

17th Annual Report 2006-2007



UNIFLEX CABLES LTD.



BOARD OF DIRECTORS

Shri Bijay Singh Baid

Chairman & Managing Director

Shri Jay Kumar Baid

Executive Director

Shri Ajay Kumar Baid

Executive Director

Shri Raghunath Rai Kumar

Director

Shri B. L. Gupta

Director

Shri Suresh Nevatia

Director

Shri Anish Modi

Director

Shri Rohit Talwalkar

Director

Shri Denys Firth

Director

Shri Sanjay Kumar Baid

Executive Director

COMPANY SECRETARY

Shri M. C. Bhalawat

AUDIT COMMITTEE

Shri B. L. Gupta

Chairman

Shri R.R. Kumar

Shri Jay Kumar Baid

Shri Rohit Talwalkar

} Members

REMUNERATION COMMITTEE

Shri B. L. Gupta

Chairman

Shri Suresh Nevatia

Member

SHAREHOLDERS / INVESTORS

GRIEVANCE COMMITTEE

Shri R. R. Kumar

Chairman

Shri Bijay Singh Baid

Shri Sanjay Kumar Baid

Shri Anish Modi

Shri Rohit Talwalkar

} Members

AUDITORS

Rashmi Zaveri & Co.

Arham, Ground Floor, Suite#2,

Plot No.266, Near Gandhi Market,

Sion (E), Mumbai - 400 022.

BANKERS

Union Bank of India

ICICI Bank Limited

YES Bank Limited

REGISTERED OFFICE

Chandra Mahal, First Floor,

241, Shamaldas Gandhi Marg,

Mumbai - 400 002.

Tel.: 22092121 / 22052525

HEAD OFFICE

12/13, Jyoti Wire House,

23 A Shah Industrial Estate,

Veera Desai Road, Andheri (W)

Mumbai - 400 053.

Tel.: 26740001/2/3

WORKS

158-163, G.I.D.C.

Umbergaon - 396 171

Dist.: Valsad, Gujarat.

Tel.: (0260) 2562412 / 2563412

Survey No. 327/2, Jai Harsh Industrial Estate,

Bldg. No. 1, Ground Floor, Village-Athal

Bhilad - Silvassa Road, Silvassa

(U.T. of D&N.H.)-396 235

E-MAIL

info@uniflex.in

WEB SITE

www.unicab.com

REGISTRAR & TRANSFER AGENT

Hyderabad Office : Karvy Computershare Pvt. Ltd.

(Formerly known as Karvy Consultants Ltd.)

17-24, Vittal Rao Nagar, Madhapur,

Hyderabad - 500 081.

Tel. No. : 040-23420815 to 28

Fax No. : 040-23420814 / 23420857

E-mail : mailmanager@karvy.com

Website : www.karvycomputershare.com

Mumbai Office : Karvy Computershare Pvt. Ltd.

7, Andheri Industrial Estate,

Off. Veera Desai Road, Andheri (W),

Mumbai - 400 053.

Tel.: 26730799 / 26730843 Fax: 26730152

CONTENTS

Notice	1
Directors' Report	7
Annexure to Directors' Report	10
Management Discussion & Analysis	11
Auditors' Report	22
Balance Sheet	24
Profit & Loss Account	25
Schedules Annexed to Balance Sheet	26
Schedules Annexed to Profit & Loss Account	29
Notes to the Accounts	31
Cash Flow Statement	38
Balance Sheet Abstract	39
Attendance Slip and Proxy Form	41

UNICAB

UNIFLEX CABLES LTD.

17TH ANNUAL REPORT 2006-2007

NOTICE

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting of the Members of the Company will be held on Friday the 27th day of July, 2007, at 12.00 noon at Andheri Recreation Club, Near Bhavan's College, Andheri (W), Mumbai-400058 to transact the following business :

I. ORDINARY BUSINESS

1. To receive; consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2007, the Profit and Loss Account for the financial year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri B. L. Gupta, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Ajay Kumar Baid, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. Rashmi Zaveri & Co., the retiring Auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

II. SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as Ordinary Resolution.

"RESOLVED THAT Shri Anish Modi who was appointed as Additional Director by the Board to hold office upto the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose him as a Director. Shri Anish Modi be and is hereby appointed as Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification(s) the following resolutions as Ordinary Resolution.

