

UNI[★]STAR[®]



UNIVERSAL CABLES LTD.

**Annual Report & Accounts
for the Year Ended
31st March 2011**





UNIVERSAL CABLES LIMITED

ANNUAL REPORT 2010-2011

DIRECTORS

SHRI HARSH V. LODHA

Chairman

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

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE

P.O. BIRLA VIKAS,
SATNA - 485 005 (M.P.)

PHONE : + 91 7672 - 257121 to 27, 414000

E-mail : headoffice@unistar.co.in

Website : www.unistar.co.in

IS / ISO 9001:2000



IS / ISO 14001



SA 8000 : 2008



Notice

TO THE SHAREHOLDERS

NOTICE is hereby given that the Sixty-Sixth 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 Tuesday, the 2nd August, 2011 to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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 Harsh V. Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.S. Kothari, 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.

By order of the Board

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

Pankaj Kalani
President (Commercial) & Secretary

14th May, 2011

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 Wednesday, the 27th July, 2011 to Tuesday, the 2nd August, 2011 (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 Link Intime India Pvt. 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, 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.

6. Additional information pursuant to Clause 49 of the Listing Agreement(s) with Stock Exchanges, on Directors recommended for 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 Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.
8. Members who are holding shares in electronic mode are requested to ratify/update their Bank Account details immediately with their respective Depository Participants for availing the ECS facility for receiving dividend.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to notify their e-mail address to the Registrar and Share Transfer Agents viz. M/s Link Intime India Pvt. Ltd. (Unit : Universal Cables Limited), C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, E-mail ID : **universalcablesogreen@linkintime.co.in** quoting the Folio Number and name of the Company. Such registration of e-mail address can also be made with the Company at its Registered Office as per address mentioned above or at the E-mail ID : **greeninitiative@unistar.co.in**. Any changes in the E-mail address may also be communicated from time to time.



ANNEXURE TO NOTICE

Details of Directors seeking re-appointment in the ensuing Annual General Meeting scheduled to be held on 2nd August, 2011.

Name of Director	Shri Harsh V. Lodha
Date of Birth	13.02.1967
Date of appointment	24.04.1998
Expertise in specific functional areas	He is a Chartered Accountant and has served as Partner of M/s Lodha & Co., Chartered Accountants. 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 up 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. 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. Birla Furukawa Fibre Optics 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	None
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. – Audit Committee of Punjab Produce Holdings Ltd.
Shareholding of the Non-Executive Director	7950 Shares
Relationship between Directors inter-se	None

Name of Director	Shri S.S. Kothari
Date of Birth	25.03.1931
Date of appointment	26.10.2005
Expertise in specific functional areas	He is a graduate Engineer in Mechanical & Electrical streams from Banaras Hindu University. While working as Chief Executive in large Cement Plants at his young age, he also looked after the Commercial, Legal and Labour matters. At the age of 45, he chartered his own course by starting a consultancy organization in New Delhi, specially in Cement and Mineral Processing fields. He is very well known



in his field of operation and at present he is leading Cemtech Consultants Pvt. Ltd. which provides basic and detailed Design and Engineering to the cement industry and has successfully completed large Cement Project(s).

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
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 a 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'/Investor's 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 Agreement(s) and reflects the Membership/Chairmanship of the Audit Committee and Shareholders'/Investors' Grievance Committee alone of all other Public Limited Companies.

