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M.P. Birla GROUP

UNIVERSAL CABLES LTD.

Annual Report & Accounts
for the Year Ended 31st March 2013

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Syt. Madhav Prasadji Birla
(1918-1990)

Smt. Priyamvadaji Birla
(1928-2004)

Syt. Rajendra Singhji Lodha
(1942-2008)

Our source of Inspiration

UNIVERSAL CABLES LIMITED

ANNUAL REPORT 2012-2013

DIRECTORS

SHRI HARSH V. LODHA	*Chairman*
DR. S. R. JAIN	
SHRI S.S. KOTHARI	
SHRI S.C. JAIN	
SHRI J.C. SHARMA	
SHRI DINESH CHANDA	
SHRI D.R. BANSAL	*Chief Mentor & Executive Director*

AUDIT COMMITTEE

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

CHIEF EXECUTIVE OFFICER
SHRI Y.S. LODHA

COMPANY SECRETARY
SHRI AVANISH DWIVEDI

AUDITORS
V. SANKAR AIYAR & CO.
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

मानक: पथप्रदर्शक:

OHSAS 18001
BUREAU VERITAS
Certification

SA 8000 : 2008

Notice

TO THE SHAREHOLDERS

NOTICE is hereby given that the Sixty-Eighth Annual General Meeting of the Members of Universal Cables Limited will be held at the Registered Office of the Company at Birla Vikas, Satna (M.P.) on Tuesday, the 9th July, 2013 at 11.00 A.M. to transact the following business : -

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Harsh V. Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Dinesh Chanda, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Messrs V. Sankar Aiyar & Co., Chartered Accountants, the retiring auditors, as Statutory Auditors of the Company (including Goa Unit), to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, 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.

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

21st May, 2013

By order of the Board

(Avanish Dwivedi)
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF SUCH MEMBER. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.
2. Messrs Satish Dhume & Co., Chartered Accountants, the retiring branch auditors have given an intimation in writing expressing their inability to be re-appointed as branch auditors for the Company's Goa Unit. It is proposed that Messrs V. Sankar Aiyar & Co., Chartered Accountants, who are being re-appointed as Statutory Auditors of the Company, at the ensuing Annual General Meeting of the Company to be held on 9th July, 2013, be also entrusted with the responsibility of audit of the Company's Goa Unit for the financial year 2013-14. The Company has also received Special Notice of the proposed resolution to this effect pursuant to the provisions of Section 225 of the Companies Act, 1956 and the text of the Item No.4 of the Notice read together with this note may be treated as Notice thereof to the Members as required by Section 190 of the Companies Act, 1956.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, the 3rd July, 2013 to Tuesday, the 9th July, 2013 (both days inclusive).
4. Messrs Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 is the Registrar and Share Transfer Agent for physical shares of the Company. Link Intime India Pvt. Ltd. is also the depository interface of the Company with both NSDL and CDSL.
5. Members are requested to note that the Company's shares are under compulsory demat trading for all the investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
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, 2006 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 re-appointment at the forthcoming Annual General Meeting, are given in the Annexure to the Notice.
8. Members/Proxies are requested to deposit the Attendance Slip duly filled in and signed for attending the Meeting. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and, on a poll, to vote on their behalf at the Annual General Meeting. Members who hold shares in de-materialized form are requested to bring their DP I.D. and client I.D. No.(s) for easier identification of attendance at the meeting.

ANNEXURE TO NOTICE

Details of Directors seeking re-appointment in the ensuing Annual General Meeting scheduled to be held on 9th July, 2013.

Name of Director	**Shri Harsh V. Lodha**	**Shri Dinesh Chanda**
Date of Birth	13.02.1967	26.10.1936
Date of Appointment	24.04.1998	23.05.2007
Expertise in specific functional areas	He is an eminent 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 mobilization, 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. He is on Boards of several reputed Companies.	After doing B.Sc. from BHU in 1955, he did B.E. (Electrical) from University of Roorkee in 1958. He is a Life Member of Institution of Engineers (I) and also of Indian Institute of Welding. He is a Chartered Engineer (I) since July, 1995. In his professional career spanning over 46 years upto February, 2006, he contributed in Government/PSU and Private Sector Industries. He started his career with Tata Power Co. Ltd., Bombay and moved to U.P. State Electricity Board in a Hydel power project. Later on he held various positions in Bharat Heavy Electricals Ltd. and participated in technology transfer and absorption from Siemens, Germany for manufacture of 200 MW/500 MW thermal sets. He has been exposed to Production Planning and Control of Electrical Machines for 1½ years at USSR and Germany. He moved to Heavy Engineering Corporation Ltd., Ranchi and was Director on the Board for 6½ years. During his tenure, technology transfer in latest steel making techniques with SMS, Germany and heavy coal mining machinery from USA & U.K. and other equipment were absorbed. After this, he had 11 years long stint in cement production. Optimising energy consumption, introducing systems & debottlenecking for enhanced capacity was his key contribution. Throughout his career he has been an enabling, empowering and charismatic personality.
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. Vindhya Telelinks Ltd.	None
Chairman/Member of the Committee of the Board of Directors of the Company	None	Member - Audit Committee Member - Share Transfer and Shareholders'/Investors' Grievance Committee

