



UNIVERSAL CABLES LIMITED

ANNUAL REPORT 2008-2009

DIRECTORS

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

AUDIT COMMITTEE

DR. S.R. JAIN *Chairman*
SHRI S.S. KOTHARI
SHRI J.C. SHARMA
SHRI DINESH CHANDA

CHIEF EXECUTIVE OFFICER

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-Fourth 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 Thursday, the 6th August, 2009 to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 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 Dr. S.R. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S.C. Jain, 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.

SPECIAL BUSINESS:

7. To consider and, if thought fit, to pass, with or without modification, the following resolutions as an **Ordinary Resolution**:

"RESOLVED THAT Shri D.R. Bansal be and is hereby re-appointed as a Managerial Personnel with the designation of Chief Executive Officer (CEO) of the Company within the meaning of Section 2 (24) read with Sections 269 (1) and 386 (2) of the Companies Act, 1956 for a further period of 3 (three) years with effect from 5th May, 2009, who is, subject to the superintendence, control and direction of the Board of Directors of the Company, entrusted with the management of the whole, or substantially the whole, of the affairs of the Company.

FURTHER RESOLVED THAT pursuant to 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 CEO, following remuneration and perquisites, viz:

- (a) **Basic Salary:** Rs. 160000/- (Rupees One Lac Sixty 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 CEO 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 CEO 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 CEO 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 CEO of the Company, Shri D.R. Bansal is also the Managing Director of a joint venture company viz. Birla Ericsson Optical Ltd. 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 above limits may be revised at any time by the Board of Directors, such that the aggregate of the salary and perquisites/allowances 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 CEO 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

11th May, 2009

NOTES:

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is 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 Friday, the 31st July, 2009 to Thursday, the 6th August, 2009 (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 Link Intime India Pvt. Ltd. (Erstwhile 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, 2005 onwards, are therefore requested immediately to write to the Company or Company's Registrar and Share Transfer Agents, viz. M/s Link Intime India Pvt. 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 Link Intime India Pvt. 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 STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM No. 7

The present terms of office of Shri D.R. Bansal as Chief Mentor & Manager has expired on 4th May, 2009. The Board of Directors of the Company at its meeting held on 29th January, 2009 has re-appointed Shri D.R. Bansal as Managerial Personnel with the designation of Chief Executive Officer (CEO) of the Company, for a further period of 3 (Three) years with effect from 5th May, 2009 on the remuneration determined by the Board, subject to the approval of Shareholders in General Meeting. The broad particulars of remuneration and perquisites payable to Shri D.R. Bansal as approved by the Board of Directors have been given in the proposed resolution under this item.

Hence, in compliance with schedule XIII and all other applicable provisions 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

11th May, 2009



ANNEXURE TO NOTICE

Details of Directors seeking appointment/re-appointment in the ensuing Annual General Meeting scheduled to be held on 6th August, 2009.

| | |
|---|--|
| 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 5 th 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 and 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 Direct 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. Birla Ericsson Optical Ltd. Fenner (India) Ltd. Hindustan Gum & Chemicals 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 and Shareholders'/Investors' Grievance Committee of Birla Corporation Ltd. – Investors Grievance Committee of Alfred Herbert (India) Ltd. Member – Audit Committee of Fenner India Ltd. |
| Shareholding of the Non-Executive Director | 7950 Shares |
| Relationship between Directors inter-se | None |

| | |
|---|--|
| 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 Consteeel India (P) Ltd., a Consultancy Company based in Delhi. |

List of outside Directorships held*

Neelachal Ispat Nigam Ltd.
OCL India Ltd.
OCL Iron & Steel Ltd.

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

Chairman – Audit Committee.

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

Member – Audit Committee of OCL India Ltd. & Neelachal Ispat Nigam Ltd.

