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**ANNUAL REPORT
AND
ACCOUNTS
FOR THE
YEAR ENDED
31ST MARCH 2000**

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UNIVERSAL CABLES LIMITED

ANNUAL REPORT 1999-2000

DIRECTORS

SMT. PRIYAMVADA BIRLA

Chairman

SMT. RADHIKA BIRLA

SHRI R.M. DESAI

SHRI J. SINGHI

SHRI A.K. SINGHI

SHRI HARSH V. LODHA

SHRI M.A. ALAGAPPAN

SHRI V.D. JAIN

Managing Director

PRESIDENT

SHRI D.R. BANSAL

AUDITORS

S.R. BATLIBOI & COMPANY

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 Fifty Fifth 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 Friday, the 26th May, 2000 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, 2000;
2. To declare Dividend on Equity Shares;
3. To appoint Directors in place of Shri J. Singhi and Shri Harsh V. Lodha, 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;

(i) As an Ordinary Resolution:

"RESOLVED that Shri M.A. Alagappan, a Director of the Company who holds office till the date of this Annual General Meeting under Article 140 of the Company's Articles of Association be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

(ii) As a Special Resolution:

"RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered as follows:

(a) Insert the following heading and Article as Article 59A after Article 59:

59A. Nomination

A holder or joint holders of shares in or debentures (including Fixed deposit holder under Section 58A of the Companies Act, 1956), of the Company may nominate, in accordance with the provisions of Section 109A of the Companies Act, 1956 (including amendment thereto or any re-enactment thereof) and in the manner prescribed thereunder, any person to whom all the rights in the Shares in or Debentures of the Company shall vest in the event of death of such holder(s). Any nomination so made shall be dealt with by the Company in accordance with and in manner prescribed under the provisions of Section 109B of the Companies Act, 1956 or any other statutory modification or re-enactment thereof for the time being in force.

(b) Insert the following heading and Articles as Article 59B after Article 59 A:

59B. Transmission of Securities by Nominees

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:-

- (i) to be registered himself/herself as holder of the share or debenture, as the deceased shareholder or debentureholder, as the case may be, could have made;
- (ii) to make such transfer of the Share or Debenture, as the deceased shareholder or debentureholder, as the case may be, could have made;
- (iii) if the nominee elects to be registered as holder of the share or debenture, himself/herself, as the case may be, he/she shall deliver or send to the Company, a notice in writing signed by him/her stating that he/she shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

UNIVERSAL CABLES LIMITED

- (iv) a nominee shall be entitled to the same dividends and other advantages to which he/she would be entitled to, if he/she shall not, before being registered a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect to be registered himself/herself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with."

The Register of Members of the Company will remain closed from the 10th May, 2000 to the 17th May, 2000, both days inclusive.

Registered Office :

P.O. BirlaVikas,
Satna - 485 005 (M.P.)

Dated, the 26th day of April, 2000.

By Order of the Board

P.L. SHARMA
Secretary

NOTES

1. Directors recommend payment of Dividend for the year out of General Reserve subject to compliance of the provisions of the Companies (Declaration of Dividend out of Reserves) Rules, 1975 as follows:

- a) On 1,60,30,355 Equity Shares of Rs.10/- each fully paid up @ Re. 1/- per share (i.e.10%)
- b) On 40,07,589 Equity Shares of Rs. 10/- each fully paid up @ Re. .88 per share on pro-rata basis from 13.5.1999 to 31.3.2000 (i.e.10%)

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 17th May, 2000 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. The Members who have not forwarded earlier the details of their bank account number and the name and address of the bank are requested again to advise the same to the Company quoting their Folio Number(s) for incorporating these details on dividend warrants to avoid fraudulent encashment of the dividend warrants.
4. Members holding more than one Share Certificate in the same name or same order of names under different ledger folios, are requested to apply for consolidation of such folios to the Company together with Share Certificates to enable the Company to consolidate all the holdings into one account to facilitate better service. The Share Certificates will be returned to the Members after making the necessary endorsement in due course.
5. 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. Members who desire to avail this facility may send their request for nomination in the prescribed Form 2B duly filled in and signed to the Company's Share Department.
6. The Equity Shares of the Company are listed at the following Stock Exchanges:-
 - (a) Madhya Pradesh Stock Exchange
(Regional Stock Exchange)
Rajani Bhavan, 3rd Floor,
569, M.G.Road, (Opp. High Court),
Indore (M.P.) - 452 001.

