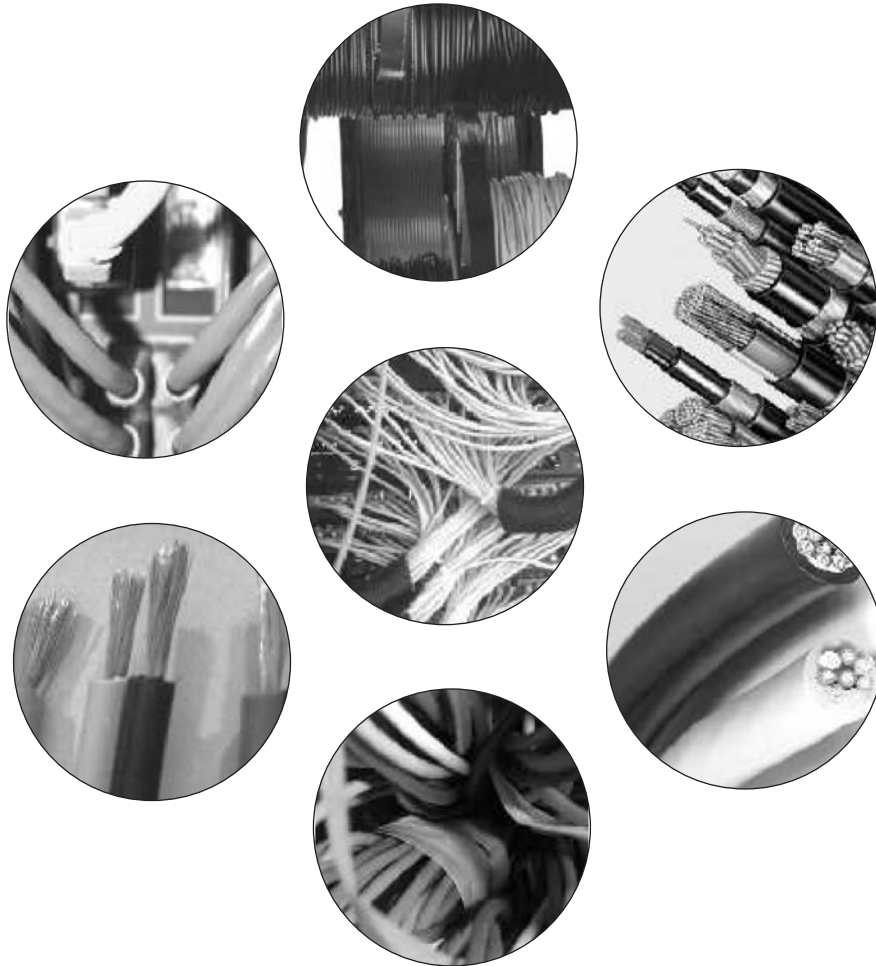


# UNIFLEX CABLES LTD.



**21st Annual Report 2010-11**





**BOARD OF DIRECTORS**

Dr. Narendra D. Desai  
*(Chairman)*  
Shri Kushal N. Desai  
Shri Chaitanya N. Desai  
Shri F. B. Virani  
Shri H. N. Shah  
Dr. N. K. Thingalaya  
Shri S. K. Kinra (w.e.f. 03/01/2011)

**MANAGER & COO**

Shri V. K. Bajaj

**COMPANY SECRETARY**

Shri M. C. Bhalawat

**AUDIT COMMITTEE**

Shri H. N. Shah  
*(Chairman)*  
Shri F. B. Virani  
Shri C. N. Desai  
Shri S. K. Kinra (w.e.f. 03/01/2011)

**BANKERS**

Indian Bank  
Syndicate Bank

**AUDITORS**

M/s Rashmi Zaveri & Co.  
*(Chartered Accountants)*  
Arham, Ground Floor, Suit No. 2,  
Plot No. 266, Near Gandhi Market,  
Sion (E),  
Mumbai - 400 022

**REGISTERED OFFICE**

Apar House, Bldg. No. 5,  
Corporate Park,  
Sion-Trombay Road,  
Chembur,  
Mumbai - 400 071  
Tel. : (022) 25263400 / 67800400  
Fax : (022) 2524 6326

