

UNISTAR®

ANNUAL REPORT
AND
ACCOUNTS
FOR THE
YEAR ENDED
31ST MARCH 1997

Universal
Cables
Limited





UNIVERSAL CABLES LIMITED

ANNUAL REPORT 1996-97

MD			BKC	
CS			DPY	
RO			DIV	
TRA			AC	
AGM			SHI	
YE				

DIRECTORS

SMT. PRIYAMVADA BIRLA
 SHRI D.P. GOENKA
 SHRI A.M.M. ARUNACHALAM
 SHRI R.M. DESAI
 SHRI J. SINGHI
 SHRI A.K. SINGHI
 SHRI V.D. JAIN

Chairman

Managing Director

PRESIDENT

SHRI D.R. BANSAL

AUDITORS

S.R. BATLIBOI & COMPANY
Chartered Accountants

SOLICITORS

KHAITAN & KHAITAN

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

P.O. BIRLA VIKAS,
 SATNA - 485 005 (M.P.)

◀ SMT. PRIYAMVADA BIRLA
Chairman





NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the 52nd Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Birla Vikas, Satna (M.P.) on Thursday, the 14th August, 1997 at 3 p.m. for the following purposes :

1. To receive and consider the Report of Directors and to pass the Audited Accounts of the Company for the year ended 31st March, 1997;
2. To declare Dividend on Equity Shares;
3. To appoint Directors in place of Smt. Priyamvada Birla and Shri A. K. Singhi, who retire by rotation and being eligible, offer themselves for re-appointment;
4. To appoint Auditors and fix their remuneration and for this purpose to consider and if thought fit, to pass with or without modification the following Resolution as Special Resolution;

"RESOLVED that pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s S.R. Batliboi & Co., Chartered Accountants, the retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting upto the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration and sanction travelling and other incidental expenses that may be incurred by them in connection with the audit of accounts of the Company."

5. As special business to consider and if thought fit, to pass with or without modifications the following Resolution;

As a Special Resolution :

"RESOLVED that pursuant to the provisions of Section 370 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby authorises its Board of Directors to give any guarantee, or provide any security, in connection with the loan or loans made by any other person to, or to any other person by, any other body corporate, from time to time and on such terms and conditions as the Board of Directors may deem fit provided that the aggregate value of all the guarantees given or securities provided shall not exceed Rs. 100,00,00,000/- (Rs. 100 Crores) at any one time".

The Register of Members of the Company will remain closed from the 16th July, 1997 to the 14th August, 1997, both days inclusive.

Registered Office :

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

Dated, the 9th day of May, 1997.

By Order of the Board

P.L. SHARMA
Secretary

NOTES :

1. The Directors recommend payment of Dividend for the year @ Rs. 2/- per Share (i.e. 20%) on 1,60,30,315 Equity Shares of Rs. 10/- each fully paid up.

If dividend on shares as recommended by the Directors is declared at the meeting, the DIVIDEND WILL BE PAID TO THE REGISTERED SHAREHOLDERS whose names appear on the Company's Register of Members on the 14th August, 1997 or to their order or to their Bankers.

2. A member entitled to attend and vote at the above meeting is entitled to appoint a Proxy to attend and vote instead of himself and proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the Meeting.

Shareholders are requested to notify to the Company any changes in their addresses.

3. AN EXPLANATORY STATEMENT IN RESPECT OF THE ABOVE ITEM OF SPECIAL BUSINESS IS ANNEXED HERETO.

UNIVERSAL CABLES LIMITED

EXPLANATORY STATEMENT

(Pursuant to Section 173 of the Companies Act, 1956)

Item of Special Business :

5. The Company during the course of its business has often to give guarantees or provide securities in connection with loan or loans made by any other person to, or to any other person by, any other body corporates from time to time and on such terms as the Board of Directors may deem fit. Approval of the Shareholders is hereby sought for giving such guarantees or providing securities in connection with loans pursuant to Section 370 of the Companies Act, 1956.

Registered Office :

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

Dated, the 9th day of May, 1997.

By Order of the Board

P.L. SHARMA
Secretary



Directors' Report

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Annual Report, together with the Audited Accounts of the Company, for the year ended 31st March, 1997.

