
**ANNUAL REPORT
AND
ACCOUNTS
FOR THE
YEAR ENDED
31ST MARCH 2002**

Report  junction.com

**Universal
Cables
Limited**



UNIVERSAL CABLES LIMITED

ANNUAL REPORT 2001-2002

DIRECTORS

SMT. PRIYAMVADA BIRLA
SMT. RADHIKA BIRLA
SHRI J. SINGHI
SHRI A.K. SINGHI
SHRI HARSH V. LODHA
SHRI V.D. JAIN

Chairman

Managing Director

AUDIT COMMITTEE

SHRI A.K. SINGHI
SMT. RADHIKA BIRLA
SHRI HARSH V. LODHA

Chairman

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.)



UNIVERSAL CABLES LIMITED

NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the Fifty Seventh 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 14th June, 2002 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, 2002;
2. To appoint Director in place of Smt. Radhika Birla, who retires by rotation and being eligible, offers herself for re-appointment;
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorise Board to fix their remuneration.

Registered Office :

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

Dated, the 2nd day of May, 2002.

By Order of the Board

P.L. SHARMA
Secretary

NOTES

1. 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.
2. Shareholders are requested to notify to the Company any change in their addresses.
3. 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.
4. 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.
5. The Equity Shares of the Company are listed at the following Stock Exchanges:-
 - (a) Madhya Pradesh Stock Exchange,
(Regional Stock Exchange)
201, Palika Plaza-II,
M.T.H. Compound,
Indore - 452 001
 - (b) The Stock Exchange,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 023
 - (c) The Calcutta Stock Exchange Association Limited,
7, Lyons Range,
Kolkata-700 001
 - (d) National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra-Kurla Complex, Bandra East,
Mumbai-400 051

The Company has already paid the annual listing fees to each of the Stock Exchanges upto the financial year 2002-2003.

6. 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.
7. Equity Shares of the Company have been activated for dematerialisation with National Securities Depository Limited and Central Depository Services (India) Ltd. Vide ISIN279A01012.
8. Members/Proxies are requested to deposit the Attendance Slip duly filled in and signed for attending the Meeting.

INFORMATION UNDER CLAUSE 49 VI A OF THE LISTING AGREEMENTS REGARDING REAPPOINTMENT OF SMT. RADHIKA BIRLA

Smt. Radhika Birla, aged 40 years, is a Director of the Company since 3rd September, 1997. She has wide experience in business and industry having served on the Boards of various Companies.

She is an active social worker and has made eminent contributions in social services relating to Medical, Educational and other Social fields. She is an active Member of various Charitable Associations and Societies.

She is also a Director on the Boards of Vindhya Telcelinks Ltd., Birla Ericsson Optical Ltd., Mazbat Tea Estates Ltd., and Mazbat Properties Private Ltd.

Further, she is also an active Member of the Audit Committee of the Company as also of Vindhya Telcelinks Ltd. and Birla Ericsson Optical Ltd.

Registered Office :

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

Dated, the 2nd day of May, 2002.

By Order of the Board

P.L. SHARMA
Secretary



UNIVERSAL CABLES LIMITED

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, 2002.

Accounts & Financial Matters

	31st March, 2002		31st March, 2001	
	Rupees in lacs	Rupees in lacs	Rupees in lacs	Rupees in lacs
Turnover for the year amounted to		19594.22		18722.41
The year's working shows a Gross Profit (after interest) of		538.57		268.78
Provisions for :				
Depreciation	400.13		436.08	
Wealth Tax	1.00		1.00	
Extra-ordinary Items	688.41	1089.54	—	437.08
Thus, Net Loss after taxation is		(550.97)		(168.30)
Additions :				
Deferred Tax Assets	151.63		—	
Income tax Refund	—		7.55	
Transfer from General Reserve	399.34	550.97	381.57	389.12
Amount available for Appropriation		—		220.82
APPROPRIATIONS :				
Proposed Dividend		—		200.38
Corporate Dividend Tax		—		20.44
		—		220.82

General & Corporate Matters

During the year under review, the sustained recessionary trend in the demand for Company's products continued unabated. However, under these circumstances, the Company was still able to maintain its sales turnover at Rs. 195.94 crores as compared to Rs. 187.22 crores for the previous year. As a result, the Company's gross profit earned before depreciation was Rs. 5.38 crores as against Rs. 2.69 crores in the previous year. After providing for depreciation and extra-ordinary items, the net loss for the year is Rs. 5.51 crores as against Rs. 1.68 crores in the previous year.

