



UNIVERSAL CABLES LIMITED

ANNUAL REPORT 2007-2008

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

(ALTERNATE SHRI S.P. TAMRAKAR)

AUDIT COMMITTEE

SHRI S.R. JAIN

Chairman

SHRI S.S. KOTHARI

SHRI J.C. SHARMA

SHRI DINESH CHANDA

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.unistar.co.in

IS / ISO 9001: 2000



IS / ISO 14001





Notice

TO THE SHAREHOLDERS

NOTICE is hereby given that the Sixty-Third Annual General Meeting of Universal Cables Limited will be held at 11.00 A.M. at the Registered Office of the Company at Birla Vikas, Satna (M.P.) on Wednesday, the 13th August, 2008 to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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 R.S. Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.N. Prasad, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S.S. Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
6. [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.

By order of the Board

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

Pankaj Kalani
President (Commercial) & Secretary

7th May, 2008

NOTES :

1. 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.
2. Members/Proxies are requested to deposit the duly filled in and signed Attendance Slips attached herewith for attending the meeting.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, the 7th August, 2008 to Wednesday, the 13th August, 2008 (both days inclusive).
4. 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.
5. 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, 2002, are therefore requested immediately to write to the Company or Company's Registrar and Share Transfer Agents, viz. M/s Intime Spectrum Registry Limited for issuance of demand draft in lieu of Unencashed/Unclaimed Dividend Warrant, if any.

6. 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.
7. 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.
8. 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.

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ANNEXURE TO NOTICE

Details of Directors seeking appointment/re-appointment in the ensuing Annual General Meeting scheduled to be held on 13th August, 2008.

Name of Director	Shri R.S. Lodha
Date of Birth	6th September, 1942
Date of appointment	5th May, 2004
Expertise in specific functional areas	Chartered Accountant of international eminence with significant and strategic management expertise/ experience in trade, industry, commerce and professions. He served at the helm of various industry/ business associations and other forums/ committees of national and international repute including in the capacity of President of the Federation of Indian Chambers of Commerce and Industry (FICCI) in its platinum jubilee year 2002. He was also closely involved with major policy making groups concerned with the Indian Industry and in promoting business co-operation internationally.
List of outside Directorships held.*	Alfred Herbert (India) Ltd. Birla Corporation Ltd. Birla Ericsson Optical Ltd. First Capital India Ltd. Hindustan Gum & Chemicals Ltd. Henkel India Ltd. Mazbat Tea Estate Ltd Punjab Produce Holdings Ltd. PNB Gilts Ltd. SBI Life Insurance Co. Ltd. Vindhya Telelinks 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	16498 Shares
Relationshipsbetween Directors inter-se	Father of Shri H.V. Lodha

Name of Director	Shri S.N. Prasad
Date of Birth	12th July, 1917
Date of appointment	5th May, 2004
Expertise in specific functional areas	He is a graduate in Commerce and Fellow of the Institute of Company Secretaries in India and an expert in commercial and financial areas and has provided valuable guidance in these areas to the companies in which he has been associated. He is a veteran in the M.P. Birla group of companies, having held several key positions in various companies for many years. He has also been on the Boards of several reputed companies. In the process he has acquired vast experience in business and industry.
List of outside Directorships held.*	Birla Buildings Ltd. Mazbat Tea Estate Ltd. Punjab Produce Holdings Ltd. Mazbat Trading Co. Ltd. Birla Financial Corporation Ltd. Express Dairy Co. Ltd.

Chairman/ Member of the Committee of the Board of Directors of the Company Chairman – Share Transfer and Shareholders'/ Investors' Grievance Committee.

Chairman/Member of the Committee of the Board of Directors of other Public Companies Member – Audit Committee of Punjab Produce Holdings Ltd.

Shareholding of the Non-Executive Director 4000 Shares

Relationshipsbetween Directors inter-se None

Name of Director Shri S.S. Kothari

Date of Birth 25th March, 1931

Date of appointment 26th October, 2005

Expertise in specific functional areas He is a consulting Engineer by profession. He has great experience in operation of Cement Plants. He has served for 5 years in design and manufacture of Cement Plants and heavy machinery at Indian Sugar and General Engineering Corporation, Haryana and 30 years as Managing Director of Delhi based Consultancy Company involved in design & engineering of new Cement Plants.

List of outside Directorships held.* None

Chairman/ Member of the Committee of the Board of Directors of the Company Member – Audit Committee.