Shareholding of the Non-Executive Director

100 Shares

Relationship between Directors inter-se

None

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 – 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

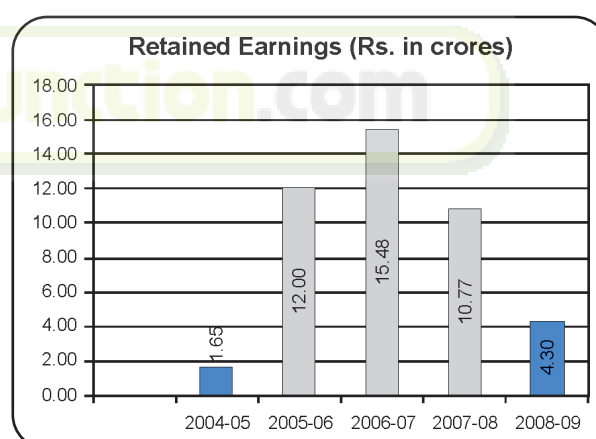
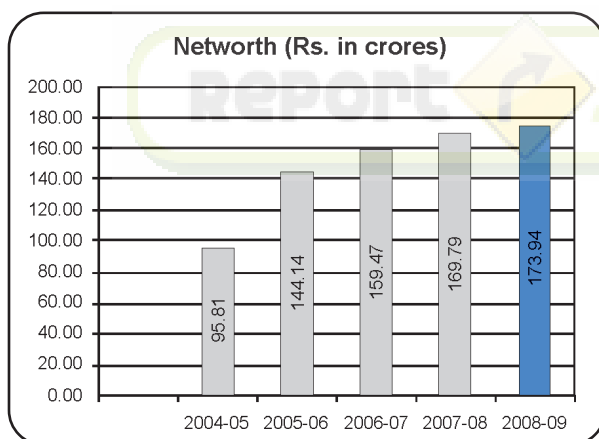
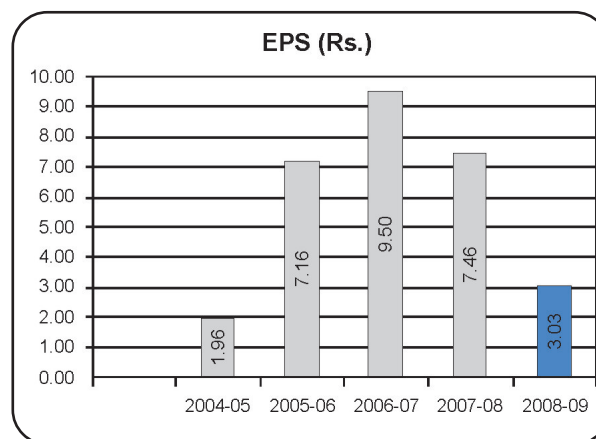
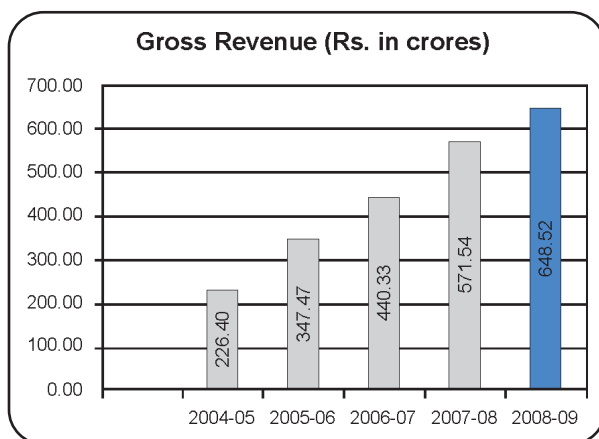
Relationship between Directors inter-se

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



Five Years at a Glance

(Rs. in crores)