**WORKS**

Plot No. 158 to 163 and 153, GIDC,  
Umbergaon - 396171  
Distt. Valsad (Gujarat)  
Tel. : (0260) 2562412  
Fax : (0260) 2562950

**EMAIL**

info@uniflex.in

**WEBSITE**

www.unicab.com

**REGISTRAR & TRANSFER AGENT**

M/s Karvy Computershare Pvt. Ltd.  
Plot No. 17 to 24, Vithal Rao Nagar,  
Madhapur,  
Hyderabad - 500 081  
Tel : 040 - 23420815 to 28  
Fax : 040 - 23420814 / 23420857  
E-mail : mailmanager@karvy.com  
Website : www.karvycomputershare.com

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## NOTICE

**NOTICE** is hereby given that the 21st Annual General Meeting of the Shareholders of **UNIFLEX CABLES LIMITED** will be held at Mysore Association Hall, Matunga Circle, Near Maheshwari Udyan, Matunga, Mumbai - 400 019 on Thursday, the 25<sup>th</sup> day of August, 2011 at 3.00 P.M. to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt Balance Sheet as at 31<sup>st</sup> March, 2011 and the Profit & Loss Account for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Dr. Narendra D. Desai, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri H. N. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration

### SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass with or without modification, the following resolution as **Special Resolution** :

**"RESOLVED THAT** subject to the sanction of the Board for Industrial and Financial Reconstruction (BIFR) under the provision of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) / or any such concerned authority, a Draft Rehabilitation Scheme (DRS) envisaging Amalgamation of the Company (UCL), with Apar Industries Ltd., Holding Company (AIL) as laid before the meeting, be and is hereby approved and the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this Resolution) be authorized to accept such alterations and modifications in the said DRS as may be stipulated or required by BIFR / or any such concerned authority, Operating Agency, State or Central Government authorities and other concerned persons if any, while sanctioning or participating in the Rehabilitation Scheme by way of Amalgamation and / or granting such approvals, if any required in connection therewith, which the Board may deem fit and in the interest of the Company and to do all such acts, deeds, things and matters as may be necessary to give effect to the said DRS."

### Registered Office :

**Apar House, Bldg. No. 5,  
Corporate Park,  
Sion-Trombay Road,  
Chembur,  
Mumbai - 400 071**

**Place : Mumbai  
Date : 26<sup>th</sup> May, 2011**

**By Order of the Board  
M. C. BHALAWAT  
(Company Secretary)**

### NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY NEED NOT BE A MEMBER. THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME APPOINTED FOR THE MEETING.**
2. The Register of Members and Share Transfer Books for the Equity Shares of the Company shall remain closed from Monday, the 22<sup>nd</sup> day of August, 2011 to Thursday, the 25<sup>th</sup> day of August, 2011 (both days inclusive).
3. Members desirous of obtaining information / details about the accounts are requested to write to the Company at least one week before the meeting, so that proper information can be made available at the time of meeting.
4. The details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting as required in terms of Clause 49 of the Listing Agreement of the Stock Exchange are also annexed hereto and forming part of the Notice.
5. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 A.M. and 4.00 P.M. upto the date of the ensuing Annual General Meeting and at the meeting, during the meeting hours.
6. Corporate Members intending to send their Authorized Representative to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. a) As stated in Paragraph 'O' of the Directors' Report, the Company has received an approval u/s 212(8) of the Companies Act, 1956 from the Ministry of Corporate Affairs, Government of India vide its letter dated January 28, 2011, exempting the Company from attaching the Annual Accounts, Reports and other statements pursuant to Section 212 (1) of the Companies Act, 1956, in respect of the Company's Wholly Owned Subsidiary M/s Marine Cables & Wires Private Ltd. (MCWPL) with the Annual Report of the Company for the financial year ended March 31, 2011. Therefore, the accounts and reports of the said Subsidiary Company are not attached herewith.  
b) However, a statement showing information in aggregate of the said Subsidiary Company in compliance with the aforesaid approval letter dated January 28, 2011 of the Ministry of Corporate Affairs has been attached with the consolidated financial statements.

## ANNEXURE TO THE NOTICE

c) The Company shall provide a copy of the Annual Accounts and related information/ reports for the year 2010-11 of the Subsidiary Company as required under Section 212 of the Act to the shareholders on their request, free of cost, at any point of time. Further the annual accounts of the Subsidiary Company shall be available for inspection at the Registered Office of the Company and that of the Subsidiary Company.

