposit of requisite amount proposing the candidature of Shri S.S. Kothari for the office of Director of the Company.

In the opinion of the Board, Shri S.S. Kothari fulfils the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement with Stock Exchanges. Shri S.S. Kothari is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri S.S. Kothari as an Independent Director. Copy of the draft letter for appointment of Shri S.S. Kothari as an Independent



Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri S.S. Kothari and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

#### **Item No. 6**

Shri S.C. Jain is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 27.10.2004.

Shri S.C. Jain retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri S.C. Jain being eligible, has given his consent to act as a Director is proposed to be appointed as an Independent Director for five consecutive years w.e.f. 1st April, 2014. The Company has received a notice in writing from a member alongwith the deposit of requisite amount proposing the candidature of Shri S.C. Jain for the office of Director of the Company.

In the opinion of the Board, Shri S.C. Jain fulfils the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement with Stock Exchanges. Shri S.C. Jain is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri S.C. Jain as an Independent Director. Copy of the draft letter for appointment of Shri S.C. Jain as an Independent Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri S.C. Jain and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the Members.

#### **Item No. 7**

Dr. S.R. Jain is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 05.09.2006.

Dr. S.R. Jain is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. S.R. Jain being eligible, has given his consent to act as a Director is proposed to be appointed as an Independent Director for five consecutive years w.e.f. 1st April, 2014. The Company has received a notice in writing from a member alongwith the deposit of requisite amount proposing the candidature of Dr. S.R. Jain for the office of Director of the Company.

In the opinion of the Board, Dr. S.R. Jain fulfils the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and the Listing Agreement with Stock Exchanges. Dr. S.R. Jain is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. S.R. Jain as an Independent Director. Copy of the draft letter for appointment of Dr. S.R. Jain as an Independent Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Dr. S.R. Jain and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.7 of the Notice for approval by the Members.

#### **Item No. 8**

Shri Dinesh Chanda is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 23.05.2007.

Shri Dinesh Chanda is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri Dinesh Chanda being eligible, has given his consent to act as a Director is proposed to be appointed as an Independent Director for five consecutive years w.e.f. 1st April, 2014. A notice has been received from a member proposing Shri Dinesh Chanda as a candidate for the office of Director of the Company.

In the opinion of the Board, Shri Dinesh Chanda fulfils the conditions specified in the Companies Act, 2013 and the Listing Agreement with Stock Exchanges. Shri Dinesh Chanda is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Dinesh Chanda an Independent Director. Copy of the draft letter for appointment of Shri Dinesh Chanda an Independent Director is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Shri Dinesh Chanda and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No.8 of the Notice for approval by the Members.

#### **Item No. 9**

Messrs D. Sabyasachi & Co., Cost Accountants, were appointed as Cost Auditors by the Board of Directors to audit the cost records maintained by the Company in connection with manufacture of Cables and Capacitors for the financial year 2014-15 on the recommendation of the Audit Committee at a remuneration of Rs. 90,000/- (Rupee Ninety Thousand Only) plus Service Tax as applicable thereon and reimbursement of travelling and other incidental expenses that may be incurred for the purpose.



As per Rule 14 of the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors as approved by the Board is required to be ratified subsequently by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No.9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors/Key Managerial Personnel of the Company /their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 9 of the Notice for approval by the members.

**Details of Directors seeking appointment/re-appointment in the ensuing annual General Meeting scheduled to be held on 12th August, 2014.**

<b>Name of Director</b>	Shri Harsh V. Lodha
<b>Date of Birth</b>	13.02.1967
<b>Date of Appointment</b>	24.04.1998
<b>Expertise in specific functional areas</b>	He is 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.
<b>List of outside Directorships held*</b>	Alfred Herbert (India) Ltd. Birla Corporation Ltd. Birla Ericsson Optical Ltd. Birla Furukawa Fibre Optics Ltd. J.K. Fenner (India) Ltd. Hindustan Gum & Chemicals Ltd. Punjab Produce Holdings Ltd. Vindhya Telelinks Ltd.
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	None
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	Chairman - (i) Share Transfer and Shareholders'/ Investors' Grievance Committee of Birla Corporation Ltd. (ii) Investors Grievance Committee of Alfred Herbert (India) Ltd. Member - (i) Audit Committee of J.K. Fenner (India) Ltd. (ii) Audit Committee of Punjab Produce Holdings Ltd.
<b>Shareholding of the Non-Executive Director</b>	7950 Shares
<b>Relationship between Directors inter-se</b>	None

<b>Name of Director</b>	Shri Bachh Raj Nahar
<b>Date of Birth</b>	14.06.1951
<b>Date of Appointment</b>	19.05.2014
<b>Expertise in specific functional areas</b>	He is a Chartered Accountant. He is a Managing Director of Birla Corporation Limited, the flagship Company of the M.P. Birla group. Under his leadership, Birla Corporation Limited has been ranked First among the mid size Cement Companies in India. He has been holding important positions in major Companies for four decades. Business magazine had identified him as the best CEO among India's mid size Cement Companies and one of India's most valuable CEO's. He was Executive Director of the Essar group, Mumbai, one of the largest diversified business houses in India. Earlier, he was Executive President of Vikram Ispat of the Aditya Birla Group, one of the largest group of India.



<b>List of outside Directorships held*</b>	Budge Budge Floorcoverings Ltd. Birla Corporation Ltd. Talavadi Cements Ltd. Birla Cement (Assam) Ltd. Lok Cements Ltd.
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	None
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	None
<b>Shareholding of the Non-Executive Director</b>	100 shares
<b>Relationship between Directors inter-se</b>	None

<b>Name of Director</b>	Shri S.S. Kothari
<b>Date of Birth</b>	25.03.1931
<b>Date of Appointment</b>	26.10.2005
<b>Expertise in specific functional areas</b>	He is a graduate Engineer in Mechanical & Electrical streams from Banaras Hindu University. While working as Chief Executive in large Cement Plants at his young age, he also looked after the Commercial, Legal and Labour matters. At the age of 45, he chartered his own course by starting a consultancy organization in New Delhi, specially in Cement and Mineral Processing fields. He is very well known in his field of operation and at present he is leading Cemtech Consultants Pvt. Ltd. which provides basic and detailed Design and Engineering to the cement industry and has successfully completed large Cement Project(s).
<b>List of outside Directorships held*</b>	None
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Member - (i) Audit Committee (ii) Stakeholders Relationship committee
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	None
<b>Shareholding of the Non-Executive Director</b>	100 Shares
<b>Relationship between Directors inter-se</b>	None

<b>Name of Director</b>	Shri S.C. Jain
<b>Date of Birth</b>	01.08.1940
<b>Date of Appointment</b>	27.10.2004
<b>Expertise in specific functional areas</b>	He did his graduation from Lucknow Christian College in 1958 and he is also a Law Graduate of Calcutta University. He obtained the Master's degree in Social Work with specialisation in Labour Relations and Personnel Management from J.K. Institute, University of Lucknow. He is life member of National Institute of Personnel Management and was Examiner and Paper Setter for the DPM Course of the Institute. He was also Chairman of the Labour Sub-Committee of the Chamber of Commerce and a nominee of the Chamber on the Minimum Wages Advisory Board constituted by the Government of West Bengal. He has over 40 years experience in Management of Industrial Relations. He has also written a book on "Calcutta High Court 50 years Digest of Important Labour Cases" which is a unique digest of such cases and a very useful guideline to employers, employees, trade unions and to practicing managers.
<b>List of outside Directorships held*</b>	Utkal Asbestos Limited
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Member - Stakeholders Relationship Committee
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	None
<b>Shareholding of the Non-Executive Director</b>	100 Shares
<b>Relationship between Directors inter-se</b>	None

<b>Name of Director</b>	Dr. S.R. Jain
<b>Date of Birth</b>	29.10.1934
<b>Date of Appointment</b>	05.09.2006



<b>Expertise in specific functional areas</b>	He is an expert in the Management of Steel and Heavy Industries and has over 40 years of experience in this field. He has also been the Chairman of Steel Authority of India Limited and Heavy Engineering Corporation Limited. He has also served as the President of The Indian Institute of Metals and is currently the Chairman of Consteel India (P) Limited, a Delhi based Consultancy Company.
<b>List of outside Directorships held*</b>	Neelachal Ispat Nigam Limited OCL India Limited
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Member - Audit Committee
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	Member - (i) Audit Committee of OCL India Limited and Neelachal Ispat Nigam Limited (ii) Shareholders Grievance Committee of OCL India Limited
<b>Shareholding of the Non-Executive Director</b>	100 Shares
<b>Relationship between Directors inter-se</b>	None

<b>Name of Director</b>	Shri Dinesh Chanda
<b>Date of Birth</b>	26.10.1936
<b>Date of Appointment</b>	23.05.2007
<b>Expertise in specific functional areas</b>	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.
<b>List of outside Directorships held*</b>	None
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	Chairman – (i) Audit Committee (ii) Stakeholders Relationship Committee
<b>Chairman/Member of the Committee of the Board of Directors of other Public Companies</b>	None
<b>Shareholding of the Non-Executive Director</b>	150 Shares
<b>Relationship between Directors inter-se</b>	None

\* Number of other Directorships held by the Directors, as mentioned above, do not include Alternate Directorships and Directorships held in Foreign Companies, Indian Private Limited Companies and LLP's 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 June, 2014

By order of the Board

**(Om Prakash Pandey)**  
Company Secretary



# 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, 2014.

### FINANCIAL RESULTS

Description	Amount (₹ in lacs)			
	Year Ended 31st March, 2014		Year Ended 31st March, 2013	
Gross Income		68660.84		69254.42
Earnings before Interest, Depreciation and Tax (EBITDA)		561.72		3314.20
Finance Cost		3285.81		2532.48
Profit/(Loss) before Depreciation and Tax		(2724.09)		781.72
Depreciation and Amortization	1687.34		1476.88	
Earlier Year Taxes	-		1.20	
Deferred Tax (Credit)	(405.55)	1281.79	(234.09)	1243.99
(Loss) for the year		(4005.88)		(462.27)
Surplus brought forward from previous year		4444.91		4907.18
Surplus carried to Balance Sheet		439.03		4444.91

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

### GENERAL & CORPORATE MATTERS

Despite subdued market scenario in the Power Sector, your Company has been able to achieve gross revenue of ₹ 686.61 crores in the current fiscal as compared to ₹ 692.54 crores for the previous year. However, the magnitude of loss suffered for the year is higher at ₹ 40.06 crores as compared to ₹ 4.62 crores for the previous fiscal.

During the year under review, the operations of your Company have been severely impacted due to increased finance cost arising from extended debtors cycle in the industry, the slow-down in the power transmission segment adversely affecting the EHV cable demand which is your Company's key product coupled with predatory pricing strategy adopted by certain overseas players leading to severe pressure on margins. Many of the power infrastructural projects have been temporarily stalled due to the policy impasse on substantive issues of environmental clearances, Rights of-the-Way permissions, coal linkages/allocation and revision in power purchase agreement, etc. This has caused unanticipated deferment in their delivery schedule for the Company's products leading to higher inventory of finished goods and payment hold up intensifying liquidity pressure on the Company. In addition to the above, apart from the other key imported raw-materials, the prices of bulk raw-materials such as Copper & Aluminium though indigenously sourced, are linked with the foreign exchange rates. The depreciation of the rupee has therefore severely affected the margins as the industry mainly operates on firm price contracts.

Under the present business environment, your Company has decided to re-structure its business strategy by broadening its market base. To de-risk itself from aberrations of a polarized Extra High Voltage (EHV) market segment, in which your Company is a formidable player and equipped with best-in-class VCV technology, it has expanded its capacity in the Medium Voltage (MV) and Light Duty cable verticals. The overall increase in the manufacturing capacity in the MV & Light Duty cable verticals would transform the Company into a competitive manufacturing base. The Company is focusing on products and customers from where better margins are available.

Your Company has also ventured into execution of turnkey projects for capacitors banks where the margins are reasonably remunerative.

Constant efforts are being made by your Company to enhance productivity with a view to gain competitive edge. In a parallel effort, your Company is continuously upgrading and modernizing the production facilities with a special focus on production cost reduction, optimization of raw material consumption and rationalization of manpower.

Your Company's strength lies in its technological primacy, advanced manufacturing facilities, high-end products, brand equity and skilled & talented manpower. Therefore, once the power & other infrastructural segment recovers from the present slump, the Company would emerge stronger.



## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement(s) with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Certificate by Chief 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, 2014, 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 2013-14 and of the loss for the year ended 31st March, 2014;
- ◆ proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- ◆ the attached Annual Statement of Accounts for the year ended 31st March, 2014 have been prepared on a 'going concern' basis.

## **DIRECTORS**

In terms of Section(s) 149, 152 and all other applicable provisions of the Companies Act, 2013, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company. Accordingly, Shri Harsh V. Lodha, Director, shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. .

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Shri Bachh Raj Nahar was appointed as an Additional Director w.e.f. 19th May, 2014 and he shall hold office upto the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Shri Bachh Raj Nahar for appointment as a Director of the Company, liable to retire by rotation.