The Company continues to suffer due to the poor investment policy in the power sector. As a result, the off take of the Company's main product, power cables, has reduced drastically. Investment in telecom sector is also not as encouraging as expected, thereby reducing the chances of growth in telephone cables demand.

Further the industrial scenario is also not bright due to low industrial growth, persistent recession, financial tightness in the market and the resultant highly competitive position. It is hoped that with more investments forthcoming in the power and telecom sector in the coming years, the situations may improve.

New Projects & Products

The Company has set up a new Unit in Goa for the manufacture of Optic Fibre Cables. This Unit has commenced its commercial production in March, 2002.

The Company has also incurred capital expenditure during the year for manufacture of new products, modernization 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 Company was required to implement the mandatory provisions of Corporate Governance within the financial year 2001-2002, as per Clause 49 of the Listing Agreements. The Company has successfully implemented the same. Accordingly, Corporate Governance Report and Management Discussion & Analysis Report form a part of this Annual Report. The Company has also obtained a Certificate for compliance of the provisions of Corporate Governance from the Auditors.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors of your Company state as under:

- (a) that in the preparation of the Annual Accounts, applicable accounting standards have been followed.
- (b) 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.
- (c) that the Directors have 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;
- (d) that the Directors have prepared the Annual Accounts on a going concern basis.

Industrial Relations

Industrial relations remained largely cordial through out the year.

Directors

Smt. Radhika Birla retires from the Board by rotation and, being eligible, offers herself 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 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.

Acknowledgements

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

Yours faithfully,

(SMT.) PRIYAMVADA BIRLA

Chairman

A.K. SINGHI

Directors

HARSH V. LODHA

V.D. JAIN

Managing Director

Mumbai, May 2, 2002

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, 2002.

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)
D.R. Bansal	President	12,11,506	M.Sc.	40	1-8-64	62	Hindustan Gum & Chemicals Ltd. Bhiwani, Sales Incharge & Chief Chemist (2 years)

- Notes :**
- (i) Nature of employment : Non-contractual.
 - (ii) Other Terms & Conditions : As per Company's Rules & Regulations.
 - (iii) Shri D.R. Bansal is not a relative of any Director of the company.
 - (iv) Remuneration received includes Salary, Company's contribution to Provident Fund, Encashment of leave and Perquisites, but excludes contribution to Gratuity Fund.
 - (v) Age is given in years completed as on the last day of the financial year.
 - (vi) Employed for part of the year.

Yours faithfully,

(SMT.) PRIYAMVADA BIRLA

Chairman

A.K. SINGHI

Directors

HARSH V. LODHA

V.D. JAIN

Managing Director

Mumbai, May 2, 2002

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, 2002.**

A. Conservation of Energy

To conserve energy, following measures have been taken.

- i) Normal starters in Pump house for Raw water and Soft water pumps have been replaced by variable frequency drives.
- ii) The main drive of 37 Stranding machine has been replaced by D.C. Drive.
- iii) In some machines the compressed air system used for supergers has been replaced by Air Blowers on individual machines.

This has resulted in energy saving.

B. Technology Absorption

Research & Development

- | | |
|--|---|
| 1. Specific areas in which R&D is carried out by the Company | <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:</p> <ol style="list-style-type: none"> 1. Limited Fire hazard ship wiring cables to Naval Engineering Standard-518, U.K. for Defence application. 2. Life estimation of cables through thermo-oxidative ageing. 3. High voltage capacitors. |
| 2. Benefits derived as a result of the above R&D | <p>Import substitution, technology up-gradation and extension of product range.</p> |
| 3. Future plan of action | <ol style="list-style-type: none"> 1. Development of E-beam processed cable. 2. Coaxial HVDC cables for use in Electron Beam (Import Sub.). 3. LOCA (Loss of Coolant Accident) qualified cables to be used in reactor building of Nuclear Plants. |
| 4. Expenditure on R&D | <p>R&D expenditure have not been accounted for separately.</p> |

UNIVERSAL CABLES LIMITED

Technology absorption, adaptation and innovation

- | | |
|---|--|
| 1. Efforts in brief, made towards technology absorption, adaptation and innovation | Technology imported has been fully absorbed and adapted. Efforts to develop new products through in-house R&D and collaborative project with National Laboratories are continuing. |
| 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc. | Development of new cables and improvement in product cost & quality. |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year). | |
| a) Technology imported | Manufacturing of High Voltage cross-linked Polythene Insulated power cables. |
| b) Year of import | 1993. |
| c) Has the technology been fully absorbed? | Yes. |
| d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. | Not applicable. |

C. Foreign Exchange Earnings and outgo

Total foreign exchange earned	Rs. 129.78 lacs.
Total foreign exchange used	Rs. 1,472.08 lacs.



