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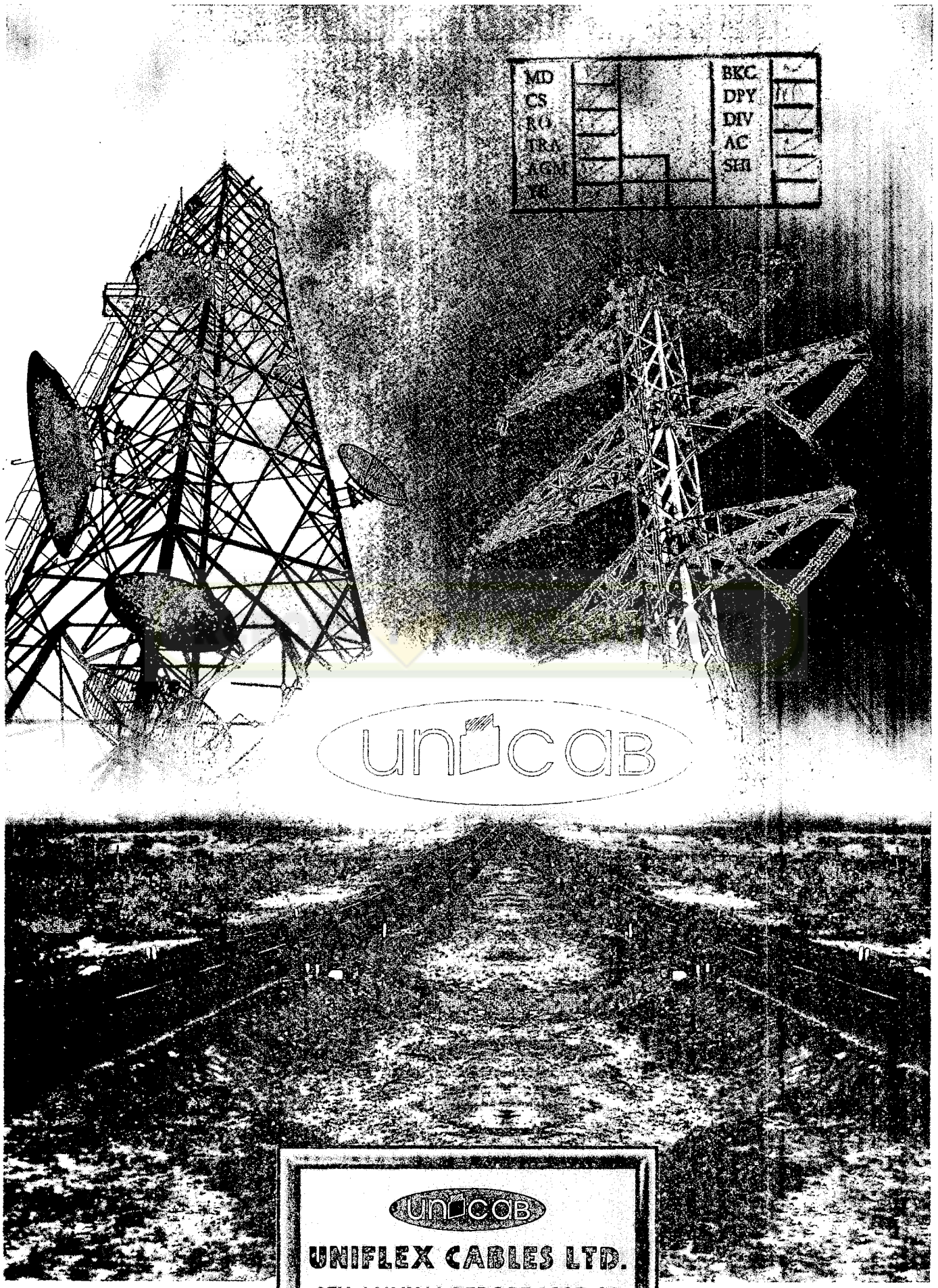

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UNIFLEX CABLES LTD.