Pursuant to Section 149(6) of the Companies Act, 2013, Independent Directors are required to inform their status as to 'Independent Director' (ID) in the first meeting of the Board of Directors in which they participate and thereafter at the first meeting of the Board in every financial year. Accordingly four of the Directors of your Company viz. (i) Shri S.S. Kothari, (ii) Shri S.C. Jain, (iii) Dr. S.R. Jain and (iv) Shri Dinesh Chanda have declared their adherence to the criteria fixed under Section 149(6) for 'Independent Directors'. The Board of Directors of the Company at its meeting held on 19th May, 2014 perused their declarations and other requirements under the Companies Act, 2013 and the Rules made thereunder, as applicable, and found all of them to be meeting with criteria for Independent Director and same were taken on record. The relevant provisions of the Companies Act, 2013 also provide that the IDs shall be appointed as such within a period of 12 months from 1st April, 2014. Your Board has deemed it prudent and recommended to the Shareholders their appointment as IDs for a period of upto 5 years with effect from 1st April, 2014 at the ensuing Annual General Meeting. All IDs shall not be liable to retire by rotation. None of the above mentioned persons is disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Details of Directors seeking appointment/re-appointment as required under Clause 49 of the Listing Agreement with Stock Exchanges are given in the Notice of the ensuing Annual General Meeting, which is being sent to the shareholders along with Annual Report.

Shri J.C. Sharma, a Director of the Company has left for his heavenly abode on 31st January, 2014. The Board gratefully places on record its deep sense of appreciation for the services rendered by Shri J.C. Sharma during his tenure as Director of the Company.

## **AUDITORS**

Messrs V. Sankar Aiyar & Co., Chartered Accountants (Registration No.109208W), were appointed as Statutory Auditors to hold office until the conclusion of the ensuing Annual General Meeting of the Company. Section 139 read together with other provisions of Chapter X of the Companies Act, 2013 and the Rules made thereunder, inter alia, provide that no listed company shall appoint/re-appoint an audit firm as auditor for more than two terms of five consecutive years. In other words, the Company can make appointment of auditor for five years at a time. Since Messrs V. Sankar Aiyar & Co. has been functioning as Auditors of the Company since last two consecutive years, the Board of Directors unanimously agreeing to the recommendation of the Audit Committee, further recommends re-appointment of M/s V.Sankar Aiyar & Co. as Statutory Auditors of the Company for further period of upto three financial year starting from 1st April, 2014 to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next third Annual General Meeting of the



Company subject to ratification by shareholders in the subsequent Annual General Meetings.

The Board of Directors 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 and fixed their remuneration based on the recommendation of the Audit Committee. The remuneration payable to Cost Auditors is subject to ratification by the shareholders in the ensuing Annual General Meeting of the Company.

The due date and actual date of filing of the Cost Audit Report of the Company for the financial year 2012-13 were 27.09.2013 and 02.09.2013 respectively.

#### **AUDITORS' REPORT**

Notes on Financial Statements referred to in the Auditors' Report are self explanatory, therefore, do not call for any further comments or explanations.

#### **JOINT VENTURE**

Birla Furukawa Fibre Optics Limited (BFL), a joint venture between the Company & Furukawa Electric Co., Ltd., Japan, has recorded considerable growth in its operations notwithstanding the fact that it is just a five years old Company. The operations of BFL are 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 its 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. Accordingly, the capacity expansion project undertaken by BFL in phased manner keeping pace with the growth in demand for optical fibre in domestic market, is progressing as per Schedule and production after completion of first phase has started in April, 2014.

Your directors are pleased to inform that Birla Ericsson Optical Ltd., a venture co-promoted by your Company in association with Vindhya Telelinks Limited and Ericsson Cables AB, Sweden having made a positive turnaround last fiscal has posted encouraging financial performance during the year under review.

#### **INDUSTRIAL RELATIONS & SAFETY**

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. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's employees at all level in a most challenging and difficult business environment.

Yours faithfully,

Harsh V. Lodha

S.R. Jain

S.S. Kothari

S. C. Jain

Dinesh Chanda

B.R. Nahar

D.R. Bansal

*Chairman*

*Directors*

*Chief Mentor & Executive Director*

New Delhi, 19th May, 2014




**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, 2014.**

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	1,00,45,351	M.Sc.	52	01.08.1964	74	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, 2014.

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

New Delhi, 19th May, 2014

**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, 1956 AND THE RULES MADE THEREUNDER AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.**
**(A) CONSERVATION OF ENERGY**

It has been Company's policy to closely monitor and review the energy consumption of all major machinery and production process on continual basis.

Following Energy Conservation measures were taken during the year :-

- Substantial reduction in air conditioning load of offices by optimization of space utilization.
- Replacement of high energy consuming 150 Watt Son lamps by energy efficient 85 Watt CFL lamps.
- Use of Nitrogen gas instead of steam for annealing of copper wires on wire drawing machines.
- Re-engineering of utility lines to minimize wastage of compressed air and nitrogen.

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

1.	Specific areas in which R&D carried out by the Company	Development of single and multicore elastomeric cables having low smoke zero halogen (LSOH) and restricted hazardous substance (ROHS) properties for Wind Turbine Cables for export.
2.	Benefits derived as a result of the above R&D	Enhanced Product Range in line with rapidly changing markets needs.



3.	Future plan of action	1. Flexible Solar Cables for use in circuits of photo voltaic system. 2. Zero Halogen (OH) fire resistant Medium Voltage XPLE Power Cables for use in Metro rail Networks. 3. Stepping up the innovation agenda to ensure more scalable innovation in cost competitive products.
4.	Expenditure on R&D	(a) Capital ₹ 1.51 Lacs (b) Recuring ₹ 130.78 Lacs (c) Total ₹ 132.29 Lacs (d) Total R&D Expenditure 0.20% 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) Import substitution as overall cost reduction. (b) Cost Optimization (c) Improvement in productivity and overall operational efficiency
3.	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following may be furnished:	
	(a) Technology imported	Know-how and Technical from Furukawa Electric Co. Ltd., Japan for manufacture of 132 kV to 400 kV XLPE Cables by Continuous Vulcanization (CV) process using VCV Line.
	(b) Year of import	2006-2007
	(c) Has technology been fully absorbed? If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action.	Technology imparted is being absorbed.

## (C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings	₹	364.35	lacs
Outgo	₹	10616.87	lacs

Harsh V. Lodha

S.R. Jain

S.S. Kothari

S. C. Jain

Dinesh Chanda

B.R. Nahar

D.R. Bansal

*Chairman*

*Directors*

*Chief Mentor & Executive Director*

New Delhi, 19th May, 2014



# Management Discussion and Analysis

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company retains its hegemonic position in the Power Cable and Capacitor industry. The Company has strong fundamentals for quality products and technological primacy, which is imperative for its sustainability in this complex and demanding marketplace. In line with the same, the Company has been continuously investing in technological up-gradation and capacity build-up. Considering the global competitive dynamics, the Company has maintained its strategy of technological infusion to remain at par with worldwide trends.

The Company has a well established brand “Unistar” which has a strong image across all segments of customers. The Company’s uncompromised quality makes it an obvious reason for continued brand loyalty from quality conscience customers. The Company had conceded a significant market of commoditized products in the low voltage segment in the competitive milieu of low-quality-low-price products. However, there has been noticeable re-bound in demand from a segment of customers, who are showing preference for safe, durable, quality products. The Company expects to benefit from these customers who are taking a fresh look at the quality quotient for reaping deeper economic benefits from the product life-cycle-cost.

During this financial year, the economy has passed through turbulent phases being hit by one crisis after another. First, the power sector which is the key demand driver is reeling under severe pressure due to fuel shortage and the escalating price. Compounded, with financial constraints, the performance of the power sector plunged to the lowest point in comparison to the preceding three years. As the power sector has over-promised and under-performed over the years, the aspirations of the entire cross-section of Industries has been watered-down. Second, the unprecedented external shock of the currency fluctuation has resulted to a crippling effect on the economy. Never in the recent economic history has the rupee been exposed to such sharp depreciation. The power cable industry mainly operates on firm price contracts; hence the free-fall of the rupee had a major financial impact. Third, the continuing deadlock on Government policies and decisions which is imperative to reinvigorate the economy would need to wait till the administration firms up its policies after the general election. Under this backdrop, the Company, which is largely dependant on the infrastructural segment, is passing through a rough weather. The slump in the demand has invited intense competition and pressure on its margins. Despite these adversities, the industry players are waiting for the Government to initiate a move to correct the present state of affairs.

The reforms have been in process which has been gradually transforming the socio-economic landscape of the country. Given the fact that infrastructural development is the backbone of the country, the vision and ambitious plans enunciated by the Government are irreversible. With the challenges to revive the sagging economy, the Government with clear direction have been rolling-out a host of market-oriented reforms and investment friendly policies to espouse market buoyancy. Thus, major industry players whose expanded capacities have been under-utilised, have a promise of capitalizing its potential as the power cable market rebounds. It is said that the power segment would need to replicate the telecom revolution if its economy has to move in the right direction. This gives confidence to the industry which is presently in a difficult situation.

The Company has re-structured its business strategy by broadening its market base. To de-risk itself from aberrations of a polarized Extra High Voltage (EHV) market segment, the Company has expanded its capacity in the Medium Voltage (MV) and Light Duty cables segments. The overall increase in the manufacturing capacity has transformed the Company into a competitive manufacturing base. Though the Company can derive benefits of economies of scale, it has been optimizing its production capacity in view of the market adversities such as acute liquidity crunch, credit squeeze & high interest rate on borrowings, non-conducive contractual payment terms, protracted delivery conditions & customer’s financial locus standi.

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

### Power Cables & Capacitors

Gross revenue during the year was ₹ 686.61 crores as compared to ₹ 692.54 crores during the previous year.

### EHV Power Cables

The EHV segment had showed an upward trend in demand, with a large number of projects on the blue-print stage, awaiting clearances for implementation. Since EHV projects are capital intensive, the decision making process is generally protracted, therefore, the bidding process to the project finalisation stage takes its own course of time.

It is reported that congestion in transmission network has been a major bottleneck for the project developers causing power plants to operate at sub-optimum capacities. In the same breath, the sub-transmission networks to infuse power in the tier I & tier II cities requires heavy augmentation to bridge the fast growing power demand of the consumers. Owing to



the Right of the Way (ROW) and ecological constraints apart from the rising cost of the real estate, the sub-transmission networks are now predominantly through Extra High Voltage (EHV) underground cable network as opposed to overhead transmission lines. With the recent trends towards safety & health hazards of the residing habitats, EHV underground cables are the preferred choice. It goes without saying that the Extra High Voltage Cable demand would be driven by the power requirement from the rapidly expanding cities and towns. To circumvent several obstacles & procedural issues on clearances, many of the heavy industries needing power are opting for the underground EHV cable transmission lines as the gestation period is much shorter as compared to the overhead lines. The Company has installed various underground EHV cable lines to such industries.

Inarguably, the EHV segment in the 220 & 400 kV Class is the frontier of growth in the sub-transmission segment. While the Company has made commendable strides in the 220 kV Class, it has now ventured into the 400 kV category. Recently the 400 kV Cable System has been successfully Type Tested at CESI, Germany, which has earned the Company another accolade in its progress into the high-end EHV segment. The Vertical Continuous Vulcanisation (VCV) technology with technology transfer from the Furukawa Electric Co., Ltd., Japan has provided the Company a superior technology platform for manufacturing the EHV cables as compared to its peers in the industry. The Company crossed another milestone by obtaining the National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation for its Extra High Voltage testing laboratory up to 400 kV.

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

The Company has an impressive product portfolio for the speciality cables and is catering to the original equipment manufacturers (OEMs) and the infrastructural segment such as the railways, steel plants, petrochemical plants, cement plants, oil rig manufacturers, ship building, heavy engineering and mining industries. The renewable energy constitutes the major volume of business where the Company has a leading market share. The Company caters to a niche segment which is gaining rapid acceptance in various applications including the worldwide trends on environmental safety, low toxic emissions in fire conditions and capability to operate directly under fire situation. The Company with its advanced manufacturing technology using Pressurised Liquid Salt bath Curing (PLCV), the only of its kind in India, commands a leading position over its competitors. The Company has in-house compounding facilities for formulating special rubber compounds and is equipped to manufacture speciality cables with a wide spectrum of polymers which provides the facilities to manufacture custom-built products.

### **MV Power Cables**

Presently the installed capacity of manufacturers outstrip the demand, hence, there is intense competition in this segment. Though in the financial year there has been a gentle decline in the demand, the MV market segment has a huge potential of growth, once the power & other infrastructural sectors are in full swing. During the year, the Company made remarkable achievement in the Metro Rail Projects across the country. In this segment, the Company is the only approved source amongst the Indian manufacturers. With other Metro Rail Projects on the anvil, the Company expects a sizable market share while competing with the foreign manufacturers. With restricted competition, these projects have better margins as compared to the other segments. The Company is recognised as a leading quality manufacturer in this segment. The strategic investment in augmenting the manufacturing capacity in this segment would inevitably provide the Company better earnings and a larger market share. It would also leverage the Company to vie for the overseas market.