Chairman/Member of the Committee of the Board of Directors of other Public Companies	Chairman - 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.	None
Shareholding of the Non-Executive Director	7950 Shares	150 Shares
Relationship between Directors inter-se	None	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 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.

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

21st May, 2013

By order of the Board

(Avanish Dwivedi)
Company Secretary

Important Communication to Members

In support of the 'Green Initiative' taken up by the Ministry of Corporate Affairs which permits companies to send documents like General Meeting Notices, Annual Reports, etc., to its members in electronic form, the Company has decided to send all permitted communications electronically to the preferred email addresses of its Members. We request all esteemed Members to register/update email addresses with their respective Depository Participants in case of shares held in dematerialized form and in case of shares held in physical form, with Registrar & Share Transfer Agents Messrs 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: **universalcablesgogreen@linkintime.co.in**, quoting the Folio Number and name of the Company. Such registration/updation 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**.

Five Years at a Glance

(₹ in crores)

Particulars	Year				
	2012-13	2011-12	2010-11	2009-10	2008-09
OPERATING RESULTS					
Revenue from Operations/Turnover	684.72	673.19	576.18	527.61	640.91
Other Income	8.19	8.44	15.15	21.35	7.61
Gross Revenue	**692.91**	**681.63**	**591.33**	**548.96**	**648.52**
Profit before Interest, Depreciation & Tax	33.50	17.75	54.35	66.05	47.97
Finance Costs/Interest	25.68	23.97	10.96	7.86	20.23
Profit/(Loss) before Depreciation & Tax	**7.82**	**(6.22)**	**43.39**	**58.19**	**27.74**
Depreciation	14.77	14.81	16.57	16.87	16.49
Tax Expense/(Credit)	(2.33)	(7.10)	9.02	14.18	4.25
Net Profit/(Loss)	**(4.62)**	**(13.93)**	**17.80**	**27.14**	**7.00**
Dividend	-	-	4.63	5.78	2.31
Corporate Dividend Tax	-	-	0.73	0.99	0.39
Retained Earnings	**(4.62)**	**(13.93)**	**12.44**	**20.37**	**4.30**
Cash Earnings	**10.15**	**0.88**	**34.37**	**44.01**	**23.49**
ASSETS & LIABILITIES					
Fixed Assets					
Gross Block	284.51	262.97	260.44	284.69	271.61
Net Block	142.56	135.19	144.82	144.04	144.01
Investments	50.74	50.74	50.74	50.74	28.33
Current & Other Assets	388.33	274.50	264.02	247.03	245.37
Total Assets	**581.63**	**460.43**	**459.58**	**441.81**	**417.71**
Share Capital	23.13	23.13	23.13	23.13	23.13
Reserves & Surplus	164.69	169.35	183.34	171.04	150.81
Net Worth	**187.82**	**192.48**	**206.47**	**194.17**	**173.94**
Borrowings	211.83	164.57	147.38	134.25	125.62
Deferred Tax Liabilities	4.06	6.40	13.84	12.92	10.49
Current Liabilities & Provisions	177.92	96.98	91.89	100.47	107.66
Total Liabilities	**581.63**	**460.43**	**459.58**	**441.81**	**417.71**
Earnings per Ordinary Share (₹)	(2.00)	(6.02)	7.70	11.73	3.03
Cash Earnings per Ordinary Share (₹)	4.39	0.38	14.86	19.03	10.16
Dividend per Share (₹)	-	-	2.00	2.50	1.00
Net Worth per Ordinary Share (₹)	81.20	83.22	89.27	83.95	75.20

Directors' Report

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting their Annual Report, together with the Audited Financial Statements of the Company for the year ended 31st March, 2013.