8. The required Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed here to, forming part of the Notice.

9. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company's R & T Agent M/s Karvy Computershare Pvt. Ltd., Plot no. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad – 500081.

### **EXPLANATORY STATEMENT**

As required by Section 173(2) of the Companies Act, 1956, the following explanatory statement sets out material facts relating to business under Item no. 5 of the accompanying notice dated 26<sup>th</sup> May, 2011.

#### **ITEM NO. 5 :**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

As statutorily required under the provision of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), Company had filed reference with the Board for Industrial and Financial Reconstruction (BIFR). After necessary hearing the Company has been declared as Sick Industrial Company under Section 3(1)(o) of SICA by BIFR and directed the Company to submit Draft Rehabilitation Scheme (DRS) with cut-off-date as 31<sup>st</sup> March, 2010 (Transfer Date 01<sup>st</sup> April 2010) to Operating Agency (OA).

Company had discussions with the management of Apar Industries Ltd., Holding Company (AIL) in this regard. For expeditious revival of the Company, it was proposed to amalgamate the Company with AIL which holds 65.47% paid up equity share capital of the Company taking cut-off-date as 31<sup>st</sup> March, 2010. AIL Registered Office is situated at 301, Panorama Complex, R. C. Dutt Road, Vadodara-390007.

The salient features of the said Proposal/Scheme are as under: –

1. UCL shall with effect from the Transfer Date i. e. 1<sup>st</sup> April, 2010 without further act, deed or thing, be transferred to and vested in Apar Industries Limited (AIL) and on the Transfer Date, UCL shall be deemed to have been amalgamated with AIL as aforesaid.
2. Upon the Scheme being approved by the BIFR and the amalgamation becoming effective in terms of the Scheme, Shareholders of UCL shall be allotted one

equity share of the face value of Rs 10/- each credited as fully paid up of the AIL for every 10 equity shares of the face value of Rs 10/- each fully paid up in UCL. The shares so issued and allotted shall be subject to Lock in period as specified in Regulation 78 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

3. The effective date shall be the date when scheme is sanctioned by the BIFR after complying with conditions specified in the scheme and certified true copy of the order of BIFR is filed with Registrar of Companies. However, for the purpose of preparing the accounts of amalgamated company (AIL) and for purpose of Income Tax, the date of amalgamation shall be April 1, 2010 (Transfer date).
4. Subject to the provisions contained in the scheme, all contracts, deeds, bonds, agreements, instruments and writing and benefits/liabilities of whatsoever nature to which the UCL is a party shall remain in full force and effect.
5. All the permanent employees of UCL shall become the employees of AIL from the effective date of amalgamation.
6. Cost of the proposed Scheme and Means of Financing are as under:-

#### **COST OF REHABILITATION :**

**(Rs. in Lacs)**

Accumulated Losses net of Reserves	461.72
<b>Total</b>	<b>461.72</b>

#### **MEANS OF FINANCE :**

Promoters Contribution (Issuance of new equity shares by AIL)	86.26
Internal Accruals	375.46
<b>Total</b>	<b>461.72</b>

7. The Board of Directors of UCL and AIL at their respective Board Meetings have, subject to the approval of shareholders and the regulatory authorities, approved the amalgamation of UCL with AIL.
8. The following reliefs and concessions in brief are envisaged in the draft Scheme:

#### **FROM CENTRAL GOVERNMENT**

##### **I. INCOME TAX DEPARTMENT**

- (i) Relief from the provisions of Sections 72 (Carry forward and set-off of business losses), 72A (Carry forward and set-off of accumulated losses and unabsorbed depreciation allowance), 115JB (Special provision for payment of Income Tax) of the Income Tax Act, 1961.
- (ii) Allow set-off of the entire carry forward business losses / depreciation of UCL prior to amalgamation under the provisions of Section 32(2) and Section 72 of the Income Tax Act, 1961.