### **LV Cables**

The market continues to be plagued by low quality products manufactured by small scale and regional players. The competitive glut in this segment has resulted undesirable product quality. The Company is only focusing on project business which have qualifying requirements from the consultants or users. The Company has not expanded its manufacturing capacity in this segment in view of the low margins. The Company is modestly increasing its dealer network in various parts of the country and is earning a premium with its brand value. As a fresh lease of life, a new genre of cables has emerged, setting a trend for cables having fire safe and environment friendly features. The company having obtained approval from International Certifying Bureau and have secured substantial business is addressing this vastly potential market.

### **Exports**

With the globalisation phenomenon which is gradually integrating the domestic & the overseas market, the Company is exposed to more international competition. The Company is striving for a foot-print in the overseas market and has been successful in securing & executing contracts from Mauritius & Oman. It has also secured a developmental order from Abu Dhabi for special application cable. The Company intends to extend its reach in the overseas market, which would not only extend its business potential but also de-risk the Company from the vulnerability of foreign exchange fluctuations. Over & above, the Company has been successful in exporting its products through the large Indian Overseas Contractors.



The Company holds the status of “Star Export House”. The Company is a member of EEPC INDIA and the Federation of Indian Export Organisation (FIEO), who plays an active role in export promotion.

### **Overseas Competition**

The Company faces overseas competition mainly in the EHV segment. Attracted by the market potential, the low cost competitive workforce, the international manufacturers have steadfastly maintained their presence by setting-up a shop through mergers & acquisitions and joint ventures. Some of the international manufacturers are also routing their products through Indian turnkey contractors. Recognizing that competition is here to stay and there would be no abatement of competitive pressure, the Company, having technology & capacity has geared itself to defend its market share in this segment. The Company has the requisite skilled manpower & infrastructure and is fully geared-up to compete for turnkey projects with the foreign players.

It has been reported that in the electrical equipment segment, there has been a surge in imports which constitutes almost 40% of the domestic market where 50% of the imports are from China. In addition, the Free Trade Agreements (FTAs) has become a bane to the Indian industries due to the imbalance in the import duty structure of the outright products vis-à-vis the imported raw materials. The Company and the industry as a whole are deeply concern on issues relating to government policies which is not offering a level playing field to the Indian bidders. The policies would need ratification to relieve the Indian manufacturers from the present handicap.

### **Capacitors**

Being an energy saving device, the demand outlook for Capacitors seems to be optimistic, especially in view of the constant hikes in power tariff.

The Company has developed Automatic Switched Capacitors for 11 kV voltage range and has started executing some trial orders. The Company has also developed special Surge Protection Capacitors for 33 kV class.

In HV range, few Turnkey jobs combining Capacitors with associated equipments have been executed. Exports to Oman, Indonesia, Saudi Arabia, etc. have been done successfully.

Rising input costs resulting in shrinkage of margins has been a major concern in the recent past.

### **Financial Review**

The financial performance of the Company during the year 2013-14 is stated as below:

- There has been a Loss in the current fiscal of ₹ 40.06 crores as compared to a Loss of ₹ 4.62 crores in the previous year which is due to the unprecedented depreciation of the rupee, severe liquidity crunch, rising prices of inputs and the competitive pressure on the margins.
- Despite the efforts to contain the financial cost at ₹ 32.86 crores, it has increased by ₹ 7.53 crores as compared to the previous year on account of higher interest rates, increased borrowings for working capital requirements arising from the delayed payment from customers.
- Total Borrowings increased by ₹ 95.28 crores due to increase in the Working Capital requirement arising from delayed payment from customers and larger fund requirements for higher volume of turnkey projects.
- The market value of quoted investment decreased to ₹ 73.39 crores from ₹ 76.49 crores in the previous year.
- The level of inventories has decreased from ₹ 126.79 crores to ₹ 104.93 crores by implementing strict inventory management. This has also resulted in reduction in the level of trade payables.
- Trade Receivables increased to ₹ 236.62 crores as on 31st March, 2014 as compared to ₹ 219.85 crores as at the end of the previous year due to slow-down in the implementation of infrastructural projects which has led to delays in despatch clearances and deferment in payment.
- The Company is now in the process of realizing Industrial Investment Promotion Assistance from the State Government. The first four year's benefits have since been realised. The total amount of such Assistance realizable as on 31st March, 2014 is ₹ 10.65 crores.

### **RISK AND CONCERNS**

Your Company is exposed to several risk factors which are linked with the economic volatilities. Your Company maintains a risk management strategy to anticipate & mitigate the impact of these risks.



Some of the risk elements on which your Company is vigilantly keeping a watch on are stated below:

**Competition Risk:**

The nature of competitive risk is associated with the product group. In the high-end EHV segment, the competition is mainly from the overseas manufacturers. The major risk involves the necessity of having the strong credentials including supply & service track record. The entry barriers are being gradually made stiffer by the customer to allow entry to the proven & selected manufacturers. The multinational companies are consistently promoting innovative features to create product obsolescence. Your Company has acquired technical credentials supported by supply & service track record in order to meet the customer's requirements and constantly upgrading its technology and product features to keep in pace with international trends. In the MV segment, new entrants pose a risk on the price competitiveness. The LV segment comprises of low- quality- low- price product. The product for this segment is under risk with deeper market encroachment by these manufacturers. Your Company is addressing the quality conscious customers to retain its market share.

**Key Employees Risk:**

Your Company retains a strong team of qualified & experienced personnel where the attrition rate is lower than the industry average. Poaching of personnel by other industries both domestic and overseas is a risk factor. The loss of key personnel to competition is a risk where your Company's technical information would flow out to the competitors. Your Company is motivating and rewarding its employees to retain its employees. Your Company also maintains a policy to acquire talent as a succession plan and growth strategy.

**Raw Material Price Risk:**

The prices of copper, aluminium and polymers, which are the key raw material components, are subject to considerable price volatility. Since the market prices of cables are generally on firm price basis, the volatility of these international commodities can severely impact the cost of the products which has to be borne by your Company. Your Company gives priority to customers who allow price variation on input raw materials. Your Company also indulges in hedging on copper prices to off-set the future volatilities. Firm price contracts with protracted deliveries are given less preference to avoid such risk.

**Exchange Rate Risk:**

Your Company is exposed to the risk of foreign exchange rate fluctuations. As a matter of prudent foreign exchange management, all foreign currency exposures are closely monitored and forward covers are taken, wherever it is deemed appropriate.

**Working Capital Risk:**

Your Company caters to the infrastructural segment which largely depends on the economic buoyancy. Therefore, any setback in the economy directly impinges on the demand emerging from the infrastructural segment. The slow-down in the economy could lead to deferment of project implementation schedule and availability of funds which would affect the working capital of your Company. Your Company gives priority to the customers who have sound financial locus standi. Your Company closely monitors the working capital requirements by constant follow-ups on receivables and maintaining lean inventories.

**Liquidity Risk:**

The customers have become more demanding in terms of price and delivery period. Owing to intense competition, short delivery contracts have to be accepted by your Company. In case of failure to meet the delivery period, your Company is at a risk of being imposed with liquidity damage/penalty. Your Company is constantly mitigating its internal constraints to improve the efficiencies in an integrated manner in all the functional areas to reduce the possibilities of such risk.

**Operational Risk:**

Operational risks related to people, processes, systems and external factors have a potential risk on your Company's performance. To reduce such risk, your Company has a risk-review policy for identifying and assessing the potential risks in all areas of operations.

**INTERNAL CONTROL SYSTEMS**

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

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

**Key elements are:**

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

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

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

Implementation of healthy practices of HRD activities for overall development of human assets and induction of professionally qualified and skilled manpower including internal and external training programmes, 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. Further, in order to build a leadership pipeline, greater emphasis has been laid on empowerment enabling faster decision making down the line without compromising on business results/output.

The Company is dedicated to the welfare of its employees, their families, surrounding locality and whole city 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 green belt areas around plant & residential colony.

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.

The Company is maintaining a Residential Colony for its employees at Satna with Welfare Centre, Reading Room, Staff Club, Indoor/Outdoor games facilities, 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 etc. involving its employees.

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

The Company was employing 1092 permanent employees as on 31st March, 2014.

**CAUTIONARY STATEMENT**

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



# Report on Corporate Governance

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

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is a necessary tool for achieving all round business excellence reflected in enhanced shareholder value, without compromising on the need and interest of other stakeholders.

The Company ensure adherence and enforcement of the principles of corporate governance with a focus on transparency, professionalism, fairness, trusteeship and accountability.

Corporate Governance is not a destination but a continuous journey with an upward moving target. 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 Six (6). The Company has a Non-Executive Chairman. The number of Independent Directors on the Board is Four (4) and the number of Non-Executive Directors are Five (5). 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, 2014, four (4) Board Meetings were held on 21st May, 2013, 10th August, 2013, 9th November, 2013 and 30th January, 2014.

The details of composition of the Board as at 31.03.2014, the attendance record at the Board Meetings held during the year and at the last Annual General Meeting, and 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	3	1**
Shri S.S. Kothari	Independent Non-Executive	4	No	None	1	None
Shri S.C. Jain	Independent Non-Executive	3	No	1	1	None
Shri Dinesh Chanda	Independent Non-Executive	4	Yes	None	2	1#
Shri D.R. Bansal Chief Mentor & Executive Director	Non Independent Executive	3	No	4	3	None
<b>Part of the Year</b>						
Shri J.C. Sharma* Independent Non-Executive		3	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) Chairman of the Audit Committee upto 30th January, 2014.

# (iv) Chairman of the Audit Committee w.e.f. 31st January, 2014.

\* (v) Consequent upon the sad demise of Shri J.C. Sharma, a Director of the Company on 31st January, 2014, no disclosure regarding his number of other Directorship and Committee membership/Chairmanship is given.





- (vi) Disclosure of the number of equity shares of the Company held by the Non-Executive Directors as on 31st March, 2014 :

(a)	Shri Harsh V. Lodha	7,950
(b)	Dr. S.R. Jain	100
(c)	Shri S.S. Kothari	100
(d)	Shri S.C. Jain	100
(e)	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 the 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 Company has an Audit Committee functioning since the Financial Year 2000-01.

The composition of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956 and of Clause 49 of the Listing Agreements.

All the members of the Audit Committee are financially literate and possess ability to understand and analyse financial statements. Shri Dinesh Chanda, Chairman of the Committee has accounting and related financial management expertise.

Company 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.

During the year, 4 Meetings of the Audit Committee of the Company were held.

The composition and attendance particulars at the Meetings are as follows :-

Name of Member of the Audit Committee	Status	Meetings held and attendance particulars			
		20th May, 2013	10th August, 2013	9th November, 2013	30th January, 2014
Shri Dinesh Chanda	Chairman@	Yes	Yes	Yes	Yes
Dr. S.R. Jain	Member#	Yes	Yes	Yes	Yes
Shri S.S. Kothari	Member	Yes	Yes	Yes	Yes
Shri J.C. Sharma	Member*	Yes	Yes	Yes	No

@ Chairman of the Audit Committee w.e.f. 31st January, 2014.

# Chairman of the Audit Committee upto 30th January, 2014.

\* Ceased to be a Member of the Audit Committee w.e.f. 31st January, 2014, consequent upon his sad demise.

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 formulates and recommends to the Board a compensation structure for Executive Director of the Board.

The Composition of the Committee is as under :-

Name of the Member of the Committee	Status
Dr. S.R. Jain	Chairman
Shri S.C. Jain	Member
Shri J.C. Sharma*	Member

\* Ceased to be a member w.e.f. 31st January, 2014 consequent upon his sad demise.

During the year, only one Remuneration Committee Meeting was held on 20th May, 2013 which was attended by all the Members of the Committee.

Company Secretary of the Company acts as the Secretary of the Remuneration Committee.

#### 5. REMUNERATION OF DIRECTORS

At present, five 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, 2014 are set out below :-

(a) Non-Executive Directors :-

Name of the Director	Sitting Fees (₹ in lacs)
Shri Harsh V. Lodha	0.80
Dr. S.R. Jain	1.65
Shri S.S. Kothari	1.60
Shri S.C. Jain	0.70
Shri J.C. Sharma*	1.35
Shri Dinesh Chanda	1.70
<b>Total</b>	<b>7.80</b>

\* Ceased to be a Director w.e.f. 31st January, 2014, consequent upon his sad demise.



(b) Chief Mentor & Executive Director :-

(₹ in lacs)

Name	Salary	Perquisites etc.	Total
Shri D.R. Bansal	84.15	16.30	100.45

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.

During the year two Meetings of the Share Transfer and Shareholders'/ Investors' Grievance Committee of the Company were held i.e. on 3rd May, 2013 and 9th November, 2013.

The Composition and the attendance at the meetings are as under :-

Name of the Member	Status	No. of Meetings attended
Shri J.C. Sharma #	Chairman	2
Shri S.C. Jain	Member	1
Shri Dinesh Chanda	Member	2

# Ceased to be a member and Chairman w.e.f. 31st January, 2014 cosequent upon his sad demise.

During the year, 13 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 Dividend Warrants	10	10
Others	3	3
<b>Total</b>	<b>13</b>	<b>13</b>

All the complaints have been attended/resolved to the satisfaction of the complainants during the year. No request for transfer was pending for approval as on 31st March, 2014.