"RESOLVED THAT Shri Rohit Talwalkar who was appointed as Additional Director by the Board to hold office upto the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose him as a Director. Shri Rohit Talwalkar be and is hereby appointed as Director of the Company, liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification(s) the following resolutions as Ordinary Resolution.

"RESOLVED THAT Shri Denys Firth who was appointed as Additional Director by the Board to hold office upto the date of this Annual General Meeting, and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose him as a Director. Shri Denys Firth be and is hereby appointed as Director of the Company, liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification(s) the following resolutions as Ordinary Resolution.

"RESOLVED THAT subject to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approval to the appointment of Shri Bijay Singh Baid as Managing Director of the Company for a period of five years with effect from 01-07-2007 on the remuneration and perquisites and upon and subject to the terms set out in the Agreement entered into between the Company and Shri Bijay Singh Baid."

"RESOLVED FURTHER THAT subject to the limits contained in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956, the remuneration payable to the Managing Director be determined by the Board from time to time and the Board be and is hereby authorised to vary and increase the remuneration, perquisites, incentives, bonus and commission as the Board may consider appropriate, and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 or any other law for the time being in force or any statutory modification or re-enactments thereof and/or any rule framed there under and the members hereby approve such variations and increase as may be determined by the Board of the Company from time to time."

"RESOLVED FURTHER THAT if in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay to him remuneration by way of salary, perquisites, incentives, bonus or commission as specified above by the Board as a minimum remuneration subject to the limits laid down under Part II, Section II of Schedule XIII and other applicable provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be expedient or desirable to give effect to this resolution as they deem fit from time to time."

9. To consider and if thought fit, to pass with or without modification(s) the following resolutions as Ordinary Resolution.

"RESOLVED THAT subject to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company hereby accords its approval to the appointment of Shri Jay Kumar Baid as an Executive Director of the Company for a period of five years with effect from 01-07-2007 on the remuneration and perquisites and upon and subject to the terms set out in the Agreement entered into between the Company and Shri Jay Kumar Baid."

"RESOLVED FURTHER THAT subject to the limits contained in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956, the remuneration payable to the Executive Director be determined by the Board from time to time and the Board be and is hereby authorised to vary and increase the remuneration, perquisites, incentives,

UNICAB

UNIFLEX CABLES LTD.

17TH ANNUAL REPORT 2006-2007

NOTICE....(Contd.)

bonus and commission as the Board may consider appropriate, and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 or any other law for the time being in force or any statutory modification or re-enactments thereof and/or any rule framed there under and the members hereby approve such variations and increase as may be determined by the Board of the Company from time to time."

"RESOLVED FURTHER THAT if in any financial year during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to him remuneration by way of salary, perquisites, incentives, bonus or commission as specified above by the Board as minimum remuneration subject to the limits laid down under Part II, Section II of Schedule XIII and other applicable provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be expedient or desirable to give effect to this resolution as they deem fit from time to time."

10. To consider and if thought fit, to pass with or without modification(s) the following resolutions as Ordinary Resolution.

"RESOLVED THAT subject to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company hereby accords its approval to the appointment of Shri Ajay Kumar Baid as an Executive Director of the Company for a period of five years with effect from 01-07-2007 on the remuneration and perquisites and upon and subject to the terms set out in the Agreement entered into between the Company and Shri Ajay Kumar Baid."

"RESOLVED FURTHER THAT subject to the limits contained in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956, the remuneration payable to the Executive Director be determined by the Board from time to time and the Board be and is hereby authorised to vary and increase the remuneration, perquisites, incentives, bonus and commission as the Board may consider appropriate, and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 or any other law for the time being in force or any rule framed there under and the members hereby approve such variations and increase as may be determined by the Board of the Company from time to time."