Chairman/Member of the Committee of the Board of Directors of other Public Companies None

Shareholding of the Non-Executive Director 100 Shares

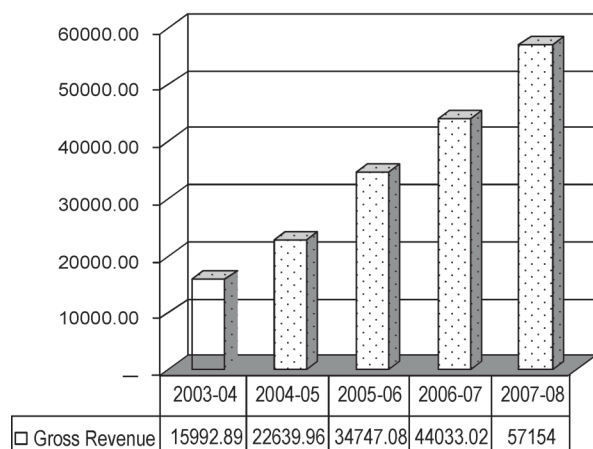
Relationshipsbetween Directors inter-se None

* 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.

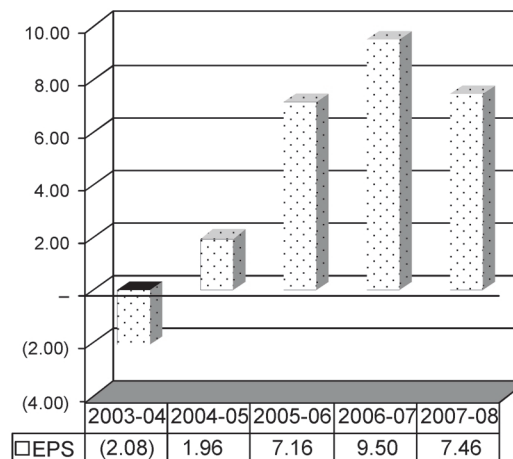


Key Financials at a Glance

Gross Revenue (Rs.in lacs)

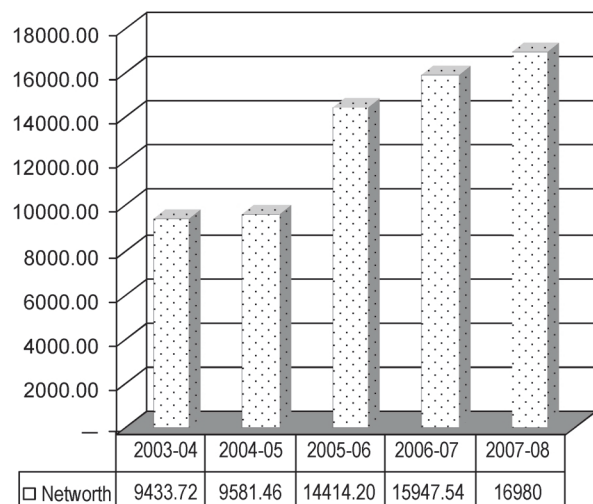


EPS (Rs.)

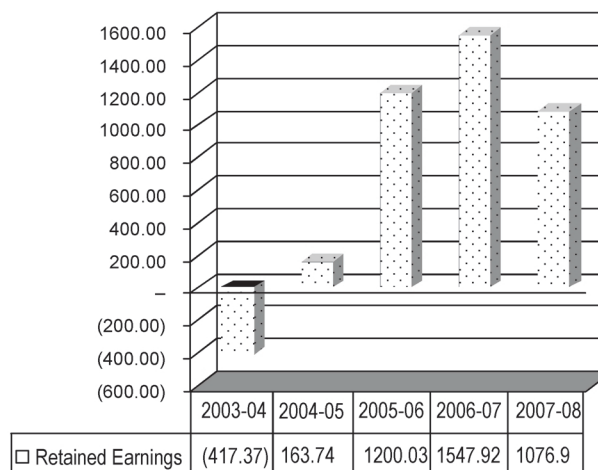


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Networth (Rs.in lacs)



Retained Earnings (Rs.in lacs)



Five Years at a Glance

(Rs.in crores)

