Press Release

18th May, 2015

ANNUAL RESULTS OF UNIVERSAL CABLES LIMITED

Particulars	**Quarter Ended**		**Year Ended**	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014
Total Income from Operations (Rs. In Lacs)	19345	16979	69402	61551
EBITDA (Rs. In Lacs)	1624	428	3360	561
EBIT (Rs. In Lacs)	1208	(26)	1598	(1126)
Net Loss for the Period (Rs. In Lacs)	(215)	(1006)	(3471)	(4006)

Universal Cables Limited, a Company belonging to M P Birla Group, has posted a higher Revenue of Rs. 69402 Lacs as against Rs. 61551 Lacs in the previous year. The Company has incurred a net loss of Rs. 3471 Lacs as compared to Rs. 4006 Lacs in the previous year.

The performance of the Company was impacted due to:

- Stagnation in the power and infrastructure projects due to policy impasse on substantive issues relating to environmental clearances, adversely impacting power cable demand in India.

- Slow down in power transmission segment has affected the EHV cable demand which happens to be the key product of the Company.

- Subdued demand from the end-user industries viz. power, steel, cement, real-estate, railways, amongst others resulted in low demand for power cables.

- Increased finance cost arising from extended debtors cycle in the industry and interest rate remaining at elevated levels throughout the year.

UNIVERSAL CABLES LTD. P.O. BIRLA VIKAS SATNA (M.P.)

The Company is largely dependent on the demand from the power & infrastructural sectors. The power sector which is heavily dependent on the coal based thermal power generation has failed to respond to the targeted growth due to the de-allocation process of the coal blocks, which has dampened the thrust on the power generation. The ripple effect has decelerated the growth in the infrastructural and industrial sectors which are inextricably linked with the power sector. This in turn has downplayed the downstream demand for power cables as well.

The widening crevasse between the required GDP growth rate and the infrastructural requirement is decelerating the overall economic development. Therefore, the Government's renewed thrust, interalia, on creating ultra mega power plants, metros, airports, railways, ports, roads, smart cities, SEZs would drive the demand. The Government is targeting an addition of 88.5GW in the 12^{th} Plan, this enhancement in the capacity would entail a substantial capital investment. The sub-transmission networks, predominantly underground power cable systems, feeding power to the rising demand from the urban sector are already showing indications of an increase in demand for EHV underground power cables for the years to come. The Company having envisioned this opportunity had taken a pro-active initiative by augmenting and upgrading its manufacturing facilities for EHV & HV cables to take advantage of the opportunities as it un-folds. The Company has a large stake in the demand generated by the sub-transmission sector, which is the gateway for bringing power into the urban areas, is being strengthened in all States of India. This would result to rapid growth in demand for high-end EHV Cables market segment where the Company being a forefront player would be the beneficiary. With the brighter outlook in high voltage and extra high voltage underground cable segments, the Company is fully geared up for improved performance with change in the existing order book composition and a special emphasis in these segments in which the Company possesses requisite skills, knowledge quotient, meeting the contemporary technological requirements. As the quality of power is a key issue for the industry segment, the Company has also expanded its business in turnkey projects for Capacitor banks where the margins are reasonably remunerative. Further, the Company is constantly focusing on optimizing the raw material consumption and production cost, reduction of inventories and rationalization of manpower.

The Company has also taken measures for reduction in debt through infusion of long term funds by way of Rights Issue which would reduce the interest costs at manageable level. The Company has a reasonably good order book position; hence the capital infusion would enable unfettered operations and improve performance. Initiatives are being taken by the Company for containment of forex losses and de-risking of orders through price variation clause.

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Given the improvement visible in the overall economic scenario, especially in the Power Sector, coupled with pro-active steps initiated by the Management, the Company has moved into FY 2015-16 with a sense of optimism.

HIGHLIGHTS:

For the Quarter Ended 31st March 2015

- Total Income from operations of Rs.19345 Lacs up by 13% as compared to previous Quarter*.
- EBITDA has improved to Rs.1624 Lacs as against loss of Rs.135 Lacs in previous Quarter*.
- EBIT has improved to Rs.1208 Lacs as against loss of Rs.(579) Lacs in previous Quarter*.

* Quarter Ended 31st December 2014

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