**ANNEXURE TO THE NOTICE (Contd...)**

**II. MINISTRY OF CORPORATE AFFAIRS (MCA), SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI), BOMBAY STOCK EXCHANGE LTD. (BSE) AND NATIONAL STOCK EXCHANGE OF INDIA LTD. (NSE)**

- i) To facilitate the allotment of additional equity shares of AIL on preferential basis to the shareholders of Transferor Company (UCL) in lieu of shares held in Transferor Company, under the sanctioned scheme. The existing paid up equity share capital of the Transferor Company shall be cancelled upon allotment of above new equity shares of Transferee Company (AIL).
- ii) Request for relief from stamp duty and registration charges upon consolidation of authorized equity share capital of the amalgamated company by adding authorized capital of amalgamating company (UCL) of Rs. 3000.00 lacs.
- iii) Other standard need based relief and concession from above authorities. CDSL/NSDL shall continue to be custodian for amalgamated company (AIL).

**III. State Government of Gujarat / Regulatory Authorities**

Request for waiver of stamp duty / registration charges etc. on amalgamation consequent to transfer / conveyance of assets to amalgamated company as per prevailing policy of the Gujarat State Government.

**IV. EXCISE DEPARTMENT**

- a. To consider allowing "Credit balance of Rs. 1115.30 lacs in Excise Duty MODVAT / CENVAT Account of Uniflex Cables Limited for plants at Umbergaon (Gujarat) on Transfer Date be transferred to Excise Duty MODVAT / CENVAT Account of Apar Industries Limited for its plant at Rabale (Maharashtra)."
- b. Request for waiver of duty, interest, fine and penalty which have been imposed / demanded or which may hereafter be imposed/demanded by the Excise authorities and to accept payment of any liability as may be crystallized in final assessment in ten equal annual installments with waiver of interest and penalty.

**V. SALES TAX DEPARTMENT, GOVERNMENT OF GUJARAT**

Request for waiver of duty, interest, fine and penalty which have been imposed / demanded or which may hereafter be imposed/demanded by the Sales Tax authorities and to accept payment of any liability as may be crystallized in final assessment in ten equal annual installments with waiver of interest and penalty.

**VI. DGFT AND COMMISSIONER OF CUSTOMS**

Extension for fulfilment of export obligation in respect of Advance Licences and to pay crystallised related liabilities, if any, in seven equated annual

installments and waiver of interest and penalty. Waiver of duty, interest, fine and penalty, if any, under Advance Licences or other licenses granted to UCL.

**VII. SUSPENSION OF CONTRACT/ASSURANCES/ AGREEMENTS ETC.**

- i) Exemption to UCL and AIL from complying with certain provisions containing in Share Purchase and Shareholders Agreement dated February 11, 2008 (SPSA).
- ii) To declare that all contracts, assurances, agreements, etc. other than those entered into with Banks and Financial Institutions shall remain suspended in pursuance of the provisions of SICA. If amalgamated company is finally required to pay in respect of aforesaid matters the claiming party shall accept payment as may be crystallized in ten equal installments with waiver of interest and damage charges.

**VIII. Request for certain relief to Company and it's Directors from liabilities etc., if any.**

The Members may note that the above terms may undergo minor / major modifications if the same are suggested by the concerned authorities / parties and agreed by the Company and accepted by BIFR while granting its final approval. And, therefore, the Board of Directors shall have authority in the resolution to accept such alterations and modifications and also to do such acts, deeds and things as may be necessary in the interest of the Company to give effect to the said Scheme of Amalgamation.

Pursuant to the terms of the Scheme, the approval of the Scheme is required by way of a Special Resolution from the Members of UCL and all other applicable provisions of SICA.

A copy of the Draft Proposal / Scheme of Amalgamation of UCL along with enclosures as submitted to BIFR and other relevant documents are available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 4.00 p.m. upto the date of the meeting and during the meeting hours of the Company.

The Resolution as set out in Item No. 5 of the Notice will be placed before the meeting for the approval of the members. Your Directors recommend for the approval of proposed resolution by the Members by way of a Special Resolution.

None of the Directors of the Company is concerned or interested in the proposed resolution except to the extent of their respective shareholding in the Company and Apar Industries Ltd. (AIL), the Holding Company.