Particulars	Year				
	2007-08	2006-07	2005-06	2004-05	2003-04
OPERATING RESULTS					
Turnover	562.96	433.27	343.13	224.95	157.77
Other Income	8.58	7.06	4.34	1.45	2.16
Gross Revenue	571.54	440.33	347.47	226.40	159.93
Profit before Interest, Depreciation & Tax	54.88	48.86	37.60	15.53	1.40
Interest	14.80	6.65	4.96	4.03	2.87
Profit/(Loss) before Depreciation & Tax	40.08	42.21	32.64	11.50	(1.47)
Depreciation	13.42	8.24	6.33	3.54	3.70
Amortisation of Voluntary Retirement Compensation	—	—	—	1.16	1.34
Income/Weath Tax	7.30	8.90	—	0.35	(0.01)
Deferred tax Charge/(Credit)	1.93	2.73	9.32	2.52	(2.33)
Fringe Benefit Tax	0.40	0.37	0.42	—	—
Excess Provision for Tax written back	(0.23)	—	—	—	—
Net Profit/(Loss)	17.26	21.97	16.57	3.93	(4.17)
Dividend	5.55	5.55	4.01	2.00	—
Corporate Dividend Tax	0.94	0.94	0.56	0.28	—
Retained Earnings	10.77	15.48	12.00	1.65	(4.17)
Cash Earnings	30.68	30.21	22.90	7.47	(0.47)
ASSETS & LIABILITIES					
Fixed Assets					
Gross Block	256.95	226.88	164.65	125.23	128.81
Net Block	145.29	125.56	69.39	38.51	43.90
Investments	28.33	28.33	28.33	32.35	32.35
Deferred Tax Assets	—	—	—	0.81	3.33
Current & Other Assets	244.86	176.07	147.98	120.61	73.13
Total Assets	418.48	329.96	245.70	192.28	152.71
Represented by :					
Share Capital	23.13	23.13	20.04	20.04	20.04
Share Capital Suspense	—	—	3.09	—	—
Reserves & Surplus	146.66	136.34	121.01	75.77	74.30
Net Worth	169.79	159.47	144.14	95.81	94.34
Borrowings	147.29	99.45	53.14	66.27	43.13
Deferred Tax Liabilities	11.24	9.47	6.73	—	—
Current Liabilities & Provisions	90.16	61.57	41.69	30.20	15.24
Total Liabilities	418.48	329.96	245.70	192.28	152.71
RATIOS					
Earnings per Ordinary Share (Rs.)	7.46	9.50	7.16	1.96	(2.08)
Cash Earnings per Ordinary Share(Rs.)	13.26	13.06	11.43	3.73	(0.24)
Net Worth per Ordinary Share (Rs.)	73.41	68.95	62.32	47.82	47.08



Directors' Report

TO THE SHAREHOLDERS

Your Directors have the pleasure of presenting their Annual Report, together with the Audited Annual Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL MATTERS

	Year Ended			
	31st March, 2008		31st March, 2007	
	Rupees in lacs	Rupees in lacs	Rupees in lacs	Rupees in lacs
Gross Income		57154.15		44033.02
Profit before Interest, Depreciation and Tax		5488.40		4886.12
Interest		1480.17		664.78
Profit before Depreciation and Tax		4008.23		4221.34
Depreciation and Amortisations	1342.45		823.48	
Current Income Tax	730.00		890.00	
Excess Provision for Taxation written-back	(23.36)		—	
Taxes for earlier years				
Minimum Alternate Tax (MAT)	80.00		—	
Less: MAT Credit Entitlement	(80.00)		—	
Deferred Tax Charge	192.75		273.47	
Fringe Benefit Tax	40.00	2281.84	37.00	2023.95
Net Profit		1726.39		2197.39
Surplus brought forward from previous year		2461.69		1163.77
Total amount available for appropriation		4188.08		3361.16
Appropriation				
Proposed Dividend	555.13		555.13	
Corporate Dividend Tax	94.34		94.34	
Transfer to General Reserve	250.00	899.47	250.00	899.47
Surplus carried to Balance Sheet		3288.61		2461.69

DIVIDEND

Your Directors are pleased to recommend for your consideration a dividend of Rs. 2.40 per share (i.e. 24%) on 23130254 Equity Shares of Rs. 10/- each for the year ended 31st March, 2008.

GENERAL & CORPORATE MATTERS

The Company has created a new milestone during the year under review by recording the highest ever Gross Income of Rs. 571.54 Crores. Comparing with last year there has been a topline growth of 30%.