- (b) The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 023
- (c) The Calcutta Stock Exchange Association Limited
7, Lyons Range,
Calcutta-700 001
- (d) National Stock Exchange of India Ltd.
Trade World, Kamala Mill Compound,
2nd Floor, Senapati Bapat Marg,
Lower Parel, Mumbai-400 013

The Company has already paid the annual listing fees to each of the above Stock Exchanges upto the financial year 2000-2001.

7. The Securities and Exchange Board of India has decided to include the equity shares of the Company in the list in which trading is compulsory in dematerialised form from 8th May, 2000.
8. Equity Shares of the Company have been activated for dematerialisation with National Securities Depository Limited with effect from 10th November, 1998 and Central Depository Services (India) Ltd. with effect from 15th December, 1999 vide ISINs INE279A01012 and IN9279A01010.
9. Members/Proxies are requested to deposit the Attendance Slip duly filled in and signed for attending the Meeting.
10. AN EXPLANATORY STATEMENT IN RESPECT OF THE ABOVE ITEM OF SPECIAL BUSINESS IS ANNEXED HERETO.

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

Items of Special Business :

5. (i) Shri M.A. Alagappan was co-opted as Additional Director on the Board of the Company under Article No.140 of the Company's Articles of Association. He holds Office upto the date of the ensuing Annual General Meeting. The Company has received Notice U/S 257 of the Companies Act, 1956 proposing his candidature for the office of the Director and he is eligible for re-appointment. Hence, your approval is sought to the proposed Resolution.
Except Shri. M.A. Alagappan no other Director of the Company is interested in the Resolution.
- 5 (ii) As per the provisions of Sections 109A and 109B of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999, every holder of shares in, or debentures of the Company may at any time nominate in the prescribed manner, a person to whom his/her shares in, or debentures of the Company shall vest in the event of his/her death.

It is, therefore, proposed to insert new Article 59A and 59B in the Articles of Association of the Company to give effect to the said provisions as detailed in the Special Resolution set out at item 5(ii) of the accompanying Notice.

The Board of Directors recommend the Shareholders to adopt the proposed resolution as special resolution.

None of the Directors of the Company is concerned or interested in the said resolution.

Registered Office :

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

Dated, the 26th day of April, 2000.

By Order of the Board

P.L. SHARMA
Secretary

Directors' Report

TO THE SHAREHOLDERS

Your Directors have the pleasure of presenting their Annual Report, together with the Audited Accounts of the Company, for the year ended 31st March, 2000.

Accounts & Financial Matters

	31st March, 2000		31st March, 1999	
	Rupees in lacs	Rupees in lacs	Rupees in lacs	Rupees in lacs
Turnover for the year amounted to		14312.03		16483.05
The year's working shows a Gross Profit (after interest) of		347.39		638.29
Provisions for :				
Depreciation	462.89		406.43	
Income Tax	—		21.00	
Wealth Tax	1.00	463.89	1.00	428.43
Thus, Net Profit/(Loss) after taxation is		(116.50)		209.86
Additions :				
Profit & Loss A/c. balance b/f. from previous year	184.62		136.00	
Income tax Refund	2.44		—	
Excess Provision for Taxation written back	26.62		21.94	
Transfer from General Reserve	119.90	333.58	—	157.94
Amount available for Appropriation		217.08		367.80
APPROPRIATIONS :				
Transfer to General Reserve		—		5.25
Proposed Dividend		195.57		160.30
Corporate Dividend Tax		21.51		17.63
Balance carried to Balance Sheet		—		184.62
		217.08		367.80

The Directors recommend payment of Dividend for the year out of General Reserve subject to compliance of the provisions of the Companies (Declaration of Dividend out of Reserves) Rules, 1975 as follows:

a) On 1,60,30,355 Equity Shares of Rs. 10/- each fully paid-up @ Re. 1/- per share (i.e. 10%)	160.30	160.30
b) On 40,07,589 Equity Shares of Rs. 10/- each fully paid-up @ Re. .88 per share on pro-rata basis from 13.5.1999 to 31.3.2000 (i.e. 10%)	35.27	—
	195.57	160.30

General & Corporate Matters

The working of the Company during the year under review was adversely affected owing to continuing recession in the demand for the Company's products. As a result, the sales turnover of the Company declined from Rs. 164.83 crores to Rs. 143.12 crores. The Company earned a gross profit of Rs. 3.47 crores as against Rs. 6.38 crores earned in the previous year. After providing for depreciation the net loss for the year was Rs. 1.16 crores as against the net profit of Rs. 2.32 crores in the previous year.

