

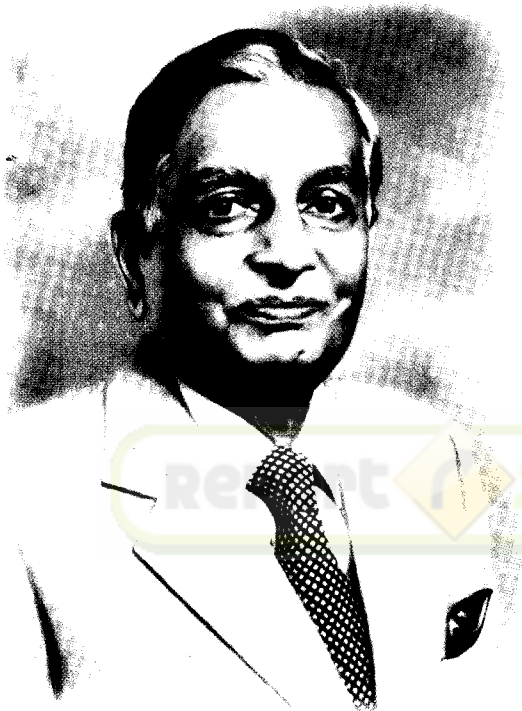
UNI★STAR®



UNIVERSAL CABLES LIMITED

Annual Report & Accounts
for the Year Ended
31st March 2007

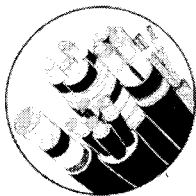




Madhav Prasadji Birla
(1918-1990)



Priyamvadaji Birla
(1928-2004)



UNIVERSAL CABLES LIMITED

ANNUAL REPORT 2006-2007

DIRECTORS

SHRI R.S. LODHA *Chairman*
SHRI H.V. LODHA
SHRI S.N. PRASAD
(ALTERNATE SHRI S.K. DAGA)
SHRI S.C. JAIN
SHRI S.S. KOTHARI
DR. S.R. JAIN
SHRI J.C. SHARMA
SHRI DINESH CHANDA

AUDIT COMMITTEE

SHRI S.N. PRASAD *Chairman*
SHRI S.C. JAIN
SHRI S.S. KOTHARI

CHIEF MENTOR & MANAGER

SHRI D.R. BANSAL

PRESIDENT (COMMERCIAL) & SECRETARY

SHRI PANKAJ KALANI

AUDITORS

S.R. BATLIBOI & COMPANY
CHARTERED ACCOUNTANTS

SOLICITORS

INTERNATIONAL TRADE LAW CONSULTANTS

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

P.O. BIRLA VIKAS,
SATNA - 485 005 (M.P.)
PHONE : + 91 - 7672 - 257121 to 27
E-mail : headoffice@unistar.co.in
Website : www.universalcablesltd.com

IS / ISO 9001: 2000



IS / ISO 14001



Notice

TO THE SHAREHOLDERS

NOTICE is hereby given that the Sixty-Second Annual General Meeting of Universal Cables Limited will be held at 4.00 P.M. at the Registered Office of the Company at Birla Vikas, Satna (M.P.) on Wednesday, the 18th July, 2007 to transact the following business:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2007 and the Profit & Loss Account for the year ended on that date together with Report of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri H.V. Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.C. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
5. (i) To appoint Messrs S.R. Batliboi & Co., Chartered Accountants, the retiring auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration and reimbursement of out-of-pocket expenses as the Board of Directors may decide, based on the recommendation of the Audit Committee.
- (ii) To appoint Messrs Satish Dhume & Co., Chartered Accountants, Panaji, Goa as Branch Auditors for the Company's Optic Fibre Goa Unit to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration and reimbursement of out-of-pocket expenses as the Board of Directors may decide, based on the recommendation of the Audit Committee.