| Particulars | Year | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2004-05 |
| OPERATING RESULTS | | | | | |
| Turnover | 635.94 | 562.96 | 433.27 | 343.13 | 224.95 |
| Other Income | 12.58 | 8.58 | 7.06 | 4.34 | 1.45 |
| Gross Revenue | 648.52 | 571.54 | 440.33 | 347.47 | 226.40 |
| Profit before Interest, Depreciation & Tax | 47.97 | 54.88 | 48.86 | 37.60 | 15.53 |
| Interest | 20.23 | 14.80 | 6.65 | 4.96 | 4.03 |
| Profit before Depreciation & Tax | 27.74 | 40.08 | 42.21 | 32.64 | 11.50 |
| Depreciation | 16.49 | 13.42 | 8.24 | 6.33 | 3.54 |
| Amortisation of Voluntary Retirement Compensation | — | — | — | — | 1.16 |
| Income Tax(including tax for earlier years) | 4.63 | 7.30 | 8.90 | — | 0.35 |
| Deferred Tax Charge/(Credit) (including credit for earlier years) | (0.75) | 1.93 | 2.73 | 9.32 | 2.52 |
| Fringe Benefit Tax | 0.37 | 0.40 | 0.37 | 0.42 | — |
| Excess Provision for Tax written back | — | (0.23) | — | — | — |
| Net Profit | 7.00 | 17.26 | 21.97 | 16.57 | 3.93 |
| Dividend | 2.31 | 5.55 | 5.55 | 4.01 | 2.00 |
| Corporate Dividend Tax | 0.39 | 0.94 | 0.94 | 0.56 | 0.28 |
| Retained Earnings | 4.30 | 10.77 | 15.48 | 12.00 | 1.65 |
| Cash Earnings | 23.49 | 30.68 | 30.21 | 22.90 | 7.47 |
| ASSETS & LIABILITIES | | | | | |
| Fixed Assets | | | | | |
| Gross Block | 271.61 | 256.95 | 226.88 | 164.65 | 125.23 |
| Net Block | 144.01 | 145.29 | 125.56 | 69.39 | 38.51 |
| Investments | 28.33 | 28.33 | 28.33 | 28.33 | 32.35 |
| Deferred Tax Assets | — | — | — | — | 0.81 |
| Current & Other Assets | 245.37 | 244.86 | 176.07 | 147.98 | 120.61 |
| Total Assets | 417.71 | 418.48 | 329.96 | 245.70 | 192.28 |
| Represented by : | | | | | |
| Share Capital | 23.13 | 23.13 | 23.13 | 20.04 | 20.04 |
| Share Capital Suspense | — | — | — | 3.09 | — |
| Reserves & Surplus | 150.81 | 146.66 | 136.34 | 121.01 | 75.77 |
| Net Worth | 173.94 | 169.79 | 159.47 | 144.14 | 95.81 |
| Borrowings | 126.67 | 147.29 | 99.45 | 53.14 | 66.27 |
| Deferred Tax Liabilities | 10.49 | 11.24 | 9.47 | 6.73 | — |
| Current Liabilities & Provisions | 106.61 | 90.16 | 61.57 | 41.69 | 30.20 |
| Total Liabilities | 417.71 | 418.48 | 329.96 | 245.70 | 192.28 |
| RATIOS | | | | | |
| Earnings per Ordinary Share (Rs.) | 3.03 | 7.46 | 9.50 | 7.16 | 1.96 |
| Cash Earnings per Ordinary Share (Rs.) | 10.16 | 13.26 | 13.06 | 11.43 | 3.73 |
| Net Worth per Ordinary Share (Rs.) | 75.20 | 73.41 | 68.95 | 62.32 | 47.82 |



Directors' Report

TO THE SHAREHOLDERS

Before presenting the Audited Accounts, Directors express their profound sorrow and immense grief on the sudden and untimely demise of Shri R.S. Lodha, Chairman of the Board of Directors, who left for his heavenly abode on 3rd October, 2008. Shri R.S. Lodha was not only a distinguished industrialist but also a charismatic leader, a great philanthropist and a visionary, who dedicated himself towards furthering the growth of the M.P. Birla Group of Companies, in addition to personally leading from the front, charitable and philanthropic activities in the fields of healthcare and education. His vision continues to participate in every act, thought and decision that we make. The imprint of his personality continues to guide our day to day working style and we continue to find comfort and solace in the fact that our lives have been enriched by the opportunity to have shared some of his knowledge and vision.

The Directors gratefully place on record the appreciation of his services.

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, 2009.