Yours faithfully,

(SMT.) PRIYAMVADA BIRLA

Chairman

A.K. SINGHI

Directors

HARSH V. LODHA

V.D. JAIN

Managing Director

Mumbai, May 2, 2002

Corporate Governance Report

1. Company's Philosophy on Code of Governance

There has been a marked change in the Indian business scenario towards liberalization over the last decade, which has resulted in a fundamental shift in the management's approach to maximise stakeholders' value. Consequently, the Company has wholeheartedly welcomed the concept of Corporate Governance as an important tool for enhancing the stakeholders' value. The Company has proactively adopted the best practices of Corporate Governance to ensure highest levels of equity, transparency, accountability and responsibility in its operations in order to fulfill its endeavour for ensuring the best interests of its stakeholders i.e. shareholders, creditors, state and employees. The Company has fully implemented the applicable provisions of Corporate Governance well before the deadline of 31st March 2002.

2. Board of Directors

At present the Board of Directors comprises of one Promoter Director (who is the Non-Executive Chairman), one Managing Director and four Non-Executive independent Directors. Shri M.A. Alagappan, a Non-Executive Independent Director, resigned during the year.

During the year 2001-2002 the Board met four times as per statutory requirements, on the following dates namely, 25th April, 2001, 29th July, 2001, 24th October, 2001 and 30th January, 2002. The maximum time gap between any two Meetings was not more than four months.

The following table gives details of Directors, attendance of Directors at the Board Meetings and at the last Annual General Meeting and number of memberships held by Directors in the Board/Committees of various companies: -

Name	Category	Attendance Particulars		Number of other Directorships and Committee Memberships/ Chairmanships		
		No. of Board Meetings attended	Last AGM attended	Other Directorships	Committee Memberships	Committee Chairmanships
Smt. Priyamvada Birla	Chairman	4	No	13	—	—
Shri V.D. Jain	Managing Director	4	Yes	11	3	3
Smt. Radhika Birla	Non-Executive Director	1	No	4	2	—
Shri J. Singhi	-do-	—	No	3	—	—
Shri A.K. Singhi	-do-	4	No	5	3	1
Shri H.V. Lodha	-do-	2	No	13	8	4
Shri M.A. Alagappan (Resigned from 30.01.2002)	-do-	—	No	14	2	—

None of the Directors is a member in more than 10 Committees and acts as a Chairman in more than 5 Committees across all Companies in which he is a Director.

3. Audit Committee

The Audit Committee constituted by the Board of Directors consists of 3 (three) independent Directors, namely, Shri A.K. Singhi, Smt. Radhika Birla and Shri H.V. Lodha. Shri A.K. Singhi acts as the Chairman of the Committee. The constitution of Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956 as introduced by the Companies (Amendment) Act, 2000.

The terms of reference specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement. They are as follows :-

- (1) The members of the Audit Committee shall elect the Chairman from amongst themselves.
- (2) Meetings of the Audit Committee shall be attended by auditors and internal auditors but they shall not have the right to vote.
- (3) The Audit Committee shall meet at least thrice a year. One meeting shall be held before finalisation of annual accounts and one every six months. The quorum shall be either two members or one third of the members of the audit committee, whichever is higher and minimum of two independent Directors.
- (4) The Committee shall have periodical discussions with auditors about internal control system, viz. scope of audit including observations of the auditors, review of half yearly and annual financial statements before submission to the Board and ensure compliance of the internal control systems.
- (5) The Committee shall have authority to investigate into any matter in relation to the items specified in Section 292A of the Companies Act, 1956 and further matters as the Board may specify for this purpose and the Committee shall have full access to information including books and accounts and records of the Company and shall obtain external professional advice, if necessary.