Accounts & Financial Matters

	31st March, 1997		31st March, 1996	
	Rupees in lacs	Rupees in lacs	Rupees in lacs	Rupees in lacs
Turnover for the year amounted to		23096.46		26053.62
The year's working shows a Gross Profit (after interest) of		1812.62		2962.00
Out of which provisions have been made for				
Depreciation	404.10		435.84	
Taxation	650.00	1054.10	1200.00	1635.84
Thus, Net Profit after taxation is		758.52		1326.16
To which is added :				
Profit & Loss A/c. b/f. from previous year	134.20		70.77	
Income tax Refund	-		4.86	
Excess Provision for Taxation written back	.51	134.71	8.02	83.65
Making a total disposable surplus of		893.23		1409.81
Which the Directors have appropriated as follows :				
Debenture Redemption Reserve		-		55.00
Provision for Proposed Dividend		320.61		320.61
Corporate Dividend Tax		32.06		-
Transfer to General Reserve		400.00		900.00
Balance carried forward to next year		140.56		134.20
		893.23		1409.81
Your Directors recommend payment of dividend for the year on 1,60,30,315 Equity Shares of Rs. 10/- each fully paid-up @ Rs. 2/- per share (i.e. 20 %)		320.61		320.61

General & Corporate Matters

The working of the Company was affected by the recessionary conditions prevailing in the cable industry. On account of financial constraints, the Eighth Plan target for power generation could not be attained. Power generation plans in the private sector also remained largely unfulfilled, because of administrative delays and problems in clearance, thereby slowing down the pace of industrial growth. As a result, the Company's sales turnover has declined to Rs. 230.96 crores, as against Rs. 260.53 crores in the previous year. Gross profit amounting to Rs. 18.13 crores during the year is also lower than the comparative figure of Rs. 29.62 crores attained in the previous year.

In spite of vigorous efforts, our exports remained depressed because of adverse conditions in the foreign markets.

However, during the current year, the domestic demand is likely to show an appreciable improvement, with a higher projected industrial growth of around 7%. In order to sustain such a growth rate during the next few years, large investment will be required to develop infra-structure facilities, including generation, transmission and distribution of power. Accordingly, the Government has cleared many oil-based power projects, both in the public and private sectors, involving relatively smaller gestation period. The petroleum ministry has also allocated the requisite fuel supplies. These projects are likely to be commissioned during the current financial year, which should boost the sagging demand for cables and capacitors.

UNIVERSAL CABLES LIMITED

New Projects & Products

Universal-ABB Power Cables Ltd., the joint venture project promoted by the Company along with ABB, is in advanced stage of implementation and will go into production in the first quarter of current year. As regards the Companies earlier promoted by your Company, Vindhya Telelinks Ltd. has reported good results and the performance of Birla Ericsson Optical Ltd. is also satisfactory.

Your Company has incurred a capital expenditure of Rs. 7.96 crores during the year for manufacture of new products, modernisation and upgradation of technology. The Company's R&D Deptt. is ever active in development and continuous improvement of new and existing products.

Industrial Relations

Industrial relations remained cordial throughout the year. The Board wishes to record its appreciation of the dedication, skill and painstaking efforts put in by the employees at all levels.

Acknowledgements

The Directors gratefully acknowledge the continuous support and assistance rendered by the financial institutions and the Company's bankers, State Bank of India. The Board also extends its warm appreciation to the Company's technical collaborator, ABB High Voltage Cables AB of Sweden, for their valuable technical assistance.

Directors

Smt. Priyamvada Birla and Shri A.K. Singhi retire from the Board by rotation and, being eligible, offer themselves for re-appointment.

Auditors

M/s. S.R. Batliboi & Co., Chartered Accountants, retire as Auditors of the Company and, being eligible, offer themselves for re-appointment.

M/s. S. Gupta & Company, Cost Accountants, have been appointed as Cost Auditors for Cost Audit in respect of Cables.

Particulars of Employees

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

Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outgo

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made therein, the concerned details relating to energy conservation, technology absorption, foreign exchange earnings and outgo are given in Annexure 'B' attached hereto, which forms a part of this Directors' Report.

Yours faithfully,

Registered Office:

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

Dated, the 9th day of May, 1997.

(MRS.) PRIYAMVADA BIRLA *Chairman*

R.M. DESAI
A.K. SINGHI } *Directors*

V.D. JAIN *Managing Director*

UNIVERSAL CABLES LIMITED

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, 1997.