In the current market scenario when sectors like power and infrastructure are experiencing great capex infusion, the cable industry is quite sanguine for significant growth in demand in the years to come. Your company, being one of the most trusted in the industry because of its product quality has a well defined strategy to tap the market in an aggressive manner for retaining its leadership position.

Your company has always been in search for the latest technologies and innovations in order to strengthen its product line and quality image and in pursuit of this had undertaken The Technological Upgradation-cum-Expansion Project using Vertical Continuous Vulcanization (VCV) process for the first time in India for manufacture of XLPE Power Cables upto 400 kV. This process has stabilised with excellent product quality and the Company is now aiming larger business

volumes in Extra High Voltage (EHV) cable arena for which constant concentrated efforts are being taken. The Company has been successful in getting its 220 kV Cable Samples tested at CPRI, Bangalore. This being the first successful 220 kV Cable Type Test in India is a matter of pride for the Company as well as the Nation. This has unveiled a new roadmap for the Company to tap the emerging 220 kV Power Cable market. The Company has started getting orders for 220 kV cable including a turnkey project, which are under execution.

The ongoing technology transfer from Furukawa Electric Co. Ltd., Japan has put the Company on the forefront of Technical advancements in the Power Cable Industry.

Your Company is now fully equipped to provide complete solution in EHV underground power cable transmission system including design, manufacturing, laying, cable jointing and installation.

Foreseeing surge in the demand for MV & EHV Power Cables, the Company is now going for another Technology Upgradation-cum-Expansion Project for manufacture of XLPE underground power cables by using HV-CCV process. The project is expected to commence commercial production by December, 2009. This will increase the Company's market share in MV & EHV XLPE Power Cable segment.

During the year under review, your company has consolidated its position within India for supply of Optical Fibre and has been able to get approval as vendor from most of the telecom operators. The continued surge in demand for Optical Fibre cable, coupled together with increase in the average fibre count of cable requirements, has helped your company to increase the sales volumes substantially. Similar trend of strong demand is expected to continue and with the Capacity already tripled to 1.5 Million Fibre KMs per annum during the year, the company is expected to reap further benefits.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement(s) with the Stock Exchanges, Management Discussion and Analysis, Corporate Governance Report and Certificate by Chief Mentor & Manager (CEO) confirming compliance by all the Board members and Senior Management Personnel with Company's Code of Conduct and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of the Annual Report.

RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors to the best of their knowledge and belief and according to the information and explanation obtained by them, state that:

- ◆ in the preparation of the Annual Accounts for the year ended 31st March, 2008, the applicable accounting standards have been followed;
- ◆ the Company has selected such accounting policies, applied them consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year 2007-08 and of the profit for the year ended 31st March, 2008;
- ◆ proper and sufficient care have been taken 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; and
- ◆ the attached Annual Statement of Accounts for the year ended 31st March, 2008 have been prepared on a 'going concern' basis.

INDUSTRIAL RELATIONS & SAFETY

Industrial relations remained by and large cordial during the year.

DIRECTORS

Shri R.S. Lodha, Shri S.N. Prasad and Shri S.S. Kothari retire 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 for the financial year 2008-2009.

M/s Satish Dhume & Co., Chartered Accountants, Panaji, Goa retire as Branch Auditors of the Company and being eligible, offer themselves for re-appointment as Branch Auditors of the Company to audit the accounts in respect of Optical Fibre Goa Unit for the financial year 2008-2009.



M/s D. Sabyasachi & Co., Cost Accountants, have been appointed as Cost Auditors on 29th January, 2008 for the financial year 2008-2009.

JOINT VENTURE

While the market conditions are not very much favourable, Birla Ericsson Optical Limited, a venture promoted by your Company in association with Vindhya Telelinks Limited and Ericsson Cables AB, Sweden has shown reasonably good performance during the year under review.

PARTICULARS OF EMPLOYEES

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


ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956 and the Rules made thereunder, the concerned particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo are given in Annexure 'B' which is attached hereto and forms a part of the Directors' Report.

ACKNOWLEDGEMENT

The Board of Directors would like to thank the Shareholders, all employees of the Company, customers, suppliers and bankers for their continued support.

Yours faithfully,

	R.S.Lodha	<i>Chairman</i> <i>Directors</i>
	H.V.Lodha	
	S.C.Jain	
	S.S.Kothari	
	S.R.Jain	
	J.C.Sharma	
	Dinesh Chanda	

New Delhi, 7th May, 2008