"RESOLVED FURTHER THAT if in any financial year during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to him remuneration by way of salary, perquisites, incentives, bonus or commission as specified above by the Board as a minimum remuneration subject to the limits laid down under Part II, Section II of Schedule XIII and other applicable provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such

steps as may be expedient or desirable to give effect to this resolution as they deem fit from time to time."

11. To consider and if thought fit, to pass with or without modification(s) the following resolutions as Ordinary Resolution.

"RESOLVED THAT subject to the provisions of Section 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Company hereby accords its approval to the appointment of Shri Sanjay Kumar Baid as an Executive Director of the Company for a period of five years with effect from 01-07-2007 on the remuneration and perquisites and upon and subject to the terms set out in the Agreement entered into between the Company and Shri Sanjay Kumar Baid."

"RESOLVED FURTHER THAT subject to the limits contained in Sections 198 and 309 read with Schedule XIII to the Companies Act, 1956, the remuneration payable to the Executive Director be determined by the Board from time to time and the Board be and is hereby authorised to vary and increase the remuneration, perquisites, incentives, bonus and commission as the Board may consider appropriate, and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956 or any other law for the time being in force or any statutory modification or re-enactments thereof and/or any rule framed there under and the members hereby approve such variations and increase as may be determined by the Board of the Company from time to time."

"RESOLVED FURTHER THAT if in any financial year during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to him remuneration by way of salary, perquisites, incentives, bonus or commission as specified above by the Board as a minimum remuneration subject to the limits laid down under Part II, Section II of Schedule XIII and other applicable provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be expedient or desirable to give effect to this resolution as they deem fit from time to time."

By order of the Board of Directors

M. C. BHALAWAT
Company Secretary

Place : Mumbai
Dated : 29th May, 2007

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.
2. 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.

UNICAB

UNIFLEX CABLES LTD.**17TH ANNUAL REPORT 2006-2007****NOTICE....(Contd.)**

3. The Register of Members and the Share Transfer books of the Company will remain closed from **Monday, the 23rd day of July, 2007 to Friday the 27th day of July, 2007 (both days inclusive).**
4. Shareholders are requested to note that pursuant to the approval granted by the Securities and Exchange Board of India (SEBI), the license of the Registrar and Transfer Agents of the Company has been changed from Karvy Consultants Ltd. to Karvy Computershare Private Ltd. Accordingly Karvy Computershare Pvt. Ltd., having their address at :

**M/s. Karvy Computershare Pvt. Ltd.
17-24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081.**

Tel. No. : 040-23420815 to 28

Fax No. : 040-23420814 / 23420857

E-mail : mailmanager@karvy.com

Website : www.karvycomputershare.com

are the Registrar and Transfer Agents of the Company.

5. The members are requested to :
- Intimate changes, if any, in their registered address at an early date.
 - Quote ledger folio number, DP ID No./Client ID No. in all their correspondence.
 - Intimate about consolidation of folios, if share holdings are under multiple folios.
 - Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
 - Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
6. The Company has already transferred all unclaimed dividends declared upto the financial year ended 31st March, 1999 to the Investor Education and Protection Fund (IEPF).
7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31st March, 2000 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below :-

Financial year ended	Date of declaration of Dividend	Date for claiming unpaid Dividend	Date for transfer to IEP Fund
31.03.2000	22.09.2000	21.09.2007	20.10.2007

Shareholders who have not so far encashed the dividend warrant(s) are requested to seek issue of duplicate warrant(s)/ pay orders/demand drafts by writing to the Company's Registered Office immediately. **Shareholders are requested to note that no claims shall lie against the**

Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

8. As per the provisions of the amended Companies Act, 1956, the facility for making nominations is now available to the shareholders in respect of the Equity Shares held by them. Shareholders who desire to avail of this facility may send their request for nomination in the prescribed Form 2B duly filled in and signed to the Company's Registered Office address. The facility would be made available folio wise to individual shareholders including joint holders.
9. Members requiring any information about the Accounts are requested to write to the Company at least one week before the date of the meeting.
10. Only registered members carrying the Attendance Slip and the holders of valid proxies registered with the Company will be permitted to attend the meeting.
11. The Equity Shares of the Company are presently listed at the following Stock Exchange :
- Bombay Stock Exchange Ltd., Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001.
12. The Company's ISIN number for dematerialization purposes with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) is INE 146B01011.