Company Secretary of the Company is designated as the Compliance Officer.

## 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
2010-11	Registered Office	AGM	2nd August, 2011	11.00 A.M.
2011-12	P.O. Birla Vikas,	AGM	28th June, 2012	11.00 A.M.
2012-13	Satna - 485 005 (M.P.)	AGM	9th July, 2013	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 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 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, 2014 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, the Company Secretary has been designated as the Compliance Officer of the Company under the Company's Code of Conduct for Prevention of Insider Trading who 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](http://www.unistar.co.in)
- (d) Whether it also displays official news releases : No
- (e) The presentations made to institutional investors or to the analysts. : Nil

## 10. GENERAL SHAREHOLDER INFORMATION

### 10.1 Annual General Meeting

Date, Time and Venue : 12th August, 2014 at 11.00 A.M.  
Registered Office of the Company at  
P.O. Birla Vikas,  
Satna - 485 005 (M.P.)

### 10.2 Financial Calendar (2014-15)

(tentative and subject to change)

1st Quarterly Results	Last week of July, 2014
2nd Quarterly/Half yearly Results	Last week of October, 2014
3rd Quarterly Results	Last week of January, 2015
Audited yearly Results for the year ending 31st March, 2015	Second week of May, 2015



- 10.3 Book Closure date(s)** : 6th August, 2014 to 12th August, 2014  
(Both Days inclusive)
- 10.4 Dividend Payment date** : Not Applicable
- 10.5 Listing on Stock Exchanges** : (a) BSE 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

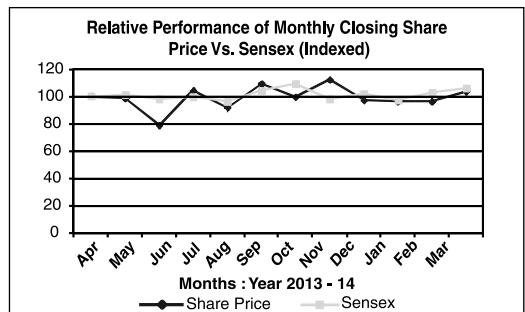
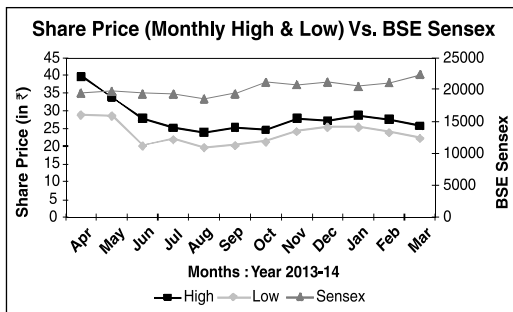
Note : Annual listing fees for the year 2013-14 has been duly and timely paid to BSE & NSE.

#### 10.7 Stock Market Data :

Monthly high and low quotations of shares and volume of Equity Shares traded on BSE 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, 2013	39.90	29.00	7557	35.00	28.65	12329
May, 2013	34.00	28.70	38842	34.00	28.40	10611
June, 2013	28.00	20.25	20310	30.40	21.05	3129
July, 2013	25.35	22.00	14845	28.35	22.05	5033
August, 2013	24.00	19.75	53192	25.90	21.00	9785
September, 2013	25.50	20.35	5987	24.80	20.00	5632
October, 2013	24.75	21.35	37812	24.95	21.65	10268
November, 2013	28.00	24.30	22176	28.00	24.60	49793
December, 2013	27.40	25.50	9160	27.80	25.35	7468
January, 2014	28.90	25.50	17277	29.00	25.20	28361
February, 2014	27.80	24.00	10991	27.75	23.40	6984
March, 2014	25.95	22.40	70747	26.55	22.70	13768

#### 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  
 rint.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 and 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 and Share Transfer Agents is placed at every Board Meeting. Transfers upto 2500 shares in each deed are approved directly by the Registrar and Share Transfer Agents 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 Exchange(s) and files a copy of the Certificate with the Stock Exchange(s).

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

**10.11 (a) Distribution of Shareholding as on 31st March, 2014 :-**

Number of Equity Shares held	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
1 - 5000	11446	98.64	3150611	13.62
5001 - 10000	63	0.54	449906	1.95
10001 - 50000	59	0.51	1389979	6.01
50001 - 100000	10	0.09	703865	3.04
100001 - 1000000	21	0.18	6270923	27.11
1000001 and above	5	0.04	11164970	48.27
<b>Grand Total</b>	<b>11604</b>	<b>100.00</b>	<b>23130254</b>	<b>100.00</b>
Physical Mode	4513	38.89	2429299	10.50
Electronic Mode	7091	61.11	20700955	89.50

**(b) Category of Shareholders as on 31st March, 2014 :-**

Category	Number of Shareholders	% of Shareholders	Number of Shares held	% of Shareholding
Indian Promoter(s)/ Promoters Group	22	0.19	12155664	52.55
Resident Individuals & Corporates	11372	98.00	9948224	43.02
Financial Institutions/ Insurance Companies/ Banks/Mutual Funds	18	0.16	965410	4.17
NRIs/FIIs/OCBs/ Foreign Shareholders	192	1.65	60956	0.26
<b>Grand Total</b>	<b>11604</b>	<b>100.00</b>	<b>23130254</b>	<b>100.00</b>

**10.12 Dematerialization of Shares and liquidity :-**

2,07,00,955 Equity Shares representing 89.50% 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, 2014.



The Company's shares are reasonably liquid. However, they were infrequently traded on BSE Limited (BSE), Mumbai and National Stock Exchange of India Limited (NSE), Mumbai during the financial year 2013-14. Relevant data for the approximate average daily turnover in terms of volume for the financial year 2013-14 is given below :-

BSE Limited, Mumbai (BSE)	National Stock Exchange of India Limited, Mumbai (NSE)	BSE + NSE
1568	922	2490

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 also submitted to the Stock Exchange(s) where the equity shares of the Company are listed.

**10.13 Outstanding GDR/ADR/ Warrants or any Convertible instruments, Conversion date and likely Impact on equity** : The Company has not issued any of these instruments so far.

**10.14 Plant Location(s)** : (i) P.O. Birla Vikas,  
Satna - 485 005 (M.P.)  
(ii) Plot Nos. L - 58 to L - 60,  
Verna Industrial Estate,  
Verna, Salcette,  
Goa - 403 722

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

OR

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

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



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## CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As required under Clause 49 of the Listing Agreement(s) with Stock Exchanges relating to Corporate Governance, I hereby declare that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial year 2013-14.

For Universal Cables Limited

(D.R. BANSAL)

Chief Mentor & Executive Director

Place : New Delhi

Date : 19th May, 2014

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## 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, 2014, 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 the 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 : 19th May, 2014

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# 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 2014, 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.

### Management's Responsibility for the Financial Statements

The Company's 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 of section 211(3C) of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 2014;
- (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 the Cash Flow Statement, of the cash flows for the year ended on that date.

### 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;



- 
- (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;
- (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 Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate affairs in respect of section 133 of the Companies Act, 2013; and
- (e) on the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31.03.2014 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. SankarAiyar& Co.  
Chartered Accountants  
Firm Registration No.109208W

(R. Raghuraman)  
Partner  
Membership No. 081350

Place : New Delhi  
Date : 19th May, 2014



**Annexure referred to in paragraph 2 of the Auditors' report to the shareholders of Universal Cables Limited for the year ended 31st March, 2014**

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 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 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 31.03.2014 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	94.72	FY 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	54.97	FY 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	243.13	FY 2010-11	Commissioner of Income Tax (Appeals)

10. The Company has no accumulated losses at the end of the financial year. The Company has incurred cash losses during the financial year covered by our audit. However, the Company had not 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 Rs. 3520.00 lakhs 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 material fraud on or by the Company has been noticed or reported during the year under audit.

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

Place : New Delhi  
Date : 19th May, 2014

(R. Raghuraman)  
Partner  
Membership No. 081350


**BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS**
**Balance Sheet as at 31st March, 2014**

	Notes	31st March 2014 (₹ in lacs)	31st March 2013 (₹ in lacs)
<b>EQUITY &amp; LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	2313.32	2313.32
Reserves and Surplus	4	12460.13	16469.35
		<u>14773.45</u>	<u>18782.67</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term Borrowings	5	11382.60	386.34
Deferred Tax Liabilities (Net)	6	-	405.55
Other Long-term Liabilities	7	16.18	4.13
Long-term Provisions	8	696.86	775.12
		<u>12095.64</u>	<u>1571.14</u>
<b>CURRENT LIABILITIES</b>			
Short-term Borrowings	9	18883.66	20512.56
Trade Payables	10	10323.03	12204.73
Other Current Liabilities	10	2786.15	4300.05
Short-term Provisions	11	508.31	791.38
		<u>32501.15</u>	<u>37808.72</u>
	<b>TOTAL</b>	<u>59370.24</u>	<u>58162.53</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	12		
Tangible Assets		15446.10	13702.24
Intangible Assets		35.93	46.51
Capital Work-in-progress		97.00	506.62
Non-current Investments	13	5131.92	5074.42
Long-term Loans and Advances	14	568.87	769.24
Trade Receivables	17	1331.72	2104.01
Other Non-current Assets	15	408.17	702.52
		<u>23019.71</u>	<u>22905.56</u>
<b>CURRENT ASSETS</b>			
Inventories	16	10492.86	12679.05
Trade Receivables	17	22330.33	19881.04
Cash and Bank Balances	18	484.46	274.32
Short-term Loans and Advances	19	1887.06	1697.72
Other Current Assets	20	1155.82	724.84
		<u>36350.53</u>	<u>35256.97</u>
	<b>TOTAL</b>	<u>59370.24</u>	<u>58162.53</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  
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 : 19th May, 2014

Om Prakash Pandey  
Company Secretary

Dinesh Chanda  
B.R. Nahar



## Statement of Profit and Loss for the year ended 31st March, 2014

	Notes	For the year ended 31st March 2014 (₹ in lacs)	For the year ended 31st March 2013 (₹ in lacs)
<b>INCOME</b>			
Revenue from Operations (Gross)	21	67583.73	68471.50
Less : Excise Duty		6032.26	6579.37
Revenue from Operations (Net)		61551.47	61892.13
Other Income	22	1077.11	782.92
<b>Total Revenue</b>		<b>62628.58</b>	<b>62675.05</b>
<b>EXPENDITURE</b>			
Cost of Raw Materials Consumed	23	46673.15	45924.93
Purchase of Stock-in-trade		2675.99	2070.02
(Increase)/Decrease in Inventories of Materials under Process, Finished Goods, Scrap and Traded Goods	24	676.79	(195.17)
Employee Benefits Expense	25	3995.30	4145.29
Other Expenses	26	8045.63	7415.78
<b>Total Expenditure</b>		<b>62066.86</b>	<b>59360.85</b>
<b>Earnings before Interest, Tax, Depreciation and Amortization</b>		<b>561.72</b>	<b>3314.20</b>
Depreciation and Amortization Expenses	27	1687.34	1476.88
Finance Costs	28	3285.81	2532.48
<b>(Loss) before Tax</b>		<b>(4411.43)</b>	<b>(695.16)</b>
<b>Tax Expense/(Credit)</b>			
Earlier Year Taxes		-	1.20
Deferred Tax (Credit)		(405.55)	(234.09)
<b>Total Tax Expense/(Credit)</b>		<b>(405.55)</b>	<b>(232.89)</b>
<b>(Loss) for the year</b>		<b>(4005.88)</b>	<b>(462.27)</b>
<b>Earnings Per Share (₹)</b>			
Basic & Diluted Earnings per Share [Nominal Value of ₹ 10/- per share (Previous year ₹ 10/-)]	29	(17.32)	(2.00)
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