**By Order of the Board**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2011**

**M. C. BHALAWAT**  
**(Company Secretary)**



## ANNEXURE TO THE NOTICE (Contd...)

### IMPORTANT COMMUNICATION TO THE MEMBERS

The Company has implemented the "Green Initiative" as per Circular No. 17/2011 dated 21<sup>st</sup> April, 2011 and Circular no. 18/2011 dated 29<sup>th</sup> April, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices / documents and annual reports to the Shareholders instead of physical mode. Henceforth, the email addresses indicated in your respective Depository Participants (DPs) will be deemed to be your email address for serving notice / documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of Audited financial statements, Directors Report, Auditors Report etc. will also be displayed on Company's website i.e. www.unicab.com. Shareholders holding shares in electronic mode, therefore, requested to ensure to keep their email addresses updated with the Depository Participants (DPs). Shareholders holding shares in physical mode are also requested to update their email addresses by sending email to uclgreeninitiative@karvy.com or info@uniflex.in quoting their folio number. **The Shareholders are, therefore, requested to register their valid email address in order to facilitate the Company to service the documents through electronic mode.**

### Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting.

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

Name of Director	Dr. N. D. Desai	Shri H. N. Shah
Date of Birth	22.05.1940	20.06.1928
Date of Appointment	11.02.2008	30.08.2008
Expertise in specific functional areas	Electrical Engineering	Chartered Accountant
Qualifications	B.Sc. (Hons.), London, M.S.Ele. Engg., Ph.D., Penn., USA, Sigma XI, A.A.M.I.E.E.	B. Com., F.C.A.
List of other Companies in which Directorship held as on 31.03.2011.	<ol style="list-style-type: none"> <li>Apar Industries Limited</li> <li>Apar Masat Conductors Ltd.</li> <li>Apar Corporation Pvt. Ltd.</li> <li>Apar Investment INC.</li> <li>Scope Pvt. Ltd.</li> <li>Apar Investment (Singapore) Pte. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Apar Industries Limited</li> <li>Marine Cables &amp; Wires Pvt. Ltd.</li> </ol>
Chairman / Member of the Committee of other Public Companies on which he is a Director as on 31.03.2011.	<ol style="list-style-type: none"> <li>Apar Industries Limited <ul style="list-style-type: none"> <li>Sub - Committee of Directors (Chairman)</li> <li>Share Transfer &amp; Shareholders' Grievance Committee (Chairman)</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>Apar Industries Limited <ul style="list-style-type: none"> <li>Audit Committee of Directors (Chairman)</li> <li>Share Transfer &amp; Shareholder's Grievance Committee (Member)</li> <li>Compensation-cum-Remuneration Committee (Member)</li> <li>Sub - Committee of Directors (Member)</li> </ul> </li> </ol>
No. of Shares held in the Company	1000	100
Relationship between directors inter se	Related to Shri K N Desai and Shri C N Desai (Sons)	NIL

## DIRECTORS' REPORT

### To The Members,

Your Directors hereunder present the Twenty First Annual Report of the Company together with the Audited Annual Accounts showing the financial position of the Company for the year ended 31<sup>st</sup> March, 2011.

### A. FINANCIAL RESULTS (Rs. In Lacs)

Particulars	31- Mar-11 (Stand alone)	31-Mar-10 (Stand alone)
<b>Operating Profit / (Loss)</b>	<b>(649.08)</b>	(912.58)
Less : Interest & Finance Charges	<b>1544.99</b>	1220.41
(Loss) / Profit before Depreciation & Tax	<b>(2194.07)</b>	(2132.99)
Less : Depreciation	<b>631.20</b>	612.83
<b>(Loss) / Profit before Tax</b>	<b>(2825.27)</b>	(2745.82)
Less : Provision for FBT	<b>0.00</b>	0.00
<b>(Loss) / Profit after Tax</b>	<b>(2825.27)</b>	(2745.82)
Deficit brought forward from previous year	<b>(7369.46)</b>	(4623.64)
<b>Total Loss carried forwarded</b>	<b>(10194.73)</b>	(7369.46)

Consolidated Net Loss of the Company after tax was at Rs. 2937.99 Lacs includes the loss of M/s Marine Cables & Wires Private Limited (Wholly Owned Subsidiary of the Co.) incurred during the year under review.

In view of the losses incurred by the Company, your Directors do not recommend any dividend for the year.