Explanatory Statement, Pursuant to Section 173(2) of the Companies Act, 1956 -

Item No. 2 & 3.

13. At the ensuing Annual General Meeting, Shri B. L. Gupta & Shri Ajay Kumar Baid retires by rotation and being eligible offer themselves for re-appointment. The information or details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchange is furnished in the statement on Corporate Governance published in this Annual Report.

Item No. 5 to 7.

14. The Board of Directors at their meeting held on 15.11.2006 had appointed Shri Anish Modi, Shri Rohit Talwalkar & Shri Denys Firth as Additional Director pursuant to Section 260 of the Companies Act, 1956. These Additional Directors hold office of the Directors upto the date of this

received a notice under Section 257 of the Companies Act, 1956, together with requisite deposit from a member of the Company proposing the name of Shri Anish Modi, Shri Rohit Talwalkar & Shri Denys Firth for appointment as Directors of the Company liable to retire by rotations. Your Directors recommend these resolutions for your approval.

None of the Directors except Shri Anish Modi, Shri Rohit Talwalkar & Shri Denys Firth may be deemed to be concerned or interested in the proposed resolution.

UNIFLEX CABLES LTD.**17TH ANNUAL REPORT 2006-2007****NOTICE....(Contd.)****Item No. 8.**

Shri Bijay Singh Baid aged 66 is a seasoned Businessman who has more than 46 years of business experience. He has about 24 years experience in the administration and management of cable manufacturing and its marketing to institutional customers like the Defence, Railways, Shipbuilding Industry, Nuclear Power Corporation, BSNL & MTNL etc. He is also having rich experience of more than 18 years of textile industry.

Shri Bijay Singh Baid has been appointed as a Managing Director of the Company for the period of five years effective 01-07-2002. The Board of Directors at their meeting held on 29-05-2007 reappointed him as Managing Director of the Company for a further period of five years w.e.f. 01-07-2007 on the terms as set out in the resolution for the approval of members in the General Meeting.

The details given in the Explanatory statement may be treated as an abstract of the terms of appointment and payment of remuneration to Shri Bijay Singh Baid as required to be circulated under Sec. 302 of the Companies Act.

Shri Bijay Singh Baid to act as Managing Director of the Company for a period of five years commencing from 01-07-2007.

i) a) Salary : Rs. 75,000/- per month

b) Perquisites :

i) In addition to above remuneration to the Managing Director shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel assistance for self and family, club fees, medical insurance etc. in accordance with the rules of the Company.

ii) Valuation of perquisites shall be done as per the Income Tax Rules, wherever applicable. In the absence of any such Rule, the perquisites shall be evaluated at actual cost.

c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of the Income Tax Act, 1961.

d) Gratuity : One half month's salary for each completed year service in accordance with the rules of the Company.

e) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall however be billed by the Company to the Managing Director.

ii) The remuneration, as determined aforesaid from time to time, be paid and the perquisites provided to Shri Bijay Singh Baid, as minimum remuneration in the event of loss or inadequacy of profit in any year, be subject to such limits, as may be prescribed in Section II of the said Part II of the

said Schedule XIII to the Companies Act, 1956 from time to time.

The approval of the Members is being sought to the appointment of Shri Bijay Singh Baid as an Managing Director of the Company and for the payment of remuneration including perquisites. The Board recommends that the resolution be passed.

The Agreement referred to in the Resolution at Item No. 8 will be open for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working day of the Company till the date of Annual General Meeting.

Shri Bijay Singh Baid may be deemed to be concerned or interested in the resolution which pertains to his appointment and remuneration as Managing Director.