8TH ANNUAL REPORT 1997-98

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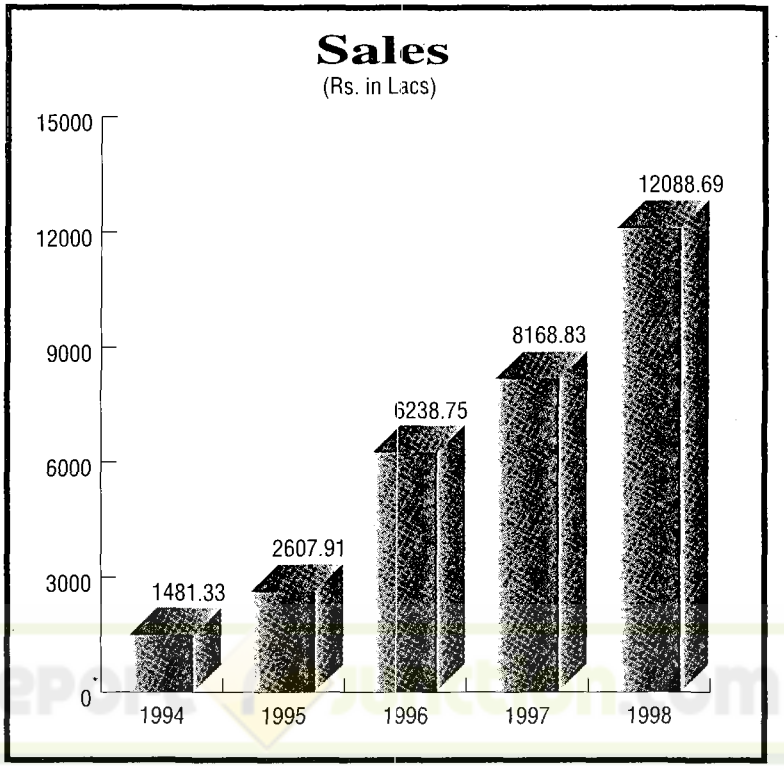
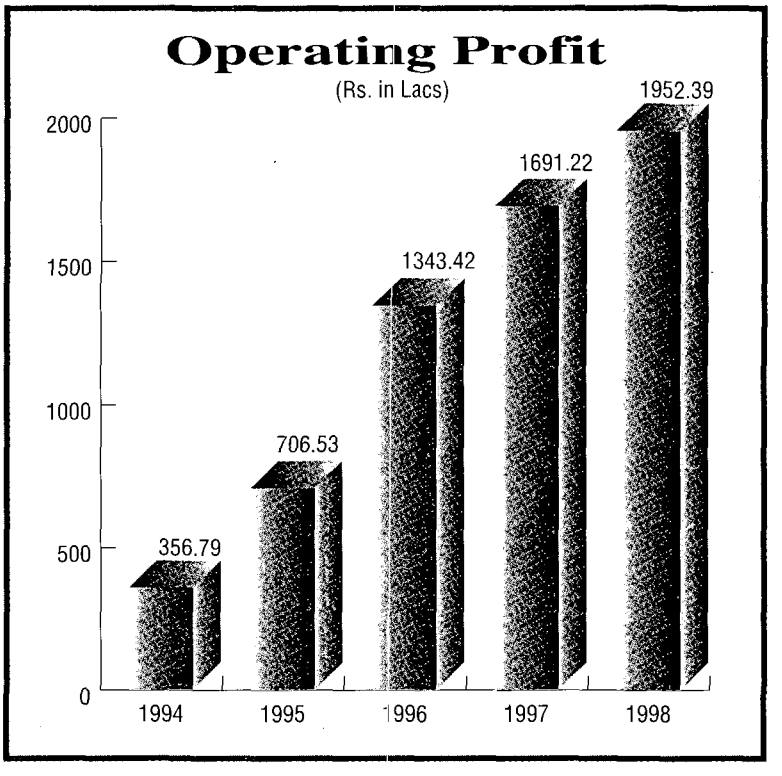
GROWTH AT A GLANCE





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UNIFLEX CABLES LTD.
8TH ANNUAL REPORT 1997-98

