

uniSTAR®

**ANNUAL REPORT
AND
ACCOUNTS
FOR THE
YEAR ENDED
31ST MARCH 2001**

**Universal
Cables
Limited**



NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the Fifty Sixth 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 8th June, 2001 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, 2001;
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."

The Register of Members of the Company will remain closed from the 29th May, 2001 to the 8th June, 2001, both days inclusive.

Registered Office :

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

Dated, the 25th day of April, 2001.

By Order of the Board

P.L. SHARMA
Secretary

NOTES

1. Directors recommend payment of Dividend for the year out of General Reserve @ Re. 1/- per share (i.e.10%) on 2,00,37,944 Equity Shares of Rs. 10/- each fully paid up subject to compliance of the provisions of the Companies (Declaration of Dividend out of Reserves) Rules, 1975.

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 8th June, 2001 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.

UNIVERSAL CABLES LIMITED

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5. As per the provisions of the 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 - 452 001 (M.P.)
 - (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 2001-2002.
7. The Securities and Exchange Board of India has included 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 and Central Depository Services (India) Ltd. vide ISIN INE279A01012.
9. Members/Proxies are requested to deposit the Attendance Slip duly filled in and signed for attending the Meeting.





UNIVERSAL CABLES LIMITED

ANNUAL REPORT 2000-2001

DIRECTORS

SMT. PRIYAMVADA BIRLA

Chairman

SMT. RADHIKA BIRLA

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

AUDIT COMMITTEE

SHRI V.D. JAIN

Chairman

SHRI A.K. SINGHI

SHRI HARSH V. LODHA

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



Directors' Report

TO THE SHAREHOLDERS

Your Directors present their Annual Report, together with the Audited Accounts of the Company, for the year ended 31st March, 2001.

Accounts & Financial Matters

	31st March, 2001		31st March, 2000	
	Rupees in lacs	Rupees in lacs	Rupees in lacs	Rupees in lacs
Turnover for the year amounted to		18797.09		14312.03
The year's working shows a Gross Profit (after interest) of		268.78		347.39
Provisions for :				
Depreciation	436.08		462.89	
Wealth Tax	1.00	437.08	1.00	463.89
Thus, Net Profit/(Loss) after taxation is		(168.30)		(116.50)
Additions :				
Profit & Loss A/c. balance b/f. from previous year	—		184.62	
Income tax Refund	7.55		2.44	
Excess Provision for Taxation written back	—		26.62	
Transfer from General Reserve	381.57	389.12	119.90	333.58
Amount available for Appropriation		220.82		217.08
APPROPRIATIONS :				
Proposed Dividend		200.38		195.57
Corporate Dividend Tax		20.44		21.51
		220.82		217.08
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 on 2,00,37,944 Equity Shares of Rs. 10/- each fully paid-up @ Rs. 1/- per share (i.e.10%)		200.38		195.57

General & Corporate Matters

The working of the Company during the year continues to be affected by the stagnation in the demand for Power Cables and Capacitors. Your Company's turnover in these trying times has in fact increased by about 26%, thanks to the well thought out strategy to diversify into Polythene Insulated Jelly Filled (PIJF) Telephone Cables. The sales for the current year are at Rs. 187.97 crores as against Rs. 143.12 crores for the previous year. The Company earned a gross profit of Rs. 2.69 crores as against Rs. 3.47 crores in the previous year. After depreciation, the net loss for the year is Rs. 1.68 crores as against net loss of Rs. 1.16 crores in the previous year.

The Indian Electrical Industry continues to be plagued by low investment in the power sector. This has had serious impact on the demand for power cables and capacitors. In addition, the present scenario has led to a price war together with unduly long delays in payment. All resulting in considerable erosion of margins for our power cables and capacitors. Low industrial growth has forced the manufacturers to accept orders at non-remunerative prices. Due to paucity of funds, State Electricity Boards are also not procuring the cables resulting in poor demand. At present, Power Cables Industry is passing through difficult times, but looking to the targets proposed in the last Central Budget and in the Five Year Plan for the power sector, we sincerely hope the situation should improve in the coming years.

New Projects & Products

Vindhya Telelinks Ltd. and Birla Ericsson Optical Ltd. the Companies promoted by the Company have reported good results.