Further Shri Jay Kumar Baid, Shri Ajay Kumar Baid and Shri Sanjay Kumar Baid, relatives of Shri Bijay Singh Baid are deemed to be concerned or interested in the resolution pertaining to the appointment and remuneration payable to Shri Bijay Singh Baid.

None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

Your Directors recommend the resolution set out at Item No. 8 for approval of the Members.

Item No. 9.

Shri Jay Kumar Baid aged about 46 years is presently working as an Executive Director of the Company. He is a Commerce Graduate and having 25 years of experience in the field of Cable Industry. His experience is specially in the field of Finance, Marketing and Government tendering. He is responsible for the overall financial management of the Company.

Shri Jay Kumar Baid had been appointed as an Executive Director of the Company for the period of five years effective 01-07-2002. The Board of Directors at their meeting held on 29-05-2007 reappointed him as an Executive Director of the Company for a further period of five years w.e.f. 01-07-2007 on the terms as set out in the resolution for the approval of members in the General Meeting.

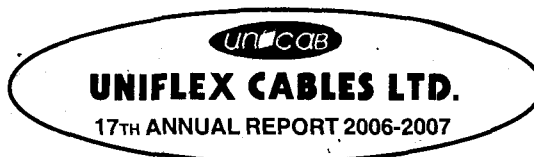
The details given in the Explanatory statement may be treated as an abstract of the terms of appointment and payment of remuneration to Shri Jay Kumar Baid as required to be circulated under Sec. 302 of the Companies Act.

Shri Jay Kumar Baid to act as an Executive Director of the Company for a period of five years commencing from 01-07-2007.

i) a) Salary : Rs. 75,000/- per month

b) Perquisites :

i) In addition to above remuneration to the Executive Director shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel assistance for self and family, club fees, medical insurance etc. in accordance with the rules of the Company.



NOTICE....(Contd.)

- ii) Valuation of perquisites shall be done as per the Income Tax Rules, wherever applicable. In the absence of any such Rule, the perquisites shall be evaluated at actual cost.
- c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of the Income Tax Act, 1961.
- d) Gratuity : One half month's salary for each completed year service in accordance with the rules of the Company.
- e) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall however be billed by the Company to the Managing Director.

- ii) The remuneration, as determined aforesaid from time to time, be paid and the perquisites provided to Shri Jay Kumar Baid, as minimum remuneration in the event of loss or inadequacy of profit in any year, be subject to such limits, as may be prescribed in Section II of the said Part II of the said Schedule XIII to the Companies Act, 1956 from time to time.

The approval of the Members is being sought to the appointment of Shri Jay Kumar Baid as an Executive Director of the Company and for the payment of remuneration including perquisites. The Board recommends that the resolution be passed.

The Agreement referred to in the Resolution at Item No. 9 will be open for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working day of the Company till the date of Annual General Meeting.

Shri Jay Kumar Baid may be deemed to be concerned or interested in the resolution which pertains to his appointment and remuneration as Executive Director.

Further Shri Bijay Singh Baid, Shri Ajay Kumar Baid and Shri Sanjay Kumar Baid, relatives of Shri Jay Kumar Baid are deemed to be concerned or interested in the resolution pertaining to the appointment and remuneration payable to Shri Jay Kumar Baid.

None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

Your Directors recommend the resolution set out at Item No. 9 for approval of the Members.

Item No. 10.

Shri Ajay Kumar Baid aged about 46 years is presently working as an Executive Director of the Company. He is a Science Graduate and having 25 years of experience in the field of Production & allied activities of Cable Industry. His experience covers in the field of Research and Development of various type of Cables specially required by BSNL, MTNL, Defence, Railways and Shipbuilding Industry etc.

Shri Ajay Kumar Baid had been appointed as an Executive Director of the Company for the period of five years effective 01-07-2002. The Board of Directors at their meeting held on 29-05-2007 re-appointed him as an Executive Director of the Company for a further period of five years w.e.f. 01-07-2007 on the terms as set out in the resolution for the approval of members in the General Meeting.