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT Dr. S.R. Jain, a Director of the Company, who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 140 of the Company's Articles of Association, 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, the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT Shri J.C. Sharma, a Director of the Company, who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 140 of the Company's Articles of Association, 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, the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT Shri Dinesh Chanda, a Director of the Company, who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 140 of the Company's Articles of Association, be and is hereby appointed as Director of the Company, liable to retire by rotation."
9. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 310, 311 & 387 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded that Shri D.R. Bansal be paid, in consideration of performance of his duties as the Chief Mentor & Manager with effect from 8th August, 2007, following remuneration and perquisites, viz.
 (a) **Basic Salary** : Rs.110000/- (Rupees One Lac Ten Thousand only) per month with such annual increments each year as considered by the Board.

- (b) **Commission** : @ 1% (one percent) of the net profit of the Company in a financial year computed in the manner laid down in Sections 349 & 350 of the Companies Act, 1956 subject to a ceiling of 50% of the annual salary as defined in para (a) above.
- (c) **Perquisites and Allowances** : In addition to the salary and commission as outlined above, the Chief Mentor & Manager shall be entitled to perquisites/allowances as under :
- (i) **Housing** : Free furnished residential accommodation or in case no accommodation is provided by the Company, reimbursement of actual expenditure incurred by the Chief Mentor & Manager on hiring accommodation shall be made by the company subject to the ceiling of 60% of the salary as defined in para (a) above.
In addition, the expenditure incurred for utilities such as gas, fuel, electricity, water, furnishings, repairs/upkeep and maintenance of accommodation and servants' salaries shall be reimbursed on actual basis.
 - (ii) **Medical Benefits** : Payment/reimbursement of expenses incurred for self and family (including mediclaim/medical insurance premium) or medical allowance in accordance with the rules of the Company.
 - (iii) **Leave Travel Allowance/Assistance** : As per Rules of the Company.
 - (iv) **Club Fees** : Payment/reimbursement of club fees for not more than two clubs in India, excluding admission and life membership fees.
 - (v) **Personal Accident Insurance Premium** : As per Rules of the Company.
 - (vi) **Contribution to Provident Fund, Pension/Superannuation or Annuity Funds** : As per the Rules framed under the Company's relevant scheme.
 - (vii) **Gratuity** : As per Rules of the Company and applicable statutory provisions from time to time.
 - (viii) **Leave Encashment** : Leave with full pay and allowance as per Rules of the Company. Accumulation/encashment of unavailed earned or privilege leave will be permissible in accordance with the Rules specified by the Company.
 - (ix) **Car/Communication Facilities** : The following shall not be included in the computation of perquisites –
 - (a) Provision of Company's car(s) with driver for official use.
 - (b) Provision of free telephone(s) and/or other communication facilities or reimbursement of telephone/communication expenses at residence including payment of local calls and long distance official calls.

Explanation(s) :

- (a) The said perquisites and allowances shall be evaluated at actual cost or if the cost is not ascertainable the same shall be valued as per the Income Tax Act, 1961 or any rules thereunder as are in force from time to time.
- (b) The Company's contribution to or provision for provident fund, pension/superannuation or annuity funds, to the extent these either singly or put together are not taxable under the Income Tax Act, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, commission, perquisites and allowances.
- (c) For the purpose of gratuity, pension and other benefits, the services of Shri D.R. Bansal will be considered continuous service with the Company from the date he joined the services of Sister Concern(s) of this Company in any capacity from time to time and termination of the appointment/agreement or renewal(s) will not be considered as a break in service. However, in case of gratuity, any benefit already obtained from such Sister Concern(s) or the Company shall be deducted from the final amount payable.
- (d) The Company shall reimburse travelling, entertainment and other business promotion expenses actually and properly incurred, by the Chief Mentor & Manager, in the course of the legitimate business of the Company in accordance with rules and regulations of the Company in force from time to time or as may be approved by the Board. Expenses relating to spouse accompanying on any official domestic and overseas trip or other facilities, if any, shall be dealt with in accordance with the practices and policies of the Company as applicable from time to time.
- (e) In addition to his present employment as the Chief Mentor & Manager of the Company, Shri D.R. Bansal has also been appointed as the Managing Director of a joint venture company viz. Birla Ericsson Optical Ltd. with effect from 8th August, 2006. Pursuant to the provisions of Schedule XIII of the Companies Act, 1956, the total remuneration from both the Companies shall not exceed the maximum permissible limit as specified thereunder.