FINANCIAL MATTERS

Description	Amount (₹ in lacs)			
	Year Ended 31st March, 2013		Year Ended 31st March, 2012	
Gross Income		**69290.58**		68161.81
Profit before Interest, Depreciation and Tax		**3350.36**		1775.12
Finance Cost		**2568.64**		2397.26
Profit/(Loss) before Depreciation and Tax		**781.72**		(622.14)
Depreciation and Amortization	**1476.88**		1481.01	
Earlier Year Taxes	**1.20**		34.16	
Deferred Tax (Credit)	**(234.09)**	**1243.99**	(744.30)	770.87
(Loss) for the year		**(462.27)**		(1393.01)
Surplus brought forward from previous year		**4907.18**		6300.19
Surplus carried to Balance Sheet		**4444.91**		4907.18

In view of the loss, your Directors regret their inability to recommend any dividend for the year under consideration.

GENERAL & CORPORATE MATTERS

Despite stiff competition during the year under review, your Company has been able to register slightly higher gross revenue at ₹ 692.91 crores as compared to ₹ 681.62 crores for the previous fiscal.

In terms of EBIDTA also, the Company witnessed significant improvement at ₹ 33.50 crores as compared to ₹ 17.75 crores for the previous year.

Although the increase in overall revenue, has helped the Company to contain its net loss at ₹ 4.62 crores as against ₹ 13.93 crores for the year 2011-12, intense competition leading to compromise in margins, longer working capital cycle due to financial strife faced by the ultimate customers in the power sector, higher finance costs on account of liquidity crunch and elevated input prices have hindered resilience of the Company to overcome its subdued performance in the previous fiscal.

The power sector which is inextricably intertwined with the country's economic development still remains a weak spot. Despite major reforms in place, the power sector, being plagued with multifaceted problems such as fuel scarcity, shortage of equipments, infrastructural constraints, etc. has been perennially lagging behind its target, thereby exposing the economic development to a major risk. The hydrocarbon fuel linkage for the power plants, which is the mainstay for conventional power, is in a diabolic state. Even the nuclear energy remains shrouded with uncertainties. In this sector, the Industry does not see any cataclysmic change in the immediate future. There is an air of uncertainty of the industry either re-entering into recession or enduring a prolonged period of low demand growth.

Though the economy is on low ebb, there is a silver lining of a good potential that imminently lies ahead for meeting the rising per capita energy demand which gives the industry a redeeming hope of a sustainable demand spiral. Economic recession is no stranger to the Company, it has passed through cyclical phases of low demand where the Company has shown indefatigable spirit, resilience and unending zest to emerge as a strong player.

The Company in its quest for future products deserves the credit for developing 400kV cable, the highest achieved level in the world for underground cables, which has a promising future for power sub-transmission networks. This achievement is the first of its kind by an Indian manufacturer. This development inarguably pitchforks the Company into the top echelon of global players.

The Company's Capacitor Division is also progressing well and growing by developing new products for better value addition.

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 the Chief Mentor & Executive Director 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 attached hereto and forms part of this Directors' Report.

DIRECTORS' 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, 2013, 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 2012-13 and of the loss for the year ended 31st March, 2013;
- 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 Accounts for the year ended 31st March, 2013 have been prepared on a 'going concern' basis.

INDUSTRIAL RELATIONS & SAFETY

Industrial relations remained by and large cordial during the year.

DIRECTORS

The Board of Directors of the Company at its meeting held on 3rd May, 2012 had appointed Shri D.R. Bansal as the Chief Mentor & Executive Director of the Company for a period of 3 (Three) years with effect from 5th May, 2012 to 4th May, 2015 for which requisite approvals including from shareholders of the Company vide a Special Resolution passed at the Annual General Meeting held on 28th June, 2012 and the Central government have been obtained.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Harsh V. Lodha and Shri Dinesh Chanda, the Directors, are due to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Details about Directors seeking re-appointment are given in the Notice of the ensuing Annual General Meeting which is being sent to the Shareholders along with the Annual Report.

Shri S.N. Prasad, a Director of the Company has left for his heavenly abode on 13th December, 2012.

Shri S.K. Daga acted as Alternate Director to Shri S.N. Prasad till 13th December, 2012, when he vacated the office of the Alternate Director upon the sad demise of Shri S.N. Prasad.

Shri S.P. Tamrakar acted as Alternate Director to Shri Dinesh Chanda, till he vacated the office under section 313(2) of the Companies Act, 1956 with effect from 31st October, 2012.

AUDITORS

Messrs V. Sankar Aiyar & Co., Chartered Accountants, retire as Auditors of the Company and being eligible offer themselves for re-appointment for the financial year 2013-2014.

Messrs Satish Dhume & Co., Chartered Accountants, Panaji, Goa the retiring branch auditors at the ensuing Annual General Meeting have given an intimation in writing expressing their inability to be re-appointed as branch auditors for the Company's Goa Unit. Your Directors recommend that Messrs V. Sankar Aiyar & Co., Chartered Accountants who are being re-appointed