There was no change in the export performance with competition from East Asian Countries and China, becoming very fierce.

Expected investment in power development from both Public and Private Sector has not been forthcoming because of low administered tariff rate, abnormal transmission loss due to power pilferage and continued subsidy for agriculture and domestic consumers. Regrettably the political will to revitalise the power sector has been totally lacking and a perception has been created that investment in the power development has become unremunerative. Due to slowing down of the power development and globalisation, industrial growth has also not been picking up. This is the basic cause for the continued and deepening market recession for the products of the Company.

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Your Company has decided to diversify into manufacture of Telecommunication Cables as demand for such cable is substantial and growing. Due to this diversification and increased allocation for power development in the budget for the current year, your Company is optimistic about the current year's performance.

All the hardware and software of the Company have been tested and confirmed to be Y2K compliant.

Rights Issue

A Rights Issue for Rs. 8.02 crores was successfully completed and shares have been allotted by the Registrars to the shareholders after due scrutiny of the applications received.

New Projects & Products

Both the Companies promoted by your Company, - Vindhya Telelinks Ltd. and Birla Ericsson Optical Ltd. - have reported improved results as compared to previous year.

Your Company has invested Rs. 4.78 crores for diversification into manufacture of Telecommunication Cables and production of such cables has already commenced after completion of all approval formalities. Capital expenditure of Rs. 1.01 crores was incurred during the year in the manufacture of new products, modernisation and upgradation of technology. The Company's R&D Department has been actively striving towards development and continuous improvement of new and existing products.

Industrial Relations

Industrial relations remained largely cordial during the year under review.

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

Shri J. Singhi and Shri Harsh V. Lodha 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.

Auditors' Report

With regard to the observations in the Auditors' Report, the Notes on Accounts are self-explanatory and your Directors have nothing more to add.

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 the 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 26th day of April, 2000.

(SMT.) PRIYAMVADA BIRLA

A.K. SINGHI

HARSH V. LODHA

M.A. ALAGAPPAN

V.D. JAIN

Chairman

Directors

Managing Director

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, 2000.

Name (Shri)	Designation	Remuneration received (Rs.)	Qualification	Experience (years)	Date of Commencement of Employment	Age (years)	Particulars of last Employment held (Concern/Place/Designation/Period of service)
V.D. Jain	Managing Director	12,64,806	B.Com.	53	1-8-64	75	Indian Smelting & Refining Co.Ltd. Mumbai, General Manager (8 years)
D.R. Bansal	President	11,18,563	M.Sc.	38	1-8-64	60	Hindustan Gum & Chemicals Ltd. Bhiwani, Sales Incharge & Chief Chemist (2 years)

- Notes :** (i) Nature of employment : All appointments are non-contractual except that of the Managing Director.
(ii) Other Terms & Conditions : As per agreement and Company's Rules & Regulations.
(iii) None of the employee is a relative of any Director of the company.
(iv) Remuneration received includes Salary, Company's contribution to Provident Fund and Perquisites, but excludes contribution to Gratuity and Superannuation fund.
(v) Age is given in years completed as on the last day of the financial year.

(SMT.) PRIYAMVADA BIRLA *Chairman*

A.K. SINGHI

HARSH V. LODHA

M.A. ALAGAPPAN

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, 2000.*

A. Conservation of Energy

Efforts of conservation of energy through the use of power saving devices continued during the year. This has resulted in good savings of energy.

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 following new types of Cables and processes:

1. High temperature coil leads for traction motors.
2. Zero Halogen Low Smoke (ZHLS) cables with copper conductors.
3. Heat shrinkable end sealing caps for large size cable.
4. Parabolic shaped catenary cable for use in festooning machine of ALIMAK AB, Sweden.

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

Import substitution, Technology up-gradation, Extension of product range and Improvement of quality of existing product.

The company has obtained IS/ISO-9001:1994 Quality Systems Certification based on R&D and Design capability of the company.

3. Future plan of action

1. 110°C EVA based elastomeric flexible cables for Diesel Locomotives.
2. Thin walled winding wire for submersible pumps.
3. Pressure tight marine control and power cables.

4. Expenditure on R&D

R&D expenditure have not been accounted for separately.