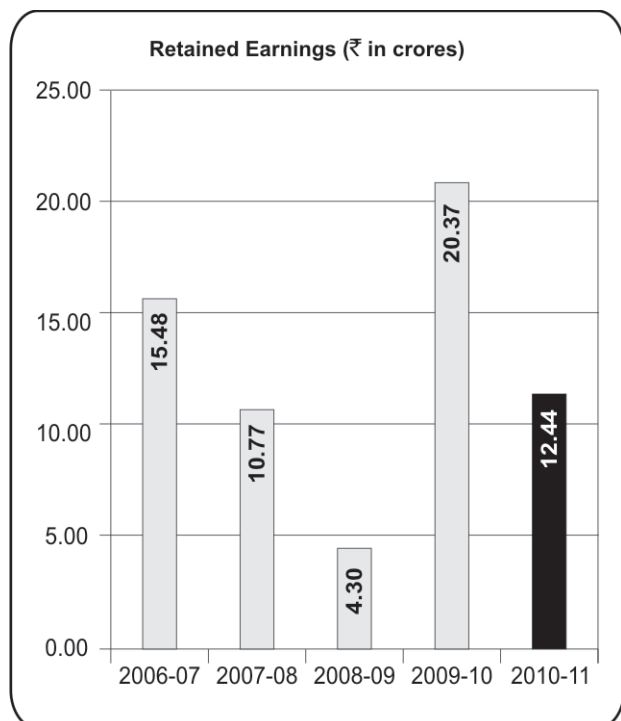
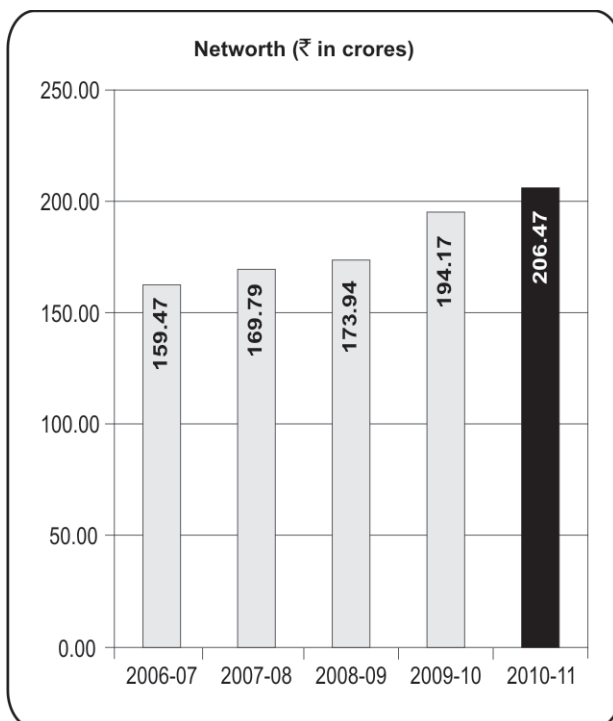
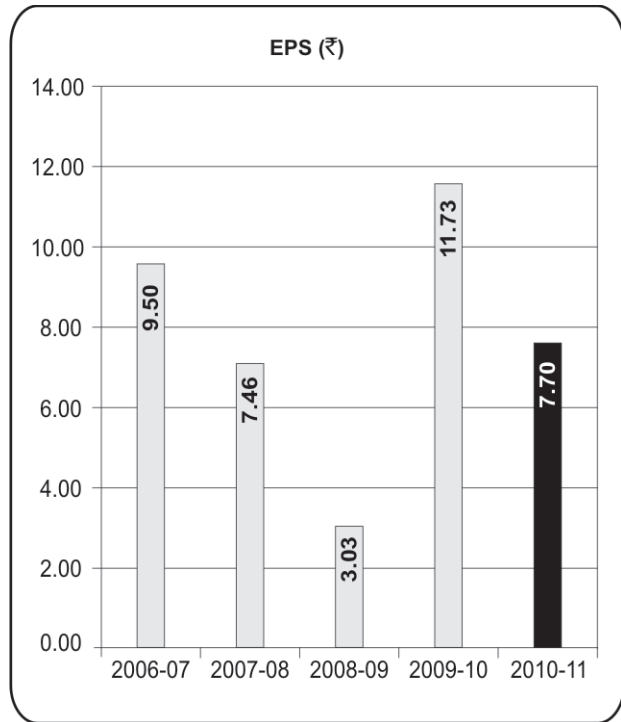
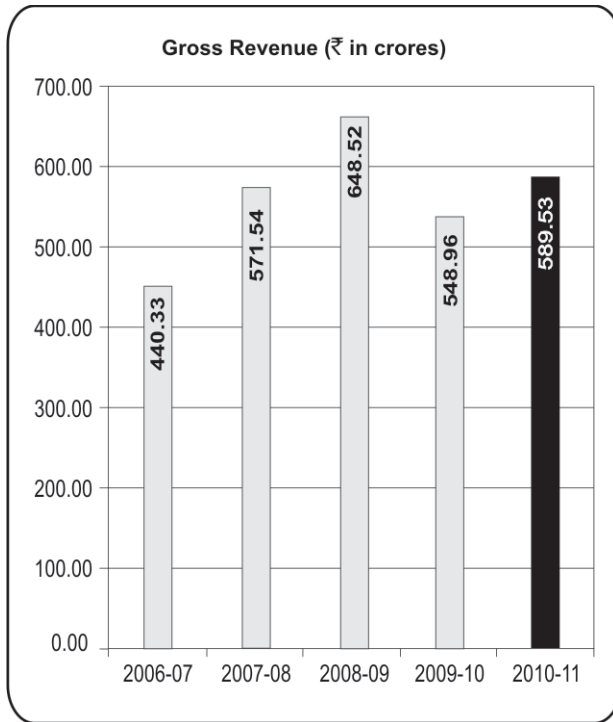
Five Years at a Glance

(₹ in crores)