FURTHER RESOLVED THAT the Board of Directors is entitled to revise the remuneration payable to the Chief Mentor & Manager at any time, such that the aggregate of the salary (inclusive of annual increments, if any) in any financial year shall not exceed the overall ceiling laid down in Sections 198, 269, 310, 311 & 387 read with the Schedule XIII of the Companies Act, 1956, including any statutory modification(s), re-enactment thereof or any amendment thereto.

FURTHER RESOLVED THAT notwithstanding the above, in the event of any loss or inadequacy of profits in any financial year of the company during the tenure of Shri D.R. Bansal as the Manager of the Company, the remuneration payable to him shall be in accordance with the limits prescribed in section II Part II of Schedule XIII to the Companies Act, 1956, as amended from time to time, subject to the compliance of provisions thereof but in any event shall not exceed the remuneration payable as provided above when the profits of the company are adequate.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this resolution or otherwise considered by it in the best interest of the Company."

By order of the Board

Registered Office :
P.O. Birla Vikas,
SATNA - 485 005 (M.P.)

Pankaj Kalani
President (Commercial) & Secretary

May 23, 2007

NOTES :

1. The relative Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special business to be transacted at the Meeting are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY 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.
3. Members/Proxies are requested to deposit the duly filled in and signed Attendance Slips attached herewith for attending the Meeting.
4. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 12th July, 2007 to Wednesday, the 18th July, 2007 (both days inclusive).
5. The Members are requested to notify immediately the changes, if any, in their registered addresses along with PIN CODE Number.
 - ◆ to their Depository Participants in respect of equity shares held in electronic form (Demat Account); and
 - ◆ to the Company or its Registrar and Share Transfer Agents viz. M/s Intime Spectrum Registry Ltd. (Unit : Universal Cables Limited), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 in respect of equity shares held in physical form.
6. Dividends which remain unclaimed/unencashed for a period of 7 years from the date of transfer to the Unpaid Dividend Account, will be transferred by the Company to Investor Education & Protection Fund (IEPF) pursuant to the provisions of Section(s) 205A and 205C of the Companies Act, 1956. Further, under the provisions of Section 205C of the Companies Act, 1956, no claims by the shareholders shall lie against the IEPF or the Company for the Unclaimed Dividend transferred to IEPF. Members who have so far not encashed their dividend warrants for the year ended 31st March, 2001, are therefore requested immediately to write to the Company or Company's Registrar and Share Transfer Agents, viz. M/s Intime Spectrum Registry Ltd. for issuance of demand draft in lieu of Unencashed/Unclaimed Dividend Warrant, if any.
7. Additional information pursuant to Clause 49 of the Listing Agreement(s) with Stock Exchanges, on Directors recommended for appointment or re-appointment at the forthcoming Annual General Meeting, are given in the Annexure to the Notice.
8. Members are requested to address all their correspondences including dividend related matters to the Registrar and Share Transfer Agents, M/s Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078.
9. Members who are holding shares in electronic mode are requested to ratify/update their Bank Account details immediately to their respective Depository Participants for availing the ECS facility for receiving dividend.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENTS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 6**

Dr. S.R. Jain was co-opted as a Director on the Board of the Company in its meeting held on 5th September, 2006 pursuant to the provisions of Section 260 read with Article 141 of the Articles of Association of the Company, to fill up the casual vacancy on the Board caused by the sad demise of Dr. V. Gaurishanker. Dr. S.R. Jain holds office upto the date of the ensuing Annual General Meeting. The Company has received notice under Section 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 Dr. S.R. Jain, none of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 7

Shri J.C. Sharma was co-opted as an Additional Director on the Board of the Company in its meeting held on 27th October, 2006 under Article 140 of the Company's Articles of Association. He holds his office upto the date of this Annual General Meeting. The Company has received notice under Section 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 J.C. Sharma, none of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 8

Shri Dinesh Chanda was co-opted as an Additional Director on the Board of the Company in its meeting held on 23rd May, 2007 under Article 140 of the Company's Articles of Association. He holds his office upto the date of this Annual General Meeting. The Company has received notice under Section 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 Dinesh Chanda, none of the Directors of the Company is concerned or interested in the said resolution.