The details given in the Explanatory statement may be treated as an abstract of the terms of appointment and payment of remuneration to Shri Ajay Kumar Baid as required to be circulated under Sec. 302 of the Companies Act.

Shri Ajay Kumar Baid to act as an Executive Director of the Company for a period of five years commencing from 01-07-2007.

i) a) Salary : Rs. 75,000/- per month

b) Perquisites :

- i) In addition to above remuneration to the Executive Director shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel assistance for self and family, club fees, medical insurance etc. in accordance with the rules of the Company.

- ii) Valuation of perquisites shall be done as per the Income Tax Rules, wherever applicable. In the absence of any such Rule, the perquisites shall be evaluated at actual cost.

- c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of the Income Tax Act, 1961.

- d) Gratuity : One half month's salary for each completed year service in accordance with the rules of the Company.

- e) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall however be billed by the Company to the Managing Director.

- ii) The remuneration, as determined aforesaid from time to time, be paid and the perquisites provided to Shri Ajay Kumar Baid, as minimum remuneration in the event of loss or inadequacy of profit in any year, be subject to such limits, as may be prescribed in Section II of the said Part II of the said Schedule XIII to the Companies Act, 1956 from time to time.

The approval of the Members is being sought to the appointment of Shri Ajay Kumar Baid as an Executive Director of the Company and for the payment of remuneration including perquisites. The Board recommends that the resolution be passed.

The Agreement referred to in the Resolution at Item No. 10 will be open for inspection by the members of the Company

UNIFLEX CABLES LTD.**17TH ANNUAL REPORT 2006-2007**

at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working day of the Company till the date of Annual General Meeting.

Shri Ajay Kumar Baid may be deemed to be concerned or interested in the resolution which pertains to his appointment and remuneration as an Executive Director.

Further Shri Bijay Singh Baid, Shri Jay Kumar Baid and Shri Sanjay Kumar Baid, relatives of Shri Ajay Kumar Baid are deemed to be concerned or interested in the resolution pertaining to the appointment and remuneration payable to Shri Ajay Kumar Baid.

None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

Your Directors recommend the resolution set out at Item No.10 for approval of the Members.

Item No. 11.

Shri Sanjay Kumar Baid aged about 43 years is presently working as an Executive Director of the Company. He is a Science Graduate and having 22 years of experience in the field of Office Administration and Purchase activities. He also looks after the Share Transfer related matters.

Shri Sanjay Kumar Baid had been appointed as an Executive Director of the Company for the period of five years effective 01-07-2002. The Board of Directors at their meeting held on 29-05-2007 re-appointed him as an Executive Director of the Company for a further period of five years w.e.f. 01-07-2007 on the terms as set out in the resolution for the approval of members in the General Meeting.

The details given in the Explanatory statement may be treated as an abstract of the terms of appointment and payment of remuneration to Shri Sanjay Kumar Baid as required to be circulated under Sec. 302 of the Companies Act.

Shri Sanjay Kumar Baid to act as an Executive Director of the Company for a period of five years commencing from 01-07-2007.

i) a) Salary : Rs. 65,000/- per month

b) Perquisites :

i) In addition to above remuneration to the Executive Director shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel assistance for self and family, club fees, medical insurance etc. in accordance with the rules of the Company.

ii) Valuation of perquisites shall be done as per the Income Tax Rules, wherever applicable. In the absence of any such Rule, the perquisites shall be evaluated at actual cost.

c) Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund shall not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the provisions of the Income Tax Act, 1961.

d) Gratuity : One half month's salary for each completed year service in accordance with the rules of the Company.

e) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall however be billed by the Company to the Managing Director.

ii) The remuneration, as determined aforesaid from time to time, be paid and the perquisites provided to Shri Sanjay Kumar Baid, as minimum remuneration in the event of loss or inadequacy of profit in any year, be subject to such limits, as may be prescribed in Section II of the said Part II of the said Schedule XIII to the Companies Act, 1956 from time to time.