Chairman

S.R. Jain

S.S. Kothari

S.C. Jain

Dinesh Chanda

B.R. Nahar

Directors

R. Raghuraman  
Partner  
Membership No. 081350

Vinod Bansal  
Vice President (Commercial) & CFO

Place : New Delhi  
Date : 19th May, 2014

Om Prakash Pandey  
Company Secretary


**Cash Flow Statement for the year ended 31st March, 2014**

Description	2013-14		2012-13	
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>(Loss) before Taxation</b>		<b>(4411.43)</b>		<b>(695.16)</b>
<b>Adjustments for :</b>				
Depreciation	<b>1687.34</b>		1476.88	
Profit on Disposal of fixed assets (Net)	<b>(277.70)</b>		(1.16)	
Interest Income	<b>(37.06)</b>		(24.26)	
Dividend Income	<b>(117.74)</b>		(18.69)	
Interest Expense	<b>3110.22</b>		2351.27	
Provision for Doubtful Debts and Advances	<b>(48.92)</b>		(15.77)	
Unrealised Foreign Exchange Loss	<b>9.80</b>		40.94	
		<b>4325.94</b>		<b>3809.21</b>
<b>Operating Profit before Working Capital Changes</b>		<b>(85.49)</b>		<b>3114.05</b>
<b>Movement in Working Capital :</b>				
Increase/(Decrease) in Trade Payables	<b>(1875.81)</b>		7885.49	
Increase/(Decrease) in Long-term Provisions	<b>(78.26)</b>		64.73	
(Decrease) in Short-term Provisions	<b>(45.68)</b>		(69.37)	
Increase/(Decrease) in Other Current Liabilities	<b>(1591.30)</b>		176.13	
Increase/(Decrease) in Other Long-term Liabilities	<b>12.05</b>		(1.71)	
(Increase) in Trade Receivables	<b>(1644.59)</b>		(9128.67)	
(Increase)/Decrease in Inventories	<b>2186.19</b>		(2433.84)	
(Increase)/Decrease in Long-term Loans and Advances	<b>19.71</b>		(60.97)	
(Increase)/Decrease in Short-term Loans and Advances	<b>(185.63)</b>		295.95	
(Increase)/Decrease in Other Current Assets	<b>(432.48)</b>		12.93	
Decrease in Other Non-Current assets	<b>294.39</b>		44.75	
		<b>(3341.41)</b>		<b>(3214.58)</b>
<b>Cash from Operations</b>		<b>(3426.90)</b>		<b>(100.53)</b>
Direct Taxes paid		<b>(62.81)</b>		<b>(81.04)</b>
<b>Net cash (used in) Operating activities</b>		<b>(3489.71)</b>		<b>(181.57)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed assets	<b>(2935.59)</b>		(2276.31)	
Proceeds from sale of Fixed assets	<b>297.69</b>		13.82	
Interest Received	<b>38.52</b>		22.36	
Investment made	<b>(57.50)</b>		-	
Dividend Received	<b>117.74</b>		18.69	
<b>Net cash (used in) Investing activities</b>		<b>(2539.14)</b>		<b>(2221.44)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Long-term Borrowings	<b>8452.04</b>		769.79	
Repayment of Long-term Borrowings	<b>(374.79)</b>		(754.36)	
Net Proceeds from Short-term Borrowings	<b>1355.40</b>		4666.75	
Interest Paid	<b>(3185.81)</b>		(2299.67)	
Unclaimed Dividend Paid	<b>(7.85)</b>		(5.04)	
<b>Net cash from Financing activities</b>		<b>6238.99</b>		<b>2377.47</b>



## Cash Flow Statement for the year ended 31st March, 2014 (Contd.)

Description	2013-14		2012-13	
	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)	(₹ in lacs)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>210.14</b>		(25.54)
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>274.32</b>		299.86
<b>Cash and Cash Equivalents at the end of the year</b>		<b>484.46</b>		274.32
<b>Components of Cash and Cash Equivalents</b>				
Cash on Hand		<b>3.05</b>		1.57
Cheques/Drafts on Hand		<b>176.93</b>		182.19
<b>With Banks :</b>				
On Current Accounts		<b>210.10</b>		39.93
On Unclaimed Dividend Accounts*		<b>42.78</b>		50.63
On Deposit Accounts		<b>51.60</b>		-
		<b>484.46</b>		274.32

\*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

R. Raghuraman  
Partner  
Membership No. 081350

Place : New Delhi  
Date : 19th May, 2014

D.R. Bansal  
*Chief Mentor & Executive Director*

Vinod Bansal  
*Vice President (Commercial) & CFO*

Om Prakash Pandey  
*Company Secretary*

Harsh V. Lodha *Chairman*

S.R. Jain

S.S. Kothari

S.C. Jain

Dinesh Chanda

B.R. Nahar

*Directors*





## Notes to Financial Statements for the year ended 31st March, 2014

### 1. Nature of Operations

UNIVERSAL CABLES LIMITED 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 read with the General Circular 8/2014 dated 4th April, 2014 of the Ministry of Corporate Affairs. 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 Rs. 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 Amortization of Intangible Assets**

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

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

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

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

(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 short-term monetary items or on reporting Company's short-term 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.

Exchange differences arising on the settlement of long-term monetary items or on reporting Company's long-term monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are capitalised as part of the depreciable fixed assets to which the long-term monetary items relate and depreciated over the remaining balance life of such assets and in other cases amortised over the balance period of such long-term foreign currency monetary items.



- (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.

**(i) Income Taxes**

Tax expense comprises current and deferred taxes. Current income tax are measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

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

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

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

**(j) 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.

**(k) 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.

**(l) 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.

**(m) 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.

**(n) 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.

**(o) 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.

**(p) Measurement of EBITDA**

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



<b>31st March 2014</b>	31st March 2013
(₹ in lacs)	(₹ in lacs)

### 3. SHARE CAPITAL

#### Authorised

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

#### Issued

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

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

**(a) Reconciliation of the number of shares outstanding and the amount of share capital as at 31st March, 2014 and 31st March, 2013 is as under :**

Description	31st March, 2014		31st March, 2013	
	No. of Shares	₹ in lacs	No. of Shares	₹ in lacs
Outstanding at the beginning of the year	<b>23,130,254</b>	<b>2313.32</b>	23,130,254	2313.32
Outstanding at the end of the year	<b>23,130,254</b>	<b>2313.32</b>	23,130,254	2313.32

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

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

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

Name of the Shareholder	31st March, 2014		31st March, 2013	
	No. of Shares held	Holding % age	No. of Shares held	Holding % age
Vindhya Telelinks Limited	<b>48,39,908</b>	<b>20.92</b>	48,39,908	20.92
The Punjab Produce & Trading Co. Pvt. Limited	<b>29,10,128</b>	<b>12.58</b>	29,10,128	12.58
Gwalior Webbing Co. Pvt. Limited	<b>16,88,573</b>	<b>7.30</b>	16,88,573	7.30

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



	31st March 2014 (₹ in lacs)	31st March 2013 (₹ in lacs)
<b>4. RESERVES AND SURPLUS</b>		
<b>Revaluation Reserve</b>		
Balance as per last account	153.74	157.08
Less : Amount transferred to the Statement of Profit and Loss as reduction from depreciation	<u>3.34</u>	<u>3.34</u>
<b>Closing Balance</b>	<u>150.40</u>	<u>153.74</u>
<b>Securities Premium Account</b>		
Balance as per last account	<u>1767.56</u>	<u>1767.56</u>
<b>Closing Balance</b>	<u>1767.56</u>	<u>1767.56</u>
<b>General Reserve</b>		
Balance as per last account	<u>10103.14</u>	<u>10103.14</u>
<b>Closing Balance</b>	<u>10103.14</u>	<u>10103.14</u>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last account	4444.91	4907.18
(Loss) for the year	<u>(4005.88)</u>	<u>(462.27)</u>
<b>Net Surplus in the Statement of Profit and Loss</b>	<u>439.03</u>	<u>4444.91</u>
<b>Total Reserves and Surplus</b>	<u>12460.13</u>	<u>16469.35</u>
<b>5. LONG-TERM BORROWINGS</b>		
<b>Loans from Banks</b>		
Foreign Currency Loan - Buyer's Credit - Secured	827.20	670.09
Less : Current Maturities of Long Term Borrowings (Refer Note No. 10)	<u>444.60</u>	<u>283.75</u>
	<u>382.60</u>	<u>386.34</u>
<b>Other Loans</b>		
Loans from Bodies Corporates	<u>11000.00</u>	-
	<u>11000.00</u>	-
<b>Total Long-term Borrowings</b>	<u>11382.60</u>	<u>386.34</u>
(a) 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 1.50% - 3.00%. Long Term Foreign Currency Loan - Buyer's Credit are repayable in 3 equal Installments.		
(b) As per the renewed/revised terms and conditions loans from Bodies Corporate amounting to ₹ 8000 lacs are repayable in full in the year 2015, ₹ 1500 lacs are repayable in the year 2016 and ₹ 1500 lacs are repayable in 2017. These loans carry interest @ 10.50% - 11.00% (rate as on reporting date).		
<b>6. DEFERRED TAX LIABILITIES (NET)</b>		
<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes in following years	242.93	478.69
Unabsorbed depreciation*	2239.41	687.58
Carry forward business loss*	74.42	71.04
Provision for Doubtful Debts and Advances	<u>3.82</u>	<u>19.52</u>
<b>Gross Deferred Tax Assets</b>	<u>2560.58</u>	<u>1256.83</u>
<b>Deferred Tax Liabilities</b>		
Impact of difference in Depreciation and other differences in block of Fixed Assets and Intangible Assets as per Tax and Financial Books	2560.58	1662.38
<b>Gross Deferred Tax Liabilities</b>	<u>2560.58</u>	<u>1662.38</u>
<b>Deferred Tax Liabilities (Net)</b>	-	<u>405.55</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 2014 (₹ in lacs)	31st March 2013 (₹ in lacs)
<b>7. OTHER LONG-TERM LIABILITIES</b>		
Security Deposit	13.85	1.83
Others - Retention Money	2.33	2.30
	<u>16.18</u>	<u>4.13</u>
<b>8. LONG-TERM PROVISIONS</b>		
Provision for Pension (Refer Note No. 30)	188.90	227.57
Provision for Compensated absences	507.96	547.55
	<u>696.86</u>	<u>775.12</u>
<b>9. SHORT-TERM BORROWINGS</b>		
<b>Working Capital Loans from Banks - Secured</b>		
Cash Credit Account	16568.45	6536.43
Working Capital Demand Loan	-	7500.00
Foreign Currency Loan - Buyer's Credit	-	1392.23
	<u>16568.45</u>	<u>15428.66</u>
<b>Other Short-term Loans - Unsecured</b>		
Loan From a Bank (repayable on demand)	2315.21	2035.22
Loan From Bodies Corporate (repayable on demand) [Refer Note No.5(b)]	-	3048.68
	<u>2315.21</u>	<u>5083.90</u>
<b>Total Short-term Borrowings</b>	<u>18883.66</u>	<u>20512.56</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.		
<b>10. OTHER CURRENT LIABILITIES</b>		
<b>Trade Payables</b>	10323.03	12204.73
(Refer Note No. 41 for dues to Micro, Small & Medium enterprises)		
<b>Other Current Liabilities</b>		
Current Maturities of Long Term Borrowings (Refer Note No. 5)	444.60	283.75
Interest accrued but not due on Borrowings	3.74	7.67
Interest accrued and due on Borrowings	-	71.66
Security Deposits	27.00	34.00
Excess of Billing Over Revenue (Refer Note No. 38)	187.25	43.73
Others		
Statutory Dues	439.93	426.24
Accrued Employee Benefits Expenses	138.77	166.41
Retention Money	11.84	11.71
Unclaimed Dividend	42.78	50.63
(To be Transferred to Investor Education and Protection Fund as and when due)		
Advance from Customers	1490.24	3204.25
	<u>2786.15</u>	<u>4300.05</u>
<b>Total Other Current Liabilities</b>	<u>13109.18</u>	<u>16504.78</u>
<b>11. SHORT-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits</b>		
for Pension (Refer Note No. 30)	24.38	24.38
for Compensated Absences [Refer Note No. 2.1(h)]	41.91	61.51
for Gratuity (Refer Note No. 30)	-	26.08
	<u>66.29</u>	<u>111.97</u>
<b>Others</b>		
for Taxation (net of advance tax)	442.02	679.41
<b>Total Short-term Provisions</b>	<u>508.31</u>	<u>791.38</u>




**12. FIXED ASSETS**

(₹ in lacs)

Nature of Fixed Assets	Gross Block				Depreciation/Amortization				Net Block	
	As at 1st April 2013	Additions During the Year	Deductions/ Adjustments during the Year	As at 31st March 2014	As at 1st April 2013	For the year	Deductions/ Adjustments during the year	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013
<b>Tangible Assets</b>										
Freehold Land	191.01	-	-	191.01	-	-	-	-	191.01	191.01
Leasehold Land	267.07	-	-	267.07	73.24	3.04	-	76.28	190.79	193.83
Buildings*	5255.31	907.59	4.27	6158.63	1928.95	137.14	2.15	2063.94	4094.69	3326.36
Plant & Equipments*#	20824.23	2495.59	37.93	23281.55	11237.73	1479.63	20.31	12697.05	10584.50	9586.50
Office Equipments	616.43	5.37	1.21	620.59	377.88	33.33	0.97	410.24	210.35	238.55
Furniture & Fixtures	218.75	4.72	-	223.47	146.27	5.94	-	152.21	71.26	72.48
Vehicles	212.61	-	0.03	212.58	119.10	18.44	0.03	137.51	75.07	93.51
Leasehold improvements	-	31.01	-	31.01	-	2.58	-	2.58	28.43	-
<b>Total</b>	27585.41	3443.94	43.44	30985.91	13883.17	1680.10	23.46	15539.81	15446.10	13702.24
<b>Intangible Assets</b>										
Computer Software	136.74	-	-	136.74	101.35	10.58	-	111.93	24.81	35.39
Technical Know-how	222.51	-	-	222.51	211.39	-	-	211.39	11.12	11.12
<b>Total</b>	359.25	-	-	359.25	312.74	10.58	-	323.32	35.93	46.51
<b>Capital Work-in-Progress</b>									97.00	506.62
<b>Grand Total</b>	27944.66	3443.94	43.44	31345.16	14195.91	1690.68	23.46	15863.13	15579.03	14255.37
Previous Year	26288.36	1731.34	75.04	27944.66	12778.07	1480.22	62.38	14195.37	14255.37	

\* Includes ₹ 46.56 lacs (Previous year Nil) on account of Borrowing Costs capitalised during the quarter.