ITEM NO. 9

Shri D.R. Bansal has been appointed as the Chief Mentor & Manager of the Company w.e.f. 5th May, 2004. Presently, he is not paid any remuneration for serving as the Chief Mentor & Manager of the Company. Considering the inflationary trend and substantial increase in the business activities of the Company resulting into the significant enhancement in his work and responsibilities, the Board has recommended, for your consideration, to pay such remuneration to Shri D.R. Bansal with effect from 8th August, 2007. Hence, in compliance with Schedule XIII and all other applicable provision of the Companies Act, 1956, your approval is sought to the proposed Resolution.

By order of the Board

Registered Office:
P.O. Birla Vikas,
SATNA - 485 005 (M.P.)

Pankaj Kalani
President (Commercial) & Secretary

May 23, 2007

ANNEXURE TO NOTICE

Details of Directors seeking appointment/re-appointment in the ensuing Annual General Meeting scheduled to be held on 18th July, 2007.

Name of Director	Shri H.V. Lodha
Date of Birth	13.02.1967
Date of Appointment	24.04.1998
Expertise in specific functional areas	He is an eminent and young Chartered Accountant and Partner of M/s Lodha & Co., Chartered Accountants, which is the Member Firm of BDO International, the 5th largest Accounting and Consulting Firm in the world. He has been actively involved in significant assignments in the areas of takeovers and mergers/reconstructions and rehabilitations, international and domestic financing, project structuring capital mobilisation, joint-ventures and collaborations. He is serving on the Managing Committee of Assocham. He has served on the Executive Committee of FICCI and as Chairman of its Corporation Laws & Governance Committee and Co-Chairman of its Young Leaders Forum. He has served as a Member of Working Group on Corporate Governance set by the Department of Company Affairs, Government of India and Working Group to frame guidelines for the registration and operations of the Securitisation Companies and Asset Reconstruction Companies constituted by the Reserve Bank of India. He has served as Member of the Accounting Standards Board of The Institute of Chartered Accountants of India and alternate member of the National Advisory Committee on Accounting Standards set up by Government of India. He has served as Vice President of the Indian Chamber of Commerce, Calcutta and as Chairman of its Economic Affairs Committee, Banking & Finance and Director Tax Committees. He has served as Honorary Consul of the Government of Romania for West Bengal, Orissa and Bihar. Also served as the Vice Consul of the Republic of Philippines for Eastern India.
List of outside Directorships held*	Alfred Herbert (India) Ltd. Birla Corporation Ltd. Fenner (India) Ltd. Hindustan Gum & Chemicals Ltd. OCL India Ltd. Punjab Produce Holdings Ltd. Sicpa India Ltd. Vindhya Telelinks Ltd.
Chairman/Member of the Committee of the Board of Directors of the Company	Member – Share Transfer and Shareholders'/Investors' Grievance Committee.
Chairman/Member of the Committee of the Board of Directors of other Public Companies	Chairman – Audit Committee of Sicpa India Ltd. – Share Transfer & Shareholders'/Investors' Grievance Committee of Birla Corporation Ltd. Member – Audit Committee of Fenner (India) Ltd.
Shareholding of the Non-Executive Director	7950 Shares

Name of Director	Shri S.C. Jain
Date of Birth	01.08.1940
Date of Appointment	27.10.2004
Expertise in specific functional areas	He did his graduation from Lucknow Christian College in 1958 and he is also a Law Graduate of Calcutta University. He obtained the Master's degree in Social

work with specialisation in Labour Relations and Personnel Management from J.K. Institute, University of Lucknow. He is life member of National Institute of Personnel Management and was Examiner and Paper Setter for the DPM Course of the Institute. He was also Chairman of the Labour Sub-Committee of the Chamber of Commerce and a nominee of the Chamber on the Minimum Wages Advisory Board constituted by the Government of West Bengal. He has over 40 years experience in Management of Industrial Relations. He has also written a book on "Calcutta High Court 50 years Digest of Important Labour Cases" which is an unique digest of such cases and a very useful guideline to employers, employees, trade unions and to practicing managers.