BOARD OF DIRECTORS

Shri Bijay Singh Baid
Chairman & Managing Director
Shri Jay Kumar Baid
Executive Director
Shri Ajay Kumar Baid
Executive Director
Shri Premchand Goliya
Director
Shri Raghunath Rai Kumar
Director
Shri R. Subramanian
Director (Nominee of I.D.B.I.)
Shri Kranti Sinha
Director (Nominee of L.I.C.I.)
Shri Sanjay Kumar Baid
Executive Director

COMPANY SECRETARY

Shri Sanjive Arora

AUDITORS

Rashmi Zaveri & Co.
PNB House, 4th Floor, P.M. Road
Fort, Mumbai - 400 001.

BANKERS

Union Bank of India
UTI Bank
Centurion Bank
Times Bank

REGISTERED OFFICE

241, Chandra Mahal, First Floor
Shamaldas Gandhi Marg
Mumbai - 400 002.

HEAD OFFICE

11, Jorawar Bhavan
93, M. Karve Road, Marine Lines
Mumbai - 400 020.

WORKS

158-163, G.I.D.C.
Umbergaon - 396 171
Dist. Valsad, Gujarat.

WEB SITE

WWW.UNICAB.COM

REGISTRAR & TRANSFER AGENT

Hyderabad : Karvy Consultants Ltd.
Karvy House, 46, Avenue 4
Street No.1, Banjara Hills
Hyderabad 500 034.
Tel.: 040 : 3312454/3320251/751/752
Fax : 040 : 3311968
E-mail-Karvy.hyd@karvy.sprintrpg.ems.vsnl.net.in

Mumbai : Karvy Consultants Ltd.
7, Andheri Industrial Estate
Off. Veera Desai Road
Andheri (West)
Mumbai - 400 053.
Tel.: 6367226/6327802
Fax : 6310882

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NOTICE

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Members of the Company will be held on Friday the 18th day of September, 1998, at 2.00 p.m. at Andheri Recreation Club, near Bhavan's College, Andheri (W), Mumbai - 400 058 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 1998 , the Profit and Loss Account for the financial year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Bijay Singh Baid, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Sanjay Kumar Baid, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

SANJIVE ARORA
Company Secretary

Place : Mumbai

Dated : 27th June, 1998

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
   PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer books of the Company will remain closed from **Tuesday the 1st day of September, 1998 to Monday the 7th day of September, 1998 (both days inclusive)** for the purpose of payment of dividend.
3. The dividend as recommended by the Board of Directors, if declared at the meeting, will be subject to the provisions of Section 206A of the Companies Act, 1956 be payable to those members, whose names appear in the Company's Register of members on the 7th day of September, 1998.
4. Members are informed that the Company's share transfer agents M/s. Karvy Consultants Ltd. have shifted the processing of the work related with share transfers etc. from their Mumbai Office to Hyderabad Office, therefore all communications related with shares etc. should now be addressed to :

   Karvy Consultants Ltd.
   Karvy House, 46, Avenue 4
   Street No.1, Banjara Hills Hyderabad 500 034
   Tel.: 040 : 3312454/3320251/751/752 Fax : 040 : 3311968

   However they will continue to accept the physical delivery of the shares meant for transfer etc. at their Mumbai office.
5. The members are requested to :
   a. Intimate changes, if any, in their registered address at an early date.
   b. Quote ledger folio number in all their correspondence.
   c. Intimate about consolidation of folios, if share holdings are under multiple folios.
   d. Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
6. Members are informed that an amount of Rs.53,305/- being dividend remaining unclaimed relating to the financial year ended 31st March, 1994 (financial year 1993/94) has been transferred to General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members whose dividend has remained unclaimed are now advised to lodge their claims with the Registrar of Companies, Maharashtra, Hakoba Compound, Dattaram Lad Marg, Lalbaug, Kalachowki, Mumbai - 400 033.
7. Members requiring any information about the accounts are requested to write to the Company atleast one week before the date of the meeting.
8. Only registered members carrying the Attendance Slip and the holders of valid proxies registered with the Company will be permitted to attend the meeting.
9. In order to provide protection against fraudulent encashment of dividend warrants, the shareholders are requested to furnish the Bank Account Number with the name of the Bank/Branch and its address, quoting folio No. to our Registrar and Transfer Agent Karvy Consultants Ltd., Karvy House, 46, Avenue 4 Street No.1, Banjara Hills Hyderabad 500 034 latest by 1st September, 1998.