# Includes ₹ 103.05 lacs (Previous year Nil) pertaining to exchange loss capitalised as per para 46A of AS 11.

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 as under :

(₹ in lacs)

Sl. No.	Assets	Gross Block		WDV	
		2014	2013	2014	2013
1	Land	37.87	37.87	37.87	37.87
2	Buildings	541.43	541.43	112.52	115.87
3	Plant & Equipments	999.47	999.47	-	-
	<b>Total</b>	<b>1578.77</b>	<b>1578.77</b>	<b>150.39</b>	<b>153.74</b>

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

(₹ in lacs)

Sl. No.	Assets	Gross Block		Depreciation during the year		Total Depreciation		Net Block	
		2014	2013	2014	2013	2014	2013	2014	2013
1	Land	127.67	127.67	1.34	1.34	38.27	36.92	89.40	90.75
2	Buildings	1670.51	1033.41	36.78	35.00	294.41	257.61	1376.10	775.80
	<b>Total</b>	<b>1798.18</b>	<b>1161.08</b>	<b>38.12</b>	<b>36.34</b>	<b>332.68</b>	<b>294.53</b>	<b>1465.50</b>	<b>866.55</b>

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

(₹ in lacs)

Description	2014	2013
Gross Block	2280.87	1531.00
Depreciation Charge for the Current Year	55.86	50.19
Accumulated Depreciation	467.79	411.94
Written Down Value	1813.08	1119.06



			31st March 2014 (₹ in lacs)	31st March 2013 (₹ in lacs)
<b>13. NON-CURRENT INVESTMENTS</b>				
<b>Trade Investments (Valued at Cost)</b>				
<b>Investments in Equity Instruments</b>				
<b>Fully paid Equity Shares of ₹ 10/- each</b>				
	No. of Shares Current year	No. of Shares Previous year		
<b>Quoted</b>				
Vindhya Telelinks Limited	34,54,530	34,54,530	<b>1897.31</b>	1897.31
<b>Investment in Joint Venture</b>				
Birla Ericsson Optical Limited	39,00,100	39,00,100	<b>850.01</b>	850.01
<b>Unquoted</b>				
Universal Telelinks Private Limited	9,800	9,800	<b>0.98</b>	0.98
Universal Electricals Private Limited	9,800	9,800	<b>0.98</b>	0.98
<b>Investment in Joint Venture</b>				
Birla Furukawa Fibre Optics Limited	4,588,465	45,00,000	<b>2298.50</b>	2241.00
<b>Non Trade Investments (Valued at Cost)</b>				
<b>Investments in Equity Instruments</b>				
<b>Quoted</b>				
<b>Fully paid Equity Shares of ₹ 10/- each</b>				
Birla Corporation Limited	2,96,730	2,96,730	<b>52.78</b>	52.78
Rameshwara Jute Mills Limited	900	900	<b>0.11</b>	0.11
<b>Unquoted</b>				
<b>Fully paid Equity Shares of ₹ 10/- each</b>				
Birla Financial Corporation Limited	3,00,366	3,00,366	<b>30.04</b>	30.04
Chennai Willingdon Corporate Foundation	55	55	<b>0.01</b>	0.01
<b>Fully paid Equity Shares of ₹ 100/- each</b>				
Industry House Limited	600	600	<b>0.40</b>	0.40
Baroda Agents & Trading Co. Private Limited	800	800	<b>0.62</b>	0.62
<b>Investments in Government Securities</b>				
<b>Unquoted</b>				
6 year National Savings Certificates (Deposited with Sales Tax Authorities)			<b>0.18</b>	0.18
			<b>5131.92</b>	5074.42
Aggregate Amount of Quoted Investments			<b>2800.21</b>	2800.21
Market Value of Quoted Investments			<b>7338.96</b>	7649.11
Aggregate Amount of Unquoted Investments			<b>2331.71</b>	2274.21
<b>14. LONG TERM LOANS AND ADVANCES</b>				
Unsecured and Considered Good :				
Capital Advances			<b>45.57</b>	64.44
Loans To Employees			<b>4.09</b>	11.08
Advances recoverable in cash or in kind			-	1.13
Advance Income Tax			<b>105.76</b>	280.35
Balances with Statutory/Government Authorities			<b>120.90</b>	156.95
Security Deposits			<b>292.55</b>	255.29
			<b>568.87</b>	769.24
Unsecured and Considered Doubtful :				
Security Deposits			-	12.80
			<b>568.87</b>	782.04
Less : Provision for Doubtful Security Deposits			-	12.80
			<b>568.87</b>	769.24



	31st March 2014 (₹ in lacs)	31st March 2013 (₹ in lacs)
<b>15. OTHER NON-CURRENT ASSETS</b> (Unsecured and Considered Good)		
Industrial Investment Promotion Assistance	362.83	702.23
Non Current Bank Balances		
Deposit Accounts with Original Maturity of more than 12 Months (lodged with government departments)	45.22	0.21
Interest Receivable	0.12	0.08
	<u>408.17</u>	<u>702.52</u>
<b>16. INVENTORIES (Valued at lower of Cost or Net Realisable Value)</b>		
Raw Materials [including material in transit ₹ 830.18 lacs (Previous year ₹ 1395.08 lacs)] (Refer Note No. 23)	3071.62	4436.19
Work in Progress (Refer Note No. 24)	2737.73	3919.44
Finished Goods [including material in transit ₹ 40.46 lacs (Previous year ₹ Nil)] (Refer Note No. 24)	3686.27	3025.20
Traded Goods [including material in transit ₹ Nil (Previous year ₹ 70.68 lacs)] (Refer Note No. 24)	3.48	151.39
Stores and Spares [including material in transit ₹ 11.88 lacs (Previous year ₹ 1.71 lacs)]	795.85	940.68
Scrap [Refer Note No. 2.1(e)]	197.91	206.15
	<u>10492.86</u>	<u>12679.05</u>
<b>17. TRADE RECEIVABLES (Unsecured)</b>		
<b>Non-Current</b>		
Other Debts -		
Considered Good	1331.72	2104.01
	<u>1331.72</u>	<u>2104.01</u>
<b>Current</b>		
Debts outstanding for a period exceeding six months from the date they are due for payment -		
Considered Good	2407.49	997.00
Considered Doubtful	-	32.41
	<u>2407.49</u>	<u>1029.41</u>
Other Debts -		
Considered Good	19922.84	18884.04
	<u>22330.33</u>	<u>19913.45</u>
Less : Provision for Doubtful Debts	-	32.41
	<u>22330.33</u>	<u>19881.04</u>
<b>Total Trade Receivables</b>	<u>23662.05</u>	<u>21985.05</u>



	31st March 2014 (₹ in lacs)	31st March 2013 (₹ in lacs)
<b>18. CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
<b>Balance with Banks</b>		
On Current Accounts	210.10	39.93
On Deposit Accounts with Original Maturity of less than 3 Months	51.60	-
On Unpaid Dividend Accounts	42.78	50.63
Cheques/Drafts on Hand	176.93	182.19
Cash on Hand	3.05	1.57
<b>Other Bank Balances</b>		
On Deposit Accounts with Original Maturity of more than 12 Months	45.22	0.21
	<b>529.68</b>	274.53
Less : Amount disclosed under Other Non-Current assets (Refer Note No. 15)	45.22	0.21
	<b>484.46</b>	274.32
<b>19. SHORT TERM LOANS AND ADVANCES</b>		
Unsecured and Considered Good		
Loans To Employees	30.73	51.88
Advances recoverable in cash or in kind	859.54	770.01
Balances with Statutory/Government Authorities	737.23	565.28
Security Deposits	259.56	310.55
	<b>1887.06</b>	1697.72
Unsecured and Considered Doubtful		
Security Deposits	11.24	14.95
	<b>1898.30</b>	1712.67
Less : Provision for Doubtful Security Deposits	11.24	14.95
	<b>1887.06</b>	1697.72
<b>20. OTHER CURRENT ASSETS</b> (Unsecured and Considered Good)		
Receivables on account of -		
Interest on Deposits	1.22	2.72
Export/Deemed Export Benefits	191.02	167.37
Industrial Investment Promotion Assistance	702.24	357.64
Insurance Claims	-	73.29
Unamortized Premium on Forward Contract	2.26	7.55
Unbilled Revenue (Refer Note No. 38)	259.08	116.27
	<b>1155.82</b>	724.84



	For the year ended 31st March 2014 (₹ in lacs)	For the year ended 31st March 2013 (₹ in lacs)
<b>21. REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Finished Goods	62025.00	62968.24
Traded Goods	3678.95	2719.93
<b>Sale of Services</b>		
Installation and Commissioning Charges	691.01	1611.72
<b>Other Operating Revenue</b>		
Scrap Sales	1175.19	1165.33
Duty Drawback	13.58	6.28
<b>Revenue from Operations (Gross)</b>	<b>67583.73</b>	<b>68471.50</b>
Less : Excise Duty	6032.26	6579.37
<b>Revenue from Operations (Net)</b>	<b>61551.47</b>	<b>61892.13</b>
<b>DETAILS OF PRODUCTS SOLD</b>		
<b>Manufactured Goods Sold</b>		
Electrical Cables, Wires, Conductors and Strips of all types	58924.40	60311.06
Capacitors	3100.60	2657.18
	<b>62025.00</b>	<b>62968.24</b>
<b>Traded Goods Sold</b>		
Associated Equipments	3678.95	2719.93
	<b>3678.95</b>	<b>2719.93</b>
<b>Total Sale of Products</b>	<b>65703.95</b>	<b>65688.17</b>
<b>22. OTHER INCOME</b>		
Interest		
On Bank Deposits	2.69	0.02
Others	34.37	24.24
Dividend - On Non-current Investments	117.74	18.69
Rent received	203.92	195.04
Foreign Exchange Fluctuation (Net)	-	14.70
Industrial Investment Promotion Assistance	362.83	312.90
Profit on Disposal of Fixed Assets	277.70	1.16
Other Non Operating Income	77.86	216.17
	<b>1077.11</b>	<b>782.92</b>



	For the year ended 31st March 2014 (₹ in lacs)	For the year ended 31st March 2013 (₹ in lacs)
<b>23. COST OF RAW MATERIALS CONSUMED</b>		
Inventories at the beginning of the year	4436.19	2464.45
Add : Purchases (Net)	45308.58	47896.67
	<u>49744.77</u>	<u>50361.12</u>
Less : Inventories at the end of the year	3071.62	4436.19
	<u>46673.15</u>	<u>45924.93</u>
<b>Details of Raw Materials Inventories</b>		
Aluminium	310.98	528.29
Copper	588.33	691.30
PVC Compound	228.97	315.13
XLPE Compound	640.34	1579.69
Others	1303.00	1321.78
	<u>3071.62</u>	<u>4436.19</u>
<b>Details of Raw Materials Consumed</b>		
Aluminium	10461.21	12385.23
Copper	16576.98	15665.54
PVC Compound	4220.24	4556.67
XLPE Compound	5848.80	5568.44
Others*	9565.92	7749.05
	<u>46673.15</u>	<u>45924.93</u>
* None of these individually account for more than 10% of total cost of materials consumed.		
<b>24. (INCREASE)/DECREASE IN INVENTORIES</b>		
Inventories at the end of the year		
Work in Progress	2737.73	3919.44
Finished Goods	3686.27	3025.20
Scrap	197.91	206.15
Traded Goods	3.48	151.39
	<u>6625.39</u>	<u>7302.18</u>
Inventories at the beginning 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>
(Increase)/Decrease in Inventories	<u>676.79</u>	<u>(195.17)</u>