Particulars	Year				
	2010-11	2009-10	2008-09	2007-08	2006-07
OPERATING RESULTS					
Turnover	574.98	527.61	640.91	562.96	433.27
Other Income	14.55	21.35	7.61	8.58	7.06
Gross Revenue	589.53	548.96	648.52	571.54	440.33
Profit before Interest, Depreciation & Tax	50.58	66.05	47.97	54.88	48.86
Interest	7.19	7.86	20.23	14.80	6.65
Profit before Depreciation & Tax	43.39	58.19	27.74	40.08	42.21
Depreciation	16.57	16.87	16.49	13.42	8.24
Income Tax (including tax for earlier years)	8.10	11.80	4.63	7.30	8.90
Deferred Tax Charge/(Credit) (including credit for earlier years)	0.92	2.43	(0.75)	1.93	2.73
Fringe Benefit Tax (including tax/(credit) for earlier years)	—	(0.05)	0.37	0.40	0.37
Excess Provision for Tax written back	—	—	—	(0.23)	—
Net Profit	17.80	27.14	7.00	17.26	21.97
Dividend	4.63	5.78	2.31	5.55	5.55
Corporate Dividend Tax	0.73	0.99	0.39	0.94	0.94
Retained Earnings	12.44	20.37	4.30	10.77	15.48
Cash Earnings	34.37	44.01	23.49	30.68	30.21
ASSETS & LIABILITIES					
Fixed Assets					
Gross Block	260.44	284.69	271.61	256.95	226.88
Net Block	144.82	144.04	144.01	145.29	125.56
Investments	50.74	50.74	28.33	28.33	28.33
Current & Other Assets	275.23	247.03	245.37	244.86	176.07
Total Assets	470.79	441.81	417.71	418.48	329.96
Represented by :					
Share Capital	23.13	23.13	23.13	23.13	23.13
Reserves & Surplus	183.34	171.04	150.81	146.66	136.34
Net Worth	206.47	194.17	173.94	169.79	159.47
Borrowings	159.22	134.25	125.62	147.29	99.45
Deferred Tax Liabilities	13.84	12.92	10.49	11.24	9.47
Current Liabilities & Provisions	91.26	100.47	107.66	90.16	61.57
Total Liabilities	470.79	441.81	417.71	418.48	329.96
Earnings per Ordinary Share (₹)	7.70	11.73	3.03	7.46	9.50
Cash Earnings per Ordinary Share (₹)	14.86	19.03	10.16	13.26	13.06
Dividend per Share (₹)	2.00	2.50	1.00	2.40	2.40
Net Worth per Ordinary Share (₹)	89.27	83.95	75.20	73.41	68.95



Key Financials at a Glance



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, 2011.

FINANCIAL MATTERS

Description	Amount (₹ in lacs)			
	Year Ended 31st March, 2011		Year Ended 31st March, 2010	
Gross Income		58952.76		54896.08
Profit before Interest, Depreciation and Tax		5057.70		6605.65
Interest		718.93		786.17
Profit before Depreciation and Tax		4338.77		5819.48
Depreciation and Amortisation	1656.83		1687.43	
Current Income Tax	810.00		1180.00	
Deferred Tax Charge	92.03		242.54	
Fringe Benefit Tax Credit for earlier years	—	2558.86	(4.68)	3105.29
Net Profit		1779.91		2714.19
Surplus brought forward from previous year		5305.71		3568.05
Total amount available for appropriation		7085.62		6282.24
Appropriation				
Proposed Dividend	462.61		578.26	
Corporate Dividend Tax	72.82*		98.27	
Transfer to General Reserve	250.00	785.43	300.00	976.53
Surplus carried to Balance Sheet		6300.19		5305.71

*Net of ₹ 2.23 lacs being excess provision written back for the previous year.

DIVIDEND

Your Directors are pleased to recommend for your consideration a dividend of ₹ 2/- per share (i.e. 20%) on 23130254 Equity Shares of ₹ 10/- each for the year ended 31st March, 2011.



GENERAL & CORPORATE MATTERS

The Company showed a 9% increase in Turnover from ₹ 527.61 crores in the previous year to ₹ 574.98 crores in the financial year 2010-2011.

The Company has further strengthened its position in the Extra High Voltage (EHV) Cable segment by installing the Second VCV Line in the same tower with technology from Furukawa Electric Co., Ltd.

The Company has also successfully completed the rigorous one-year long duration pre-qualification test on 200 kV Cable system at an International Laboratory, certified by world renowned KEMA, Netherland. This gives the Company a firm marketing ground and the status of being the only Company in India to achieve this feat.

Having enhanced its market share for EHV Cables upto 220 kV, the Company is preparing grounds for venturing into the 400 kV segment.

In line with the shift in the business model from supply contracts to total turnkey solutions, the Company has shored up its resources and taken measures to re-inforce its construction wing by mechanizing some process and on-site training of jointers.

The Company has once again won the EEPICINDIA Coveted Star Performer Silver Shield award in succession for the year 2008-2009 which has been announced during the year.

The Company has progressed well on the Capacitors front by developing new products for better value addition and has also increased the installed capacity by adding balancing equipments.

Pursuant to the Joint Venture Agreement with Furukawa Electric Co., Ltd., Japan, the Company has transferred/sold certain specified assets related to the manufacturing operations of Optical Fibre during the year. Consequently, the manufacturing of Optical Fibre was discontinued in the month of November, 2010.

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, 2011, 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 2010-11 and of the profit for the year ended 31st March, 2011;
- ◆ 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, 2011 have been prepared on a 'going concern' basis.

INDUSTRIAL RELATIONS & SAFETY

Industrial relations remained by and large cordial during the year.

DIRECTORS

Shri Harsh V. Lodha, Shri S.S. Kothari and Shri S.C. Jain retire by rotation and, being eligible, offer themselves for re-appointment.