List of outside Directorships held*

Utkal Asbestos Limited

Chairman/Member of the Committee of the Board of Directors of the Company

Member – Audit Committee.

– Share Transfer and Shareholders'/Investors Grievance Committee.

Chairman/Member of the Committee of the Board of Directors of other Public Companies

None

Shareholding of the Non-Executive Director

100 Shares

Name of Director**Dr. S.R. Jain****Date of Birth**

29.10.1934

Date of Appointment

05.09.2006

Expertise in specific functional areas

He is an expert in the Management of Steel and Heavy Industries and has over 40 years of experience in this field. He has also been the Chairman of Steel Authority of India Limited and Heavy Engineering Corporation Limited. He has also served as the President of Indian Institute of Metals and is currently the Chairman of Consteel India (P) Ltd., a Consultancy Company based in Delhi.

List of outside Directorships held*

Neelachal Ispat Nigam Ltd.

OCL India Ltd.

Chairman/Member of the Committee of the Board of Directors of the Company

None

Chairman/Member of the Committee of the Board of Directors of other Public Companies

None

Shareholding of the Non-Executive Director

100 Shares

Name of Director**Shri J.C. Sharma****Date of Birth**

03.07.1944

Date of Appointment

27.10.2006

Expertise in specific functional areas

He began his professional career as a Commissioned Officer in the Indian Army (1967-72) and was awarded with the "Sena Medal" for Gallantry in 1971 Indo-Pak War. He joined the elite India Foreign Service in 1972 and has served as First Secretary (Consular & Political) and First Secretary (Commercial) in the Indian Embassies in Tokyo and Jakarta respectively. A brilliant Organizer, he was Director (Protocol) for the 7th Non-Aligned Summit and the Commonwealth Heads of Government Meeting in Delhi in the year 1983. First Foreign Service

Officer to be deputed as Joint Secretary Defence Exports; he prepared the blue print for Defence Exports from India and for first Aero India in Bangalore. He also served on the Board of Bharat Earth Movers Ltd. (BEM), a large public sector undertaking manufacturing defence and earth moving equipment and railway coaches. He has served as Secretary, External Affairs and Member Secretary of the High Level Committee on Indian Diaspora. He was the brain behind the idea of celebrating 'Pravasi Bhartiya Divas' and organized first two Pravasi Divas in Delhi. He was advisor in the PHD Chamber of Commerce during its centenary year January 2005 to 31st January, 2006.

List of outside Directorships held*	None
Chairman/Member of the Committee of the Board of Directors of the Company	None
Chairman/Member of the Committee of the Board of Directors of other Public Companies	None
Shareholding of the Non-Executive Director	100 Shares

Name of Director	Shri Dinesh Chanda
Date of Birth	26.10.1936
Date of Appointment	23.05.2007
Expertise in specific functional areas	He did his BE (Electrical) from University of Roorkee in 1958 and also is a Chartered Engineer from Institution of Engineers (I), since July 1995. He has served the important positions in companies like Tata Power Co. Ltd., BHEL, Heavy Engineering Corporation Ltd. and has been associated with Birla Corporation Ltd. since 1995. He is a member of the Institution of Engineers (I) (MEI), from 1973 and is also a member of the Indian Institute of Welding (IIW) from July 1976. He has over 46 years of experience of working in Govt/PSU and Private Industries, especially in the sectors of power generation, steel & cement.

List of outside Directorships held*	None
Chairman/Member of the Committee of the Board of Directors of the Company	None
Chairman/Member of the Committee of the Board of Directors of other Public Companies	None
Shareholding of the Non-Executive Director	—

*Number of other Directorships held by the Directors, as mentioned above, do not include Alternate Directorships and Directorships held in foreign companies, companies under Section 25 and Indian Private Limited Companies besides trustees/membership of Managing Committees of various trusts and other bodies, and are based on the latest declarations received from the Directors. The details of Committee Membership/Chairmanship is in accordance with revised Clause 49 of the Listing Agreements and reflects the Membership/Chairmanship of the Audit Committee and Shareholders'/Investors' Grievance Committee alone of all other Public Limited Companies.