	For the year ended 31st March 2014 (₹ in lacs)	For the year ended 31st March 2013 (₹ in lacs)
<b>24. (INCREASE)/DECREASE IN INVENTORIES (Contd.)</b>		
<b>Details of Purchase of Traded Goods</b>		
Associated Equipments	<u>2675.99</u>	<u>2070.02</u>
	<u>2675.99</u>	<u>2070.02</u>
<b>Details of Inventories</b>		
Work in Progress		
Cables	<u>2611.77</u>	<u>3792.63</u>
Capacitors	<u>125.96</u>	<u>126.81</u>
	<u>2737.73</u>	<u>3919.44</u>
Finished Goods		
Electrical Cables, Wires, Conductors and Strips of all types	<u>3607.42</u>	<u>2946.00</u>
Capacitors	<u>78.85</u>	<u>79.20</u>
	<u>3686.27</u>	<u>3025.20</u>
Traded Goods - Associated Equipments	<u>3.48</u>	<u>151.39</u>
Scrap	<u>197.91</u>	<u>206.15</u>
<b>Total Inventories</b>	<u>6625.39</u>	<u>7302.18</u>
<b>25. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus and Benefits, etc.	<u>3264.48</u>	<u>3324.03</u>
Contribution to Provident and Other Funds	<u>244.10</u>	<u>241.01</u>
Gratuity Expenses (Net)	<u>(2.27)</u>	<u>51.20</u>
Other Post Employment Benefits	<u>76.76</u>	<u>85.74</u>
Staff Welfare Expenses	<u>412.23</u>	<u>443.31</u>
	<u>3995.30</u>	<u>4145.29</u>
<b>26. OTHER EXPENSES</b>		
Consumption of Stores and Spare Parts	<u>549.63</u>	<u>618.62</u>
Packing Expenses	<u>1690.86</u>	<u>1302.90</u>
Power and Fuel	<u>1510.21</u>	<u>1445.81</u>
Processing and Job Work Charges	<u>73.02</u>	<u>42.67</u>
Sub-contracting for Installation and Commissioning	<u>633.79</u>	<u>1154.01</u>
Sales Commission (other than Sole Selling Agent)	<u>771.50</u>	<u>347.93</u>
Freight and Transportation Charges (Net)	<u>876.40</u>	<u>786.00</u>
Increase/(Decrease) of Excise Duty on Change in Inventories	<u>(20.99)</u>	<u>86.71</u>
Rent	<u>115.73</u>	<u>137.18</u>
Rates and Taxes	<u>92.80</u>	<u>58.73</u>
Insurance Charges	<u>85.42</u>	<u>87.68</u>
Repair and Maintenance :		
Machinery	<u>97.55</u>	<u>74.60</u>
Buildings	<u>59.58</u>	<u>116.10</u>
Others	<u>53.66</u>	<u>59.28</u>



	For the year ended 31st March 2014 (₹ in lacs)	For the year ended 31st March 2013 (₹ in lacs)
<b>26. OTHER EXPENSES (Contd.)</b>		
Directors' Sitting Fees	7.80	8.45
Auditors' Remuneration:		
As auditors		
Audit Fees	7.50	7.75
Tax Audit Fees	1.00	0.15
Limited Review	3.75	3.92
For Other Services		
Certification etc.	0.55	1.78
For Reimbursement of Expenses	0.75	0.63
Foreign Exchange Fluctuation (Net)	308.54	-
Donations and Contributions	3.75	2.20
Bad Debts/Sundry Balances written off (Net of ₹ 45.21 adjusted against Provisions)	94.62	-
Cash Discount	87.55	161.15
Premium on Forward Exchange Contract Amortized	106.84	51.50
Miscellaneous Expenses	833.82	860.03
	<u>8045.63</u>	<u>7415.78</u>
<b>27. DEPRECIATION AND AMORTISATION</b>		
Depreciation on Tangible Assets	1680.10	1427.16
Amortization of Intangible Assets	10.58	53.06
	<u>1690.68</u>	<u>1480.22</u>
Less : Recoupment from Revaluation Reserve	3.34	3.34
	<u>1687.34</u>	<u>1476.88</u>
<b>28. FINANCE COSTS</b>		
Interest	3110.22	2351.27
Bank Charges	222.15	181.21
	<u>3332.37</u>	<u>2532.48</u>
Less: Transferred to fixed assets	46.56	-
	<u>3285.81</u>	<u>2532.48</u>
<b>29. EARNINGS PER SHARE (EPS)</b>		
(Loss) as per Statement of Profit and Loss	(4005.88)	(462.27)
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 (₹)	(17.32)	(2.00)
[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	
	2013-14	2012-13	2013-14	2012-13
Current Service Cost	<b>64.47</b>	68.09	-	-
Interest Cost on benefit obligation	<b>99.14</b>	88.10	<b>19.60</b>	16.92
Expected Return on Plan Assets	<b>(95.69)</b>	(101.34)	-	-
Net Actuarial (Gain)/Loss recognized during the year	<b>(69.19)</b>	9.18	<b>(33.89)</b>	11.30
Add: Movement in short term liability of current employees	<b>(1.00)</b>	(12.83)	<b>(0.08)</b>	-
Net Benefit Expense	<b>(2.27)</b>	51.20	<b>(14.37)</b>	28.22

Amounts recognized in the Balance Sheet :

(₹ in lacs)

Description	Gratuity		Pension	
	2013-14	2012-13	2013-14	2012-13
Defined Benefit Obligation at end of the period	<b>1092.47</b>	1137.79	<b>213.28</b>	251.95
Plan Assets at end of the period	<b>1146.16</b>	1111.71	-	-
Plan Assets/(Liabilities)	<b>53.69</b>	(26.08)	<b>(213.28)</b>	(251.95)

Experience Adjustment :

(₹ in lacs)

Description	Gratuity					Pension				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation at end of the period	<b>1092.47</b>	1137.79	1192.35	1098.21	1021.46	<b>213.28</b>	251.95	248.41	252.61	251.80
Plan Assets at end of the period	<b>1146.16</b>	1111.71	1141.66	1074.07	956.42	-	-	-	-	-
Plan Assets/(Liabilities)	<b>53.69</b>	(26.08)	(50.69)	(24.14)	(65.04)	<b>(213.28)</b>	(251.95)	(248.41)	(252.61)	(251.80)
Experience (Gain)/Loss adjustments on Plan Liabilities	<b>(69.19)</b>	9.18	36.69	41.66	70.68	<b>(33.89)</b>	11.30	2.59	6.93	(13.06)
Experience (Gain)/Loss adjustments on Plan Assets	<b>(11.39)</b>	44.26	52.43	-	-	-	-	-	-	-
Actuarial (Gain) due to change of assumptions	<b>(57.80)</b>	(35.08)	(15.74)	-	-	-	-	-	-	-



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

(₹ in lacs)

Description	Gratuity		Pension	
	2013-14	2012-13	2013-14	2012-13
Opening Defined Benefit Obligation	1137.79	1192.35	251.95	248.41
Interest Cost	99.14	88.10	19.60	16.92
Current Service Cost	64.47	68.09	-	-
Benefits paid	(138.38)	(202.33)	(24.30)	(24.46)
Actuarial (Gain)/Loss on obligations	(69.19)	9.18	(33.89)	11.08
Already paid off of employees transferred from Group Companies	-	(17.60)	-	-
Add: Differential liability (short term) for current employees	(1.36)	-	(0.08)	-
Closing Defined Benefit Obligation	1092.47	1137.79	213.28	251.95

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

(₹ in lacs)

Description	Gratuity	
	2013-14	2012-13
Opening Fair Value of Plan Assets	1111.71	1141.66
Expected Return	95.38	97.23
Contributions by employer	77.45	75.15
Benefits paid	(138.38)	(202.33)
Closing Fair Value of Plan Assets	1146.16	1111.71

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

Description	Gratuity (%)	
	2013-14	2012-13
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	
	2013-14	2012-13	2013-14	2012-13
Mortality Table	IAL 2006-08	IAL 2006-08	LIC 1996-98 Ultimate	LIC 1996-98 Ultimate
Attrition Rate	5.00%	5.00%	N.A.	N.A.
Imputed Rate of Interest	9.10%	8.05%	9.10%	8.00%
Salary Rise	7.50%	7.50%	N.A.	N.A.
Return on Plan Assets	8.85%	9.40%	N.A.	N.A.
Remaining Working Life (Years)	11.82	12.13	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 ₹ 70 lacs (Previous year ₹ 80 lacs) to the Gratuity Fund during the year 2014-15.

**Defined Contribution Plan :**

(₹ in lacs)

Description	2013-14	2012-13	2011-12	2010-11	2009-10
Contribution to Family Pension Fund	96.12	94.69	91.25	92.40	90.88
Contribution to Provident Fund	139.53	137.81	122.92	115.12	105.22
Contribution to Superannuation Fund	76.76	85.74	85.31	86.12	81.92
<b>Total</b>	<b>312.41</b>	<b>318.24</b>	<b>299.48</b>	<b>293.64</b>	<b>278.02</b>



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. The Actuary has accordingly provided a valuation and based on the below provided assumptions, there is no shortfall as at 31st March, 2014.

Details of Fund and Plan Assets Position as of 31st March, 2014, are as follows :

(₹ in lacs)

Description	2013-14	2012-13
Plan Assets at Fair Value	4832.29	4737.40
Present Value of Defined Benefit Obligation	4606.92	4399.68
Surplus in Fund	225.37	337.72
Asset recognized in the Balance Sheet	-	-

### 31. Segment Reporting AS-17 :

In the opinion of the management, there is only one reportable segment ("Manufacturing, Laying, Selling of Power Cables and Capacitors") as envisaged by Accounting Standard 17 "Segment Reporting". Further, from a geographical segment perspective, export sale constitute less than 10% of enterprise revenues. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

### 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 (either individually or with others)		
			D.R. Bansal	BEOL	BFL	VTL	SPL	Total
<b>(A)</b>	<b>Transactions during the year</b>							
1	Purchase of Raw Materials, Stores, Spares and Packing Materials	2014 2013	- -	24.69 2.74	- -	91.12 449.48	240.69 310.62	331.81 760.10
2	Sale of Raw Materials, Stores, Spares and Packing Materials	2014 2013	- -	15.42 13.22	- -	245.84 261.53	- -	245.84 261.53
3	Other Service Charges and Rent Received	2014 2013	- -	0.17 -	212.96 206.35	0.04 0.37	- -	0.04 0.37
4	Other Service Charges & Lease Rent Paid	2014 2013	- -	28.65 31.88	- -	88.39 510.48	- -	88.39 510.48
5	Sales of Finished & Other Goods	2014 2013	- -	0.28 0.38	28.04 17.06	1385.06 0.53	- -	1385.06 0.53
6	Purchase of Finished & Other Goods	2014 2013	- -	0.79 -	- -	22.90 214.52	- -	22.90 214.52
7	Purchase of Fixed Assets	2014 2013	- -	29.68 14.67	- -	- -	- -	- -



(₹ in lacs)

Sl. No.	Particulars	Year	Key Management Personnel	Joint Ventures		Enterprises which are significantly influenced by the Company/Director (either individually or with others)		
			D.R. Bansal	BEOL	BFL	VTL	SPL	Total
8	Sale of Fixed Assets	2014 2013	- -	0.07 -	- -	- 12.70	- -	- 12.70
9	Inter Corporate Loans taken	2014 2013	- -	550.00 -	- -	500.00 200.00	- -	500.00 200.00
10	Inter Corporate Loans repaid	2014 2013	- -	550.00 -	- -	500.00 200.00	- -	500.00 200.00
11	Inter Corporate Loans given	2014 2013	- -	- -	- -	1115.00 255.00	- -	1115.00 255.00
12	Inter Corporate Loans received back	2014 2013	- -	- -	- -	1115.00 255.00	- -	1115.00 255.00
13	Interest on Inter Corporate Loans/Security Deposit Paid	2014 2013	- -	12.07 -	0.70 0.70	3.98 0.52	- -	3.98 0.52
14	Interest on Inter Corporate Loans received	2014 2013	- -	- -	- -	3.26 3.20	- -	3.26 3.20
15	Investments made in Equity Shares	2014 2013	- -	- -	57.50 -	- -	- -	- -
16	Dividend Received	2014 2013	- -	- -	103.50 -	- -	- -	- -
17	Remuneration Paid*	2014 2013	100.45 94.85	- -	- -	- -	- -	- -
18	Reimbursements received/receivable	2014 2013	- -	4.99 0.30	9.06 8.80	0.70 0.16	- -	0.70 0.16
19	Reimbursements paid/payable	2014 2013	- -	- -	- 0.02	6.29 8.86	- -	6.29 8.86
<b>(B) Balance outstanding as at the year end</b>								
1	Trade Payables/Other Liabilities	2014 2013	- -	- 1.47	7.30 7.30	226.92 297.50	- 9.80	226.92 307.30
2	Trade Receivables	2014 2013	- -	- -	- -	1218.32 -	- -	1218.32 -
3	Corporate Guarantee given	2014 2013	- -	- -	3520.00 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 to Birla Furukawa Fibre Optics Limited 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 ₹ 203.92 lacs (Previous year ₹ 195.04 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	37.28%	Established principally for manufacture of Optical Fibre Cables

- (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, 2014 and 31st March, 2013 in the above Companies, as per their financial statements are as under :

(₹ in lacs)