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DIRECTORS' REPORT

To, The Members

Your Directors have pleasure in presenting their Eighth Annual Report on the business and operations of the Company and Audited Accounts for the year ended 31st March, 1998.

B. DIVIDEND

Your Directors recommend for your approval distribution of dividend on equity shares of 10% absorbing Rs. 1,10,11,300/-. As the dividend income has been made tax free in the hands of the shareholders no tax will be deducted from this dividend. However the Company will pay tax on dividend of Rs. 11,01,130/-. As a result the total pay out will be Rs. 1,21,12,430/- (inclusive of tax on dividend of Rs. 11,01,130/-).

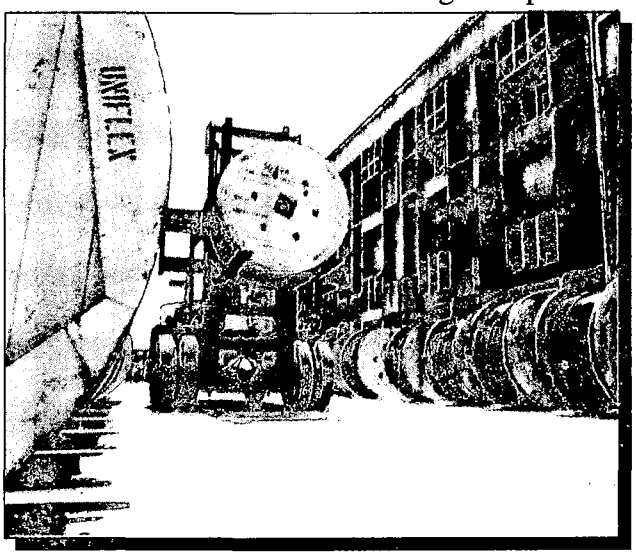
A. FINANCIAL RESULTS

	31-Mar-98 Rupees	31-Mar-97 Rupees
Operating Profit	**195,239,052**	169,121,856
Less : Interest & Finance Charges	**(134,752,297)**	(100,341,429)
Profit before Depreciation & Tax	**60,486,755**	68,780,427
Less : Depreciation	**(38,992,299)**	(38,026,253)
Profit/(Loss) before Taxes	**21,494,456**	30,754,174
Less : Provision for Tax	—	—
Profit/(Loss) after taxes	**21,494,456**	30,754,174
(Tax)/ Refund of taxes for earlier years	—	1,373,947
Investment allowance util. res. written back	—	364,259
Excess provision written back (dividend)	—	110,300
Balance brought forward from earlier years	**7,995,199**	3,561,164
Balance available for appropriations	**29,489,655**	36,163,844
Less : Appropriations		
Dividend		
– On Equity Shares	**11,011,300**	16,516,950
– Tax on Dividend	**1,101,130**	1,651,695
– Transfer to General Reserve	**5,000,000**	10,000,000
Balance carried forward to Balance Sheet	**12,377,225**	7,995,199

C. REVIEW OF OPERATIONS

The Company's results for the year under review have been satisfactory having regard in general to the sluggishness in the economy and in particular the downtrend faced by the cable industry. The Company due to its wide range of products for Power and Telecom cables has managed to perform reasonably well inspite of slow down in the economy.

The Company posted a turnover of Rs.121 crores as compared to Rs.82 crores in the previous year thus reflecting a growth of 48% and the operating profit (PBDIT) increased from Rs. 16.91 to Rs. 19.52 reflecting a growth of 15.44%. However the net profit was lower due to the unexpected rise in the custom duty to the extent of 3% as well as the devaluation of rupee during the year.