Name (Shri)	Designation	Remuneration received (Rs.)	Qualification	Experience (years)	Date of Commencement of Employment	Age (yrs)	Particulars of last Employment held (Concern/Place/Designation/Period of service)
V.D. Jain*	Managing Director	13,86,721	B.Com.	50	1-8-64	72	Indian Smelting & Refining Co. Ltd. Mumbai, General Manager (8 years)
D.R. Bansal	President	8,30,892	M.Sc.	35	1-8-64	57	Hindustan Gum & Chemicals Ltd. Bhiwani, Sales Incharge & Chief Chemist (2 years)
O.P. Gupta*	President (Commercial)	4,27,310	I.Sc., D.M.E.	39	6-3-65	64	Indian Smelting & Refining Co. Ltd. Mumbai, Assistant Engineer (7 years)
S.L. Kakkar	President (Works)	4,57,866	B.Sc. (Engg. Elec.) F.I.E. (I) Chartered Engineer	33	1-5-68	56	Indian Aluminium Cables Ltd. Faridabad, Factory Manager (1 year)
P.K. Sengupta*	President (Technical)	3,00,432	M.Tech.	41	1-8-80	63	Incab Industries Ltd. Jamshedpur, Development Manager (17 years)
J.M. Gupta	President (Marketing)	3,62,645	B.Sc.(Tex.)	36	1-1-66	57	Raj Textile Mills, Bhiwani Mandi, Supervisor (2 years)
H.L. Chawla*	Chief Resident Executive	3,24,420	M.A.	47	1-1-83	63	Indian Smelting & Refining Co. Ltd. New Delhi, Resident Executive (20 years)
K.P. Mishra	Finance Controller	3,12,212	B.Com.	34	1-1-64	54	Soorah Jute Mills Ltd., Calcutta Stores Assistant (1 year)
V.N. Pansari*	Divisional Manager	3,03,423	I.Com.	41	1-4-64	63	Indian Smelting & Refining Co. Ltd. Mumbai, Purchase Officer (8 years)
S.S. Raman*	Vice President (Technical)	3,36,726	B.Sc. (Hons.) D.I.I.Sc (ET) F.I.E. (I)	38	24-1-79	62	Metal Fabricators of Zambia Ltd. Zambia, Technical Manager (6 years)
P.K. Sen	General Manager (Engineering Services)	3,00,011	B.E.E., A.M.I.M.A. F.I.E. (I) Chartered Engineer	35	7-1-65	55	Damodar Valley Corporation, Bihar Assistant Engineer (2 years)

- Notes :
- Nature of employment : Employees whose names are marked with asterisks (*) are on contractual basis.
 - Other Terms & conditions : As per agreement and Company's Rules & regulations.
 - None of the employee is a relative of any Director of the Company.
 - Remuneration received includes salary, Company's contribution to Provident Fund and Perquisites, but excludes contribution to Gratuity Fund.
 - Age is given in years completed as on the last day of the financial year.

(MRS.) PRIYAMVADA BIRLA

Chairman

R.M. DESAI

A.K. SINGHI

Directors

V.D. JAIN

Managing Director

UNIVERSAL CABLES LIMITED

ANNEXURE 'B'

*STATEMENT OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY
ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF THE
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997.*

A. Conservation of Energy

Effort for economising on energy consumption through power saving devices continued during the year 1996-97 and an energy audit has been made through a consultant. The audit recommendations for energy saving will be implemented during the current year.

B. Technology Absorption

Research & Development

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

Applied research in cables and capacitors technology for product development, process improvement and import substitution.

R&D Department has developed special flat trailing cable for coal handling plant in mines and also a special trailing cable for use in off-shore dredging equipment installed on pontoon. R&D Department's work on development of special insulation and sheath compound in association with BARC, Mumbai is in progress.

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

Import substitution, technological upgradation and addition of new products in the products in the range.

3. Future plan of action

1. Development of special cables for transportation applications
2. Development of high temperature cable for instrumentation.
3. Pilot scale production of heat shrinkable cable end sealing caps and cable accessories developed in collaboration with IIT, Mumbai.

4. Expenditure on R&D

(a) Capital

Rs. 64.36 lacs

(b) Recurring

Rs. 65.11 lacs

(c) Total

Rs. 129.47 lacs

0.57%

(d) Total R&D expenditure as a percentage of total turnover