Particulars	BEOL		BFL	
	2013-14 (Audited)	2012-13 (Audited)	2013-14 (Unaudited)	2012-13 (Audited)
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Long-term Borrowings	196.73	1.64	624.34	110.73
Deferred Tax Liabilities (Net)	44.85	-	236.81	200.90
Long-term Provisions	15.09	14.17	-	-
<b>CURRENT LIABILITIES</b>				
Short-term Borrowings	415.42	433.73	1333.14	938.97
Trade Payables	1206.80	474.96	1512.16	1575.14
Other Current Liabilities	65.12	82.79	422.29	203.22
Short-term Provisions	59.24	14.56	17.69	149.76
<b>TOTAL</b>	<b>2003.25</b>	<b>1021.85</b>	<b>4146.43</b>	<b>3178.72</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Fixed Assets				
Tangible Assets	500.25	386.13	2876.01	2331.01
Intangible Assets	0.01	0.14	1.10	1.77
Capital Work-in-progress	18.77	52.21	-	-
Non-current Investments	182.80	182.80	-	-
Long-term Loans and Advances	59.81	17.96	114.32	86.83
Other Non-current Assets	25.46	-	27.77	31.17
<b>CURRENT ASSETS</b>				
Inventories	694.35	386.21	1095.36	1189.48
Trade Receivables	1221.16	485.44	2560.82	1880.40
Cash and Bank Balances	84.44	91.11	73.09	136.75
Short-term Loans and Advances	221.87	223.49	408.90	307.61
Other Current Assets	7.99	5.51	12.50	6.21
<b>TOTAL</b>	<b>3016.91</b>	<b>1831.00</b>	<b>7169.87</b>	<b>5971.23</b>



(₹ in lacs)

Particulars	BEOL		BFL	
	2013-14 (Audited)	2012-13 (Audited)	2013-14 (Unaudited)	2012-13 (Audited)
<b>Income</b>				
Revenue From Operations less Excise Duty	3777.71	1609.49	6560.37	5725.59
Other Income	28.58	40.88	12.67	51.16
<b>Expenses</b>				
Cost of Raw Material Consumed	2988.52	1205.08	3781.41	3694.55
Purchase of Stock in Trade	17.73	16.01	1174.29	82.17
(Increase) in Inventories of Materials under process, Finished Goods, Scrap and Traded Goods	(102.47)	(50.83)	(3.59)	(280.90)
Employee Benefits Expenses	127.17	105.02	214.68	218.12
Finance Costs	115.31	64.29	111.56	103.10
Depreciation/Amortization	60.28	47.41	247.86	272.34
Other Expenses	294.61	189.46	825.13	967.67
Provision for Tax	55.02	-	70.93	236.55
Contingent Liabilities	2895.00	2044.30	-	-
Capital Commitments	18.56	27.33	54.09	49.95

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 ₹ 729.63 lacs (Previous year ₹ 550.96 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 ₹ 320.82 lacs (Previous year ₹ 1215.00 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, 2014	As at 31st March, 2013
1	Income Tax	274.93	415.58
2	Terminal Tax Liability	227.37	227.37
3	Excise and Service Tax Cases	241.32	91.84
4	Bills of exchange discounted with Banks	1854.51	1269.91
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

**Notes :**

- Income Tax demand comprise demand from the Indian Tax Authorities for payment of additional tax of ₹ 274.93 lacs (Previous year ₹ 386.69 lacs), upon completion of tax assessments for the financial years 2007-08, 2008-09, 2009-10 and 2010-11. 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 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 ₹ 1165.93 lacs (Previous year ₹ 1264.98 lacs) in the financial statements for the tax demand raised and balance of ₹ 274.93 lacs (Previous year ₹ 415.58 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.

- (b) 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.
- (c) 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	2013-2014	2012-2013
Contract revenue recognized as revenue during the year	5196.77	4412.26
Contract cost incurred plus recognized profits upto reporting date	20791.17	15522.50
Advances received	29.96	133.59
Amount outstanding/retentions	5552.73	2668.49
Gross amount due from customers for contract work presented as an asset	259.08	116.27
Gross amount due to customers for contract work presented as a liability	187.25	43.73

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

(₹ in lacs)

Particulars	2013-2014	2012-2013
Contract revenue recognized as revenue during the year relating to ongoing projects	5131.19	4412.26
Contract revenue recognized as revenue during the year relating to completed projects	65.58	813.73
<b>Total</b>	<b>5196.77</b>	<b>5225.99</b>

39. The Company has exercised option provided in Para 46A of Accounting Standard - 11 on Effects of changes in Foreign Exchange rates with regard to the treatment of foreign exchange fluctuation gain/loss. Accordingly, loss on exchange fluctuation on long-term foreign currency monetary items amounting to related ₹ 103.05 lacs have been adjusted to the cost of capital asset and depreciated over the balance life of the asset. This has resulted in increase in profit of the year by ₹ 93.81 lacs (net of depreciation of ₹ 9.24 lacs).

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

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

Particulars	Currency	2013-14			2012-13		
		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
Interest Accrued and not due on Loans	USD	-	-	-	23504.43	54.80	12.88
Payables	USD	<b>872923.53</b>	<b>60.49</b>	<b>528.03</b>	607611.41	54.80	332.97



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

Particulars	Currency	2013-14			2012-13		
		Amount in Foreign Currency	Exchange Rate	₹ in lacs	Amount in Foreign Currency	Exchange Rate	₹ in lacs
Payables	USD	1037127.48	60.49	627.36	2134618.13	54.80	1169.77
	SEK	134000.00	9.36	12.54	661650.00	8.45	55.91
	JPY	-	-	-	2223477.00	0.58	13.00
	EUR	128,404.07	83.48	107.19	73354.30	70.28	51.55
FC Loans - Buyer's Credit	USD	1367500.00	60.49	827.20	3102288.52	54.80	1700.05
Interest Accrued and not due on Loans	USD	14960.43	60.49	9.05	15684.15	54.80	8.59
Trade Receivables	USD	-	-	-	12727.00	53.98	6.87
Advance from Customers	USD	1265.00	60.49	0.77	-	-	-
Loans and Advances	EUR	25700.00	81.31	20.90	-	-	-
	USD	-	-	-	85000.00	54.25	46.11

- (c) A sum of ₹ 2.26 lacs (Previous year ₹ 7.55 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.

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

(₹ in lacs)

Sl. No.	Particulars	2013-14	2012-13
(i)	the principal amount and the interest due thereon remaining unpaid to any supplier :		
	Principal amount	1808.15	1001.52
	Interest thereon	Nil	Nil
(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	Nil
(iv)	the amount of interest accrued and remaining unpaid.	Nil	Nil
(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

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

	2013-14	2012-13
1. Export at F.O.B. Value	364.35	309.26
2. Claims from Vendors	-	2.00
<b>(B) Expenditure in Foreign Currency (on accrual basis)(Including Taxes, if any)</b>		
1. Travelling	7.73	10.69
2. Interest	53.29	49.30
3. Royalty	-	47.20
4. Technical Services	28.99	304.02
5. Others	5.24	15.10
<b>(C) Value of imports calculated on C.I.F. basis (on accrual basis)</b>		
1. Raw Materials	9149.02	9846.12
2. Stores & Spare Parts	41.04	75.76
3. Capital Goods	820.96	1107.35
4. Goods purchased for re-sale	510.60	686.38

**(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	46673.15 (45924.93)	10446.98 (9897.68)	36226.17 (36027.25)	22.38 (21.55)	77.62 (78.45)
2	Stores & Spare Parts	549.63 (618.62)	36.49 (79.94)	513.14 (538.68)	6.64 (12.92)	93.36 (87.08)

\*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

R. Raghuraman  
Partner  
Membership No. 081350

Place : New Delhi  
Date : 19th May, 2014

D.R. Bansal  
Chief Mentor & Executive Director

Vinod Bansal  
Vice President (Commercial) & CFO

Om Prakash Pandey  
Company Secretary

Harsh V. Lodha *Chairman*

S.R. Jain

S.S. Kothari

S.C. Jain

Dinesh Chanda

B.R. Nahar

*Directors*



# UNIVERSAL CABLES LIMITED

CIN: L31300MP1945PLC001114

Registered Office:

P.O. Birla Vikas, Satna – 485 005 (M.P.), India

Phone: (07672) 257121 to 257127 • Fax: (07672) 257131

E-mail: headoffice@unistar.co.in • Website: www.unistar.co.in

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :	
Registered address :	
E-mail ID :	
Folio No/DP ID-Client ID No :	

I/We, being the member(s) of .....shares of the above named company, hereby appoint:

- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him;
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him;
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_.

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Sixty Ninth Annual General Meeting of the Company to be held on 12th August, 2014 at the Registered Office of the Company at P.O. Birla Vikas, Satna (M.P) 485 005 and at any adjournment thereof in respect of the following resolutions:

Resolution No	Resolution
<b>Ordinary Business</b>	
1	Adoption of Audited Financial Statements, Directors' Report and Auditors' Report for the year ended 31st March, 2014
2	Re-appointment of Shri Harsh V. Lodha, who retires by rotation
3	Appointment of Statutory Auditors and fix their remuneration
<b>Special Business</b>	
4	Appointment of Shri Bachh Raj Nahar as a Director
5	Appointment of Shri S. S. Kothari as an Independent Director
6	Appointment of Shri S. C. Jain as an Independent Director
7	Appointment of Dr. S. R. Jain as an Independent Director
8	Appointment of Shri Dinesh Chanda as an Independent Director
9	Ratification of Cost Auditors' remuneration

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014

Signature of Shareholder : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_



### NOTE:

- This form of Proxy, in order to be effective, should be duly completed and deposited at the Registered office of the Company at P.O. Birla Vikas, Satna (M.P) 485 005 not less than FORTY EIGHT(48) hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Sixty- Ninth Annual General Meeting.







# UNIVERSAL CABLES LIMITED

CIN: L31300MP1945PLC001114

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E-mail: headoffice@unistar.co.in • Website: www.unistar.co.in

## ATTENDANCE SLIP

Regd. Folio/DP ID & Client ID	
Name and Address of the Shareholder	

- (1) I hereby record my presence at the SIXTY NINTH ANNUAL GENERAL MEETING of Universal Cables Limited being held on 12th August, 2014 at 11.00 A.M. at the Registered Office of the Company at P.O. Birla Vikas, Satna (M.P) 485 005.

- (2) Signature of the Shareholder/Proxy Present

--

- (3) Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
- (4) Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

**Note: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING**

✂.....









Visit of Hon'ble Chairman Shri H.V. Lodha to the augmented capacity of the CCV Plant



Hon'ble Justice Shri Alok Verma (M.P. High Court) inaugurating Drinking Water Huts – a CSR initiative



1<sup>st</sup> Company in India to successfully Type Test 400 kV Cable at CESI Germany



Participation in ELECRAMA 2014 Exhibition at Bangalore



**BOOK - POST**  
PRINTED MATTER

**UNIVERSAL CABLES LIMITED**

Regd. Office : Power Cable Plant & Capacitor Plant  
P.O. Birla Vikas, Satna - 485 005 (M.P.)  
Tel. : (07672) 414000, 257121 • Fax : (07672) 257129, 257131  
E-mail : headoffice@unistar.co.in  
CIN : L31300MP1945PLC001114

**Marketing Offices :**

**ALLAHABAD HYDERABAD**

B-30, Ekankikunj Colony, Plot No. 414, Road No. 22,  
24, Muir Road, Jubilee Hills, Hyderabad - 500 033  
Allahabad - 211 001 Tel.: (040) 2355 0183, 2360 8218  
Tel.: (0532) 2423646-3132 Fax : (040) 2355 3272  
Fax : (0532) 2423132 E-mail : hyderabad@unistar.co.in  
E-mail : allahabad@unistar.co.in

**BENGALURU**

287,15th Main, RMV Extension, Kolkata - 700 016  
Sadashivnagar, Nr. Nagasena School, Tel.: (033) 2280 5043 - 44,  
Bangaluru - 560 080 2280 1192, 2287 1302  
Tel.: (080) 23612484 Fax : (033) 2280 5046  
Fax : (080) 23619981 E-mail : kolkata@unistar.co.in  
E-mail : bangalore@unistar.co.in

**KOLKATA**

**MUMBAI**

Industry House,  
"Satyam", 1st Floor, 159, Churchgate Reclamation,  
Opp. State Bank of India, Mumbai - 400 020  
Fatehgunj, Vadodara - 390 002 Tel.: (022) 4442 2200  
Tel.: (0265) 2791794, 2795642 Fax : (022) 2202 7854  
Fax : (0265) 2793128 E-mail : mumbai@unistar.co.in  
E-mail : baroda@unistar.co.in mumbai.sales@unistar.co.in

**BHOPAL NEW DELHI**

S-592, Nehru Nagar, 4th Floor, UCO Bank Building,  
Bhopal (M.P.) 462 003 Parliament Street,  
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E-mail : bhopal@unistar.co.in Tel.: (011) 4355 4879, 4359 5484  
2335 0867

**CHENNAI**

1st Floor, Priyan Plaza, Fax : (011) 2371 1561  
76, Nelson Manickam Road, E-mail : delhi@unistar.co.in  
Aminjikarai, Chennai - 600 029

**RAIPUR**

Block 13, Flat 604,  
Ashoka Ratna, Khamardih,  
Raipur (Chattisgarh) - 492 007  
Tel.: (0771) 2281007  
Fax : (0771) 2281007  
E-mail : raipur@unistar.co.in

**GOA**

Plot Nos. L-64A,  
Verna Industrial Estate,  
Verna, Salcette, Goa - 403 722  
Tel.: (0832) 2782829, 6696400  
Fax : (0832) 2782614, 6696414  
E-mail : goa@unistar.co.in

**Visit us at:**  
[www.unistar.co.in](http://www.unistar.co.in)

If undelivered please return to:

**UNIVERSAL CABLES LIMITED**

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