FINANCIAL MATTERS

| | Year Ended | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 31st March, 2009 | | 31st March, 2008 | |
| | Rupees in lacs | Rupees in lacs | Rupees in lacs | Rupees in lacs |
| Gross Income | | 64852.48 | | 57154.15 |
| Profit before Interest, Depreciation and Tax | | 4796.98 | | 5488.40 |
| Interest | | 2023.15 | | 1480.17 |
| Profit before Depreciation and Tax | | 2773.83 | | 4008.23 |
| Depreciation and Amortisation | 1648.47 | | 1342.45 | |
| Current Income Tax | 365.00 | | 730.00 | |
| Excess Provision for Taxation written-back | — | | (23.36) | |
| Taxes for earlier years | 98.26 | | — | |
| Minimum Alternate Tax (MAT) | — | | 80.00 | |
| Less: MAT Credit Entitlement | — | | (80.00) | |
| Deferred Tax (Credit) for earlier years | (104.69) | | — | |
| Deferred Tax Charge | 30.19 | | 192.75 | |
| Fringe Benefit Tax | 36.55 | 2073.78 | 40.00 | 2281.84 |
| Net Profit | | 700.05 | | 1726.39 |
| Surplus brought forward from previous year | | 3288.61 | | 2461.69 |
| Total amount available for appropriation | | 3988.66 | | 4188.08 |
| Appropriation | | | | |
| Proposed Dividend | 231.30 | | 555.13 | |
| Corporate Dividend Tax | 39.31 | | 94.34 | |
| Transfer to General Reserve | 150.00 | 420.61 | 250.00 | 899.47 |
| Surplus carried to Balance Sheet | | 3568.05 | | 3288.61 |

DIVIDEND

Your Directors are pleased to recommend for your consideration a dividend of Rs. 1.00 per share (i.e. 10%) on 23130254 Equity Shares of Rs. 10/- each for the year ended 31st March, 2009.



GENERAL & CORPORATE MATTERS

The Company has created yet another milestone by recording the highest ever Gross Income of Rs.648.52 Crores with a growth of around 13%.

From volatile capital markets and frozen credit to plunging commodity prices and widespread recession, the economic developments of the year were a challenge to the Company.

It was a landmark year as the Company successfully executed orders for supply of 220 kV Cables. The initiative taken by the Company two years back by way of undertaking the Technological Upgradation-cum-Expansion Project using Vertical Continuous Vulcanization (VCV) process for manufacture of Extra High Voltage (EHV) Cables including the technology transfer from The Furukawa Electric Co. Ltd., Japan has started paying off well. The Company has during the year achieved significant increase in the volumes in EHV Cables, which is a segment with better margins. It is mainly due to this reason that the Company has been able to do reasonably well in the otherwise economically unfavourable environment.

The Company will continue to focus on long-term trends that it believes will transcend this period of economic turmoil. While the financial year 2009-2010 will not be easy, we believe that the Company is strong today than at any time in its history. The Company firmly believes that if you have laid the proper groundwork and have the right toolset, adversity can be a source of great opportunity. The Company has the right people, the right culture, the right products and is serving the right markets. The Company will continue to think long-term while quietly adjusting to the current environment.

The Company has laid out plans to further strengthen its Contracts Division, which is critical for providing turnkey solution in EHV underground power cable transmission system including laying, cable jointing and installation.

Looking into the global economic uncertainties and changed market dynamics, the Company has, for the time being, put the new expansion on hold with a decision to review it again when the overall market scenario improves. As an alternate, the Company is exploring other cost-effective opportunities to increase its capacity for EHV Cables.

Your Company has added another feather in the cap during the year under review by successfully obtaining the Certification for Standard OHSAS 18001:2007 which is an international recognition to the excellent Management System in place in respect of Occupational Health & Safety.

The Company is proud to announce the signing of a Joint Venture Agreement on 11th April, 2009, for the incorporation, establishment and operation of a Joint Venture Company (JVC) in India in technical and financial collaboration with The Furukawa Electric Co. Ltd., Japan for manufacture of Optical Fibre and allied businesses.

This tie-up will have far reaching implications for the Indian optical fibre market and is likely to become a key driving force in India based on high quality standards of products, technology and innovation. The new JVC aims to accelerate both the partners' strategic plans of attaining important position in the market with the underlying objective of providing world class products to the customers in India through state-of-the-art manufacturing facility and a platform to further invest and grow in this region.

As per the Agreement, JVC shall have 55% shareholding by the Company and its affiliates and 45% by Furukawa and its affiliates.

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 Executive Officer (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, 2009, 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 2008-09 and of the profit for the year ended 31st March, 2009;
- ◆ 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