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DIRECTORS' REPORT *(Contd.)*

D. PROJECTION V/S PERFORMANCE

Projection v/s Performance of the Company as per prospectus dated 16th March, 1995 is as follows :

(Rs.in Lacs)

	Projections	*Actual*
Total Income	16,015	*12,168*
Profit After Tax	1,775	*215*
Earning per Share (Rs.)	16.12	*1.95*
Proposed Dividend	35%	*10 %*

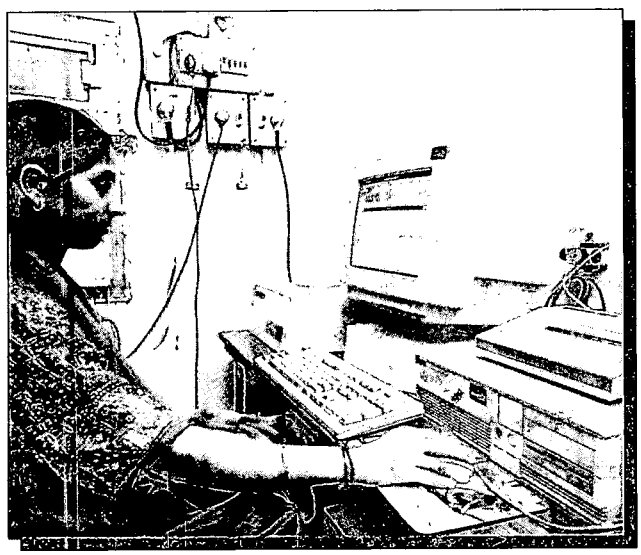
competitors and enable it to shift its focus to lucrative business as per the market demand. The Company has now achieved the ISO 9002 certification for all its divisions which enables it to procure good business and also gives it credentials to tap the export potential.

F. DEPOSITS

The Company has not accepted any Deposits from Public within the meaning of Section 58-A of the Companies Act and rules made thereunder.

G. DIRECTORS

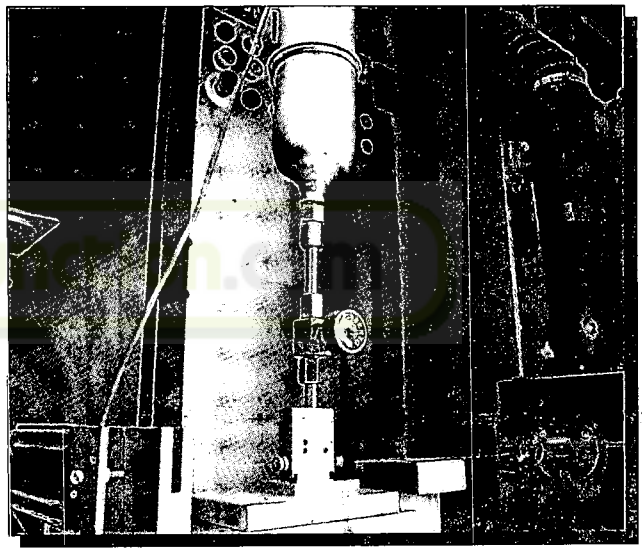
In accordance with the provisions of The



E. FUTURE OUTLOOK

The Government is giving a special thrust to the core areas which augurs well for the Company. The Power and Telecom sector will get the special assistance of the Government on all the fronts. This development will generate good business for the Company.

The Company's inbuilt flexibility to cater to both Power and Telecom sector for their cable requirements gives it an edge over its



Companies Act, 1956 and the Articles of Association of the Company Shri Bijay Singh Baid and Shri Sanjay Kumar Baid are Directors who retire by rotation, being eligible have offered themselves for re-appointment.

H. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as per Section 217(1)(e) of the Companies Act, 1956 read with the

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DIRECTORS' REPORT *(Contd.)*

Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the period ended 31st March, 1998 is given in the enclosed annexure.

I. PARTICULARS OF EMPLOYEES

There were no employees whose remuneration were in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956.

J. AUDITORS

The statutory auditors M/s. Rashmi Zaveri & Co., retire at the conclusion of the ensuing Annual General Meeting. The Company has received a letter from M/s. Rashmi Zaveri & Co., to the effect that their appointment, if made, would be within the limits under Section 224(1-B) of the Companies Act, 1956. Accordingly, M/s. Rashmi Zaveri & Co., Chartered Accountants will be appointed as auditors of the Company.