The approval of the Members is being sought to the appointment of Shri Sanjay Kumar Baid as an Executive Director of the Company and for the payment of remuneration including perquisites. The Board recommends that the resolution be passed.

The Agreement referred to in the Resolution at Item No. 11 will be open for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working day of the Company till the date of Annual General Meeting.

Shri Sanjay Kumar Baid may be deemed to be concerned or interested in the resolution which pertains to his appointment and remuneration as an Executive Director.

Further Shri Bijay Singh Baid, Shri Jay Kumar Baid and Shri Ajay Kumar Baid, relatives of Shri Sanjay Kumar Baid are deemed to be concerned or interested in the resolution pertaining to the appointment and remuneration payable to Shri Sanjay Kumar Baid.

None of the other Directors of the Company are, in any way, concerned or interested in the resolution.

Your Directors recommend the resolution set out at Item No. 11 for approval of the Members.

By order of the Board of Directors

M. C. BHALAWAT
Company Secretary

Place : Mumbai

Dated : 29th May, 2007.

DIRECTORS' REPORT

To The Members,

Your Directors hereby present the Seventeenth Annual Report on the business and operations of the Company and Audited Accounts for the year ended 31st March, 2007.

A. FINANCIAL RESULTS

	31-Mar-07 Rs. in Lacs (9months)	30-Jun-06 Rs. in Lacs (15 months)
Operating Profit	688.43	(504.52)
Less : Interest & Finance Charges	(336.77)	(66.83)
Profit before Depreciation & Tax	351.66	(571.35)
Less : Depreciation	(333.56)	(558.78)
Add : Non Recurring Item : Restructuring Income being waiver of interest & principal dues to a FI/Bank net off Debentures issue expenses.	2465.51	3504.30
Profit before Tax	2483.61	2374.17
Less : Provision for Tax (FBT)	3.26	4.50
Less : Provision for Tax for earlier year	13.98	—
Profit after taxes & Non Recurring Income	2466.37	2369.67
Add: Excess Provision for taxes no more required	—	0.20
Balance available for appropriations	2466.37	2369.87

(The figures are not comparable as the current year figures are for 9 months period)

In view of the brought forward losses, your Directors have decided not to declare any dividend for the year.

B. CHANGE IN FINANCIAL YEAR

The Company has decided to close the present financial year for nine months period ending 31st March, 2007.

The change in financial year is necessary to match with the closing of financial year for Income Tax purpose.

C. REVIEW OF OPERATIONS

During the 9 months period ending 31st March, 2007 the Company achieved Sales Turnover of Rs.28.05 Crores as against Rs.34.79 Crores for 15 months period ending 30th June, 2006. This shows an increase of about 34.38% on Annualised basis in Turnover. It is heartening to note that Company has earned operating profit after the gap of 4 years.

With the infusion of necessary funds under Financial Restructuring and taking note of robust demand in Power Cable sector from Domestic as well as Export Market, Company has scaled up its operation and targeting Increased Sales in coming months.

Negotiated Settlement with Banks / FIs

As reported earlier, during this year your Company went through major financial restructuring and has successfully completed One Time Settlement (OTS) with remaining lenders. There was fresh infusion of funds by ADM Maculus Fund II L.P. and India Debt Management Limited, for restructuring, working capital and Capex requirement.

Share Capital

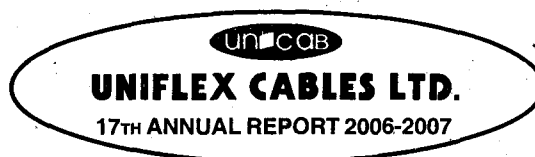
During the year, your Company has restructured its Authorised Capital by cancelling 7,65,000 Cumulative Redeemable Preference Shares of Rs.100/- each and substituting the same by 76,50,000 Equity Shares of Rs.10/- each. However the Authorised Share Capital remains the same at Rs.27.50 Crores

Further during the year, your Company has issued 8,00,000 Fully Paid Equity Shares of Rs.10/- each for cash to Promoters Group and the Investor at a premium of Rs.15/- per Share.