### B. REVIEW OF OPERATIONS

During the year under review, the Company has achieved Sales Turnover (net of excise) of Rs. 31127.28 Lacs as against Rs. 18061.85 Lacs for the financial year ended 31<sup>st</sup> March, 2010 which is quite substantial, but this was not sufficient to break-even and Company has incurred a Net Loss of Rs. 2825.27 Lacs before tax as against a loss of Rs. 2745.82 Lacs for the previous year ended 31.03.2010. The various steps taken for improving the operations were reflected in higher sales turnover and reduced operating loss in year under review.

### C. SUBMISSION OF DRAFT REHABILITATION SCHEME (DRS) FOR APPROVAL TO THE BOARD FOR INDUSTRIAL & FINANCIAL RECONSTRUCTION (BIFR) ENVISAGING AMALGAMATION OF THE COMPANY WITH APAR INDUSTRIES LTD., THE HOLDING CO. (AIL).

Pursuant to the reference made by the Company in accordance with the provisions of Sick Industrial Companies (Special Provisions) Act 1985 (SICA) to the Board for Industrial & Financial Re-construction (BIFR), the Company has been declared as Sick Industrial Company by BIFR vide its' order

dated October 26, 2010 and directed the Company to file a fully tied up Draft Rehabilitation Scheme (DRS) for it's revival to Syndicate Bank who has been appointed as Operating Agency (OA) to examine the DRS. After having preliminary discussion with the management of AIL, the Holding Company, the Company has submitted DRS to OA which include proposal for amalgamation of the Company with AIL with cut-off-date as 31<sup>st</sup> March 2010 for expeditious revival.

In the opinion of the Management of the Company and also its Holding Company, the above option is most suitable for expeditious revival of the Company as there is blink possibility of its revival independently. The Company is pursuing the matter with BIFR for early approval of the said Rehabilitation Proposal submitted by the Company. The Company is also proposing appropriate Resolution in the notice to the members to take the approval of its shareholders in the ensuing Annual General Meeting (AGM) for the same.

### D. PROPOSAL FOR AMALGAMATION OF MARINE CABLES & WIRES PVT. LIMITED (MCWPL) - A WHOLLY OWNED SUBSIDIARY OF THE COMPANY - WITH APAR INDUSTRIES LTD. (AIL), THE PARENT COMPANY.

As reported last year, M/s Marine Cables & Wires Pvt. Limited (MCWPL), a Wholly Owned Subsidiary of the Company, which was doing job works for the Company, has also been declared as Sick Industrial Company by BIFR and directed MCWPL to submit a Draft Rehabilitation Scheme (DRS) for its revival.

The Management of your Company had discussion on the matter with the management of AIL and also with MCWPL with regard to revival of MCWPL. As directed by BIFR, MCWPL has already submitted a Draft Rehabilitation Scheme (DRS) proposing Amalgamation of MCWPL with AIL for consideration and sanction by BIFR. Syndicate Bank, Mumbai has been appointed as Operating Agency (OA) by BIFR to monitor/ review and submit the final Rehabilitation Proposal. The OA is taking necessary steps in the matter as directed by BIFR.

### E. SHARE CAPITAL

During the year, under review there was no change in the issued and paid up share capital of the Company which stood at Rs. 2498.04 lacs divided into 249,80,366 number of equity shares of Rs. 10/- each fully paid.

### F. LISTING

The Company's equity shares are listed on the Bombay Stock Exchange Ltd. (BSE), Mumbai.



## DIRECTORS' REPORT (Contd.)

### G. FUTURE OUTLOOK

The business environment for Cable industry is still challenging but showing signs of industrial and infrastructure growth. However, the Industry is having excess capacity compared to demand currently. The future outlook in terms of investment in the infrastructure sector, particularly power, is also good. This indicates that demand for the cable business should improve further. We are optimistic that Financial year 2011-12 will be a better year than earlier Financial years.

The industry has significantly expanded its' capacity resulting in a price war like situation with reduction in prices and margins, though demand is at a higher level. It is expected that margins will also slowly improve and in the next 1-2 years should come back to the pre-2008 level. The recovery in margins has been slow due to significant overcapacity in the industry.