The Company along with Vindhya Telelinks Ltd. and Birla Ericsson Optical Ltd., has promoted a new Company called Optic Fibre Goa Ltd. for the manufacture of Optical Fibre. This project is now under implementation and is scheduled to go into production during the last quarter of the current financial year.

Your Company has incurred a capital expenditure of Rs. 4.33 crores during the year for manufacture of new products, modernisation

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and upgradation of technology. The Company's R&D Department has been actively striving towards development and continuous improvement of new and existing products.

Corporate Governance

The importance of Corporate Governance lies in its contribution both to business prosperity and to accountability. Directors fully support basic tenets of Corporate Governance as the prudent exercise of management rights in the best interests of all stakeholders in a Company - in particular, its shareholders, creditors, the state and its employees. Directors are fully committed to implement all requirements of Clause 49 of the Listing Agreements by next Financial Year.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors of your Company state as under:

- that in the preparation of the Annual Accounts, applicable accounting standards have been followed except as mentioned in Note No. 5 of Schedule 23 of the accounts regarding non-provision of leave encashment & pension to employees. The proper explanation for this has been mentioned in the note to the accounts;
- that the accounting policies are consistently applied and reasonable, prudent judgement and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year except as mentioned in (a) above;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the Annual Accounts on a going concern basis.

Audit Committee:

Pursuant to the provisions of Section 292A of the Companies Act, 1956 (as amended), the Board of Directors of the Company has constituted a Committee of Directors known as Audit Committee consisting of Shri V.D. Jain, Shri A.K. Singhi and Shri Harsh V. Lodha as its members. The Committee reviews the efficacy of the internal control mechanism and monitors the risk management policies adopted by the Company. The Committee reviews reports furnished by the internal and statutory auditors and ensures that suitable follow-up action is taken. The Committee examines accountancy, taxation and disclosure aspects of all significant transactions.

Industrial Relations

Industrial relations remained largely cordial throughout the year.

Acknowledgements

The Directors gratefully acknowledge the continuous support and assistance rendered by the Financial Institutions and the Company's Bankers, State Bank of India.

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.

Auditors' Report

With regard to the observations in the Auditors' Report, the relevant 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,

(SMT.) PRIYAMVADA BIRLA *Chairman*

(SMT.) RADHIKA BIRLA
A.K. SINGHI
HARSH V. LODHA } *Directors*

New Delhi, April 25, 2001.

V.D. JAIN *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, 2001.

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	14,53,945	B.Com.	54	1-8-64	76	Indian Smelting & Refining Co. Ltd. Mumbai, General Manager (8 years)
D.R. Bansal	President	12,14,870	M.Sc.	39	1-8-64	61	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 Fund.
(v) Age is given in years completed as on the last day of the financial year.

Report

(SMT.) PRIYAMVADA BIRLA *Chairman*
(SMT.) RADHIKA BIRLA
A.K. SINGHI
HARSH V. LODHA } *Directors*

New Delhi, April 25, 2001.

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, 2001.**

A. Conservation of Energy

To conserve energy, various measures such as monitoring of power consumption of running machines by installing energy meters, replacement of A.C. motors with D.C. one, installation of low H.P. air blowers for individual machines in lieu of high pressure compressor, etc. have been taken. This has resulted in good savings of energy.

B. Technology Absorption**Research & Development**

- | | |
|---|--|
| <p>1. Specific areas in which R&D is carried out by the Company</p> | <p>Applied research in cables and capacitors technology for product development, process improvement and import substitution.</p> <p>R&D Department has developed following new types of Cables and processes:</p> <ol style="list-style-type: none"> 1. Underground signaling Quad cables for Indian Railway. 2. Thin walled winding wires for use in submersible pumps. Proto type sample has been sent to the users for evaluation of field performance. 3. Multi core pressure tight marine cable for Indian Navy. 4. 120°C thin walled multi-core elastomeric cables for Indian Railways. 5. Flame retardant Ship wiring cables to JIS C 3410-1976 coated with flame retardant paints. |
| <p>2. Benefits derived as a result of the above R&D</p> | <p>Import substitution, Technology up-gradation and Extension of product range.</p> |
| <p>3. Future plan of action</p> | <ol style="list-style-type: none"> 1. Development of high temperature coil lead for various type of traction motors used by Zonal Railways. 2. Development of high voltage capacitors with internal fuse (>8.3 - 11.0 kV) |
| <p>4. Expenditure on R&D</p> | <p>R&D expenditure have not been accounted for separately.</p> |