The Company has also issued 61,50,000 Equity Warrants having a face value of Rs.25/- each to Promoters & Investors on Preferential Allotment basis which are convertible into equal no. of Equity Shares within a period of 18 Months from the date of issue. As per terms of the Equity Warrants, Company has received a sum of Rs.153.75 Lacs being 10% as Application Money. Similarly Company has also issued 29,26,800 Fully Convertible Debentures (FCD) having a face value of Rs.25/- each for an aggregate amount of Rs.731.70 Lacs to M/s. ADM Maculus Fund II, on Preferential Allotment basis. These FCDs are to be converted into equal no. of Equity Shares of Rs.10/- each within a period of 18 Months from the date of issue.

Company out of BIFR

During the year under review your Company's net worth turned positive and accordingly approached BIFR Board



DIRECTORS' REPORT....(Contd.)

to discharge the Company, from the purview of BIFR Act. Your Directors are pleased to inform that by the Order of The BIFR Board dated 6th October 2006, your Company stands discharged from the purview of BIFR Act.

Listing

The Company's equity shares are listed on the Bombay Stock Exchange, Mumbai (BSE) which has nation-wide trading terminals. During the year Company has received confirmation from Calcutta Stock Exchange for voluntary de-listing of its Equity Shares from above Stock Exchange effective from 1st February, 2007.

D. FUTURE OUTLOOK

As financial restructuring has been carried out and necessary funds already received, the Company is confident to revamp all its operation's in Power as well as Telecom divisions. Keeping in view of robust demand specially in Power Cable, the Company will surely explore and suitably expand its production capacities. The future outlook seems to be quite encouraging as there is good demand of its product in export market also and Company is focusing its 30% to 40% turn over to export market in coming months.

The Central Government plans to add another 1,00,000 MW Generation Capacity during eleventh five year plan. The Government has already taken steps towards building capacity Ultra Megha Projects are being planned. There is also plan to increase nuclear power capacity from 3900 MW currently to 10,000 MW by end of the 11th plan and 20,000 MW by 2020. Indian Economy is poised for a grand take off with the GDP growth is expected above 10% p.a.. The main hindrance to any such ambition is Power Sector as Power generation has always been lagging behind the demand for most of the time.

The demand for Power will be huge as India's need of the hour is to build Power Generation capacity and over Rs.1,00,000 Crore is likely to be invested for generation and transmission of Power by 2012 (during eleventh five year plan).

Cables are the necessity of every basic infrastructure

with over \$320 Billion investment planned for infrastructure spending by 2012 and substantial parts of the same will go to new power projects as such the demand for power cables will remain robust.

Similarly telecom sector is also expecting rapid growth and with next phase of expansion is seen in broadband communication whereby telecom cables specially Optical Fibre Cable will also have better demand.

E. CORPORATE GOVERNANCE

The Directors fully endorse the principles of Corporate Governance and to follow the same and implemented the requirements of Clause 49 of the Listing Agreement. The Company already has in place Audit Committee, Remuneration Committee and Shareholders / Investors Grievance Committee as per Guidelines.

F. HUMAN RESOURCES

Company gives due importance to the employees, as they are considered as an assets of the Company. The Company is also working to create good working atmosphere where every employee can exercise his full potential. The Company has been imparting internal training so as to improve their knowledge, technical skills, and management techniques. Employee's involvement is always encouraged and problem solving abilities are developed by motivating them.

The Board of Directors wishes to place on record their full appreciation to the employees of the Company for their dedication, commitment and loyalty to the Company. Throughout the year, cordial relations were prevailed between the management and employees.

G. RESPONSIBILITY STATEMENT

The Directors acknowledge that the financial statements are prepared in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to the Company on the historical cost convention as a going concern and on the accrual basis. There are no material departures from prescribed accounting standards in the adoption of the Accounting Standards. The accounting policies used in the preparation of the financial