K. AUDITORS' REPORT

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

L. ACKNOWLEDGEMENT

We take this opportunity to express our sense of gratitude to our Customers, Shareholders, Government Departments, Financial Institutions, Bankers and Suppliers. We would also like to place on record our sincere appreciation of the total commitment, dedication and hard work put in by every member of the Uniflex team.

For and on behalf of the Board

BIJAY SINGH BAID
Chairman & Managing Director

Place: Mumbai
Date : 27th June, 1998

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ANNEXURE TO THE DIRECTORS' REPORT

FORM A

I. Conservation of Energy

a. Energy Conservation measures taken.

1. For heavy duty rotating machines AC Drives were replaced by DC Drives.
2. Auto Capacitors are introduced to improve power factor.
3. Servo stabilizers and UPS are introduced at various systems installations.
4. Water circulation system is converted into closed loop system and chilled water circulation pipes were insulated for maximum optimization of power.
5. Installation of modern automatic process control systems.

b. Additional investments and proposals, if any, being implemented for reduction of consumption of power.

1. Utilization of non-conventional energy using solar panels.
2. Installation of more capacitors to improve power factor.
3. Measurement of power consumption using energy meters with totalisers.
4. Rigorous energy audits and verification.

c. Impact of the measures at (a) and (b) above for reduction of energy consumption and subsequent impact on the cost of production of goods:

Impact has not been measured.

System being implemented to study the impact with the aid of data processing equipments.

d. Total energy consumption and energy consumption per unit of production as per Form A in respect of industries specified in the schedule thereto :

Not Applicable

FORM B

Form for disclosure of particulars with respect to absorption, Research and Development (R&D).

1. Specific areas in which R & D is carried out by the Company :

a. Development of special cables with zero halogen, low smoke, low toxicity and fire survival properties.
b. Development of axial pressure tight cables for under water applications.
c. Continuing indigenization of cables for defence.
d. Development of radiation withstanding cables for Nuclear Power Plants.
e. Studies on high voltage power cables for marine and under water applications.
f. Studies on improved designs of Optical Fibre Cables.

2. Benefits derived as a result of the above R & D :

Addition of new range of products, indigenization of cables in various domains, development of better insulating and sheathing elastomers all leading to savings on foreign exchange.

3. Future Plan of action

To continue the ongoing development and indigenization of new types of cables and cable materials to serve its various customers : State Electricity Boards, Defence, Railways, Nuclear Power Plants, Department of Atomic Energy, Public Sector Units and the Telecom Sector.

Technology absorption, adaptation and innovation :

1.	**Efforts in brief, made towards technology absorption, adaptation and innovation and benefits derived as a result of thereto :**	With the technical support from Nokia maillefer, Switzerland, Swisscab, Switzerland, Royle Systems Group, USA & Ceeco, Canada – The state of the art plant and production processes are maintained. Adaptation of new designs for high voltage power cables & telecom cables. Received the approval of DoT for JFTC cable of the Company as well as the development of JFTC cable with 100% indigenous raw materials.
2.	**Imported Technology**	No technology import has been effected during the last five years. However, the Company continues to have technical support from Nokia Maillefer, Switzerland, Swisscab, Switzerland, Royle Systems Group, U.S.A. and Ceeco, Canada.
3.	**Imported Technology**	No Technology import has been effected during the last five years. However Company continues to have technical support from Nokia Maillefer, Switzerland, Swisscab, Switzerland, Royle Systems Group, U.S.A. and Ceeco, Canada.

FORM C

Foreign Exchange Earnings and Outgo :

		Rs.in lacs
a)	**Foreign Exchange Earnings :**	—
b)	**Foreign Exchange Outgo :**	
	i) on import of Raw Material	**2242.79**
	ii) on Import of Capital Goods	**41.16**
	iii) on Expenditure	**217.00**

For and on behalf of the Board

Place : Mumbai
Date : 27th June, 1998

BIJAY SINGH BAID
Chairman & Managing Director

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