Our Company has further de-bottlenecked its capacity in the Elastomeric and Power cable divisions making certain idle facilities suitable for Power Cables besides addition of few new types of equipment. The capacity of fiber optic cables is also being enhanced by upgrading existing equipments and addition of new machinery. Several measures have been taken to improve process, productivity and quality with new equipments and manpower training. The last year has seen a major improvement in Company's sales performance as a consequence of these actions. We expect to continue with this momentum resulting in a better performance in Financial year 2011-12, both in terms of sales and profitability with an objective to break even. If the pricing environment improves due to stronger than expected demand, the performance of the Company may further benefit.

### H. CORPORATE GOVERNANCE

Your Directors fully endorse the principles of Corporate Governance and to implement the same as per requirements of Clause 49 of the Listing Agreement. The Management Discussion & Analysis and Corporate Governance Report are attached to this report.

### I. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with regard to the Directors' responsibility statement, it is hereby confirmed that :

- i. In the preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards were followed along with proper explanations relating to material departures, if any.

- ii. Appropriate accounting policies were selected and applied them consistently and made judgement and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the financial year for that period.

- iii. Proper and sufficient care was 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.

- iv. The annual accounts were prepared on a going concern basis.

### J. DEPOSITS

Your Company has not accepted any fixed deposit from public within the meaning of Section 58-A of the Companies Act and rules made there under.

### K. BOARD OF DIRECTORS

- i) Shri S.K. Kinra has been appointed as a Special Director by the Board for Industrial & Financial Reconstruction (BIFR) New Delhi on the Board and other committees of the Board of Directors of the Company w.e.f. 3<sup>rd</sup> January, 2011.

- ii) Dr. Narendra D. Desai and Shri H. N. Shah, the Directors of the Company, retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, offer themselves for re-appointment.

Appropriate resolutions for approval of the members for the re- appointment of Dr. Narendra D. Desai and Shri H. N. Shah as Directors of the Company have been proposed in the notice to the Members for the ensuing Annual General Meeting.

The Board recommends their appointment / re-appointment.

### L. PARTICULARS OF EMPLOYEES

There are no employees whose remuneration was in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

### M. AUDITORS

The Auditors, M/s. Rashmi Zaveri & Co. Chartered Accountants, are retiring at the ensuing Annual General Meeting and they are not seeking re-appointment. The Audit Committee at their meeting held on 26<sup>th</sup> May, 2011 have recommended the name



## **DIRECTORS' REPORT (Contd.)**

of M/s Sharp & Tannan, Chartered Accountants, to be appointed as Statutory Auditors of the Company in place of retiring Auditors. The Company has received necessary certificate u/s 224(1B) of the Companies Act from M/s Sharp & Tannan, Chartered Accountants. The Board recommends the appointment of M/s Sharp & Tannan as Statutory Auditors of the Company by the shareholders at the ensuing Annual General Meeting.

### **N. AUDITORS' REPORT**

The observations contained in the Auditor's Report are self-explanatory and therefore, no further comments are required separately.

### **O. OTHER INFORMATION**

- a) The Company has been granted exemption for the year ended March 31, 2011 by the Ministry of Corporate Affairs vide its letter dated 28<sup>th</sup> January, 2011 from attaching to its balance sheet, the annual report of the Company's wholly owned subsidiary viz. M/s Marine Cables & Wires Pvt. Limited. As required in terms of the exemption, a statement containing brief financial details of the said subsidiary for the year ended 31<sup>st</sup> March, 2011 are included in the annual report of the Company.

- b) Attached to and forming part of this report are the following :

- i) Particulars relating to conservation of energy, technology absorption and foreign exchange earning and outgo.
- ii) Report on Corporate Governance and Auditors' Certificate regarding compliance of the conditions of Corporate Governance.

### **P. ACKNOWLEDGEMENT**

Your Directors would like to express their gratitude for the support, assistance and co-operation received from the Bankers, Apar Industries Ltd. (AIL), the Holding Company, Government Authorities, Customers, Vendors and Shareholders of the Company. Your Directors also wish to place on record their appreciation for the dedicated services rendered by the loyal employees of the Company in the difficult time.

**FOR AND ON BEHALF OF THE BOARD**

**(DR. N. D. DESAI)**  
**CHAIRMAN**

**Place : Mumbai.**  
**Date : 26<sup>th</sup> May, 2011**

## ANNEXURE TO THE DIRECTORS' REPORT

**Information as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2011.**

### Conservation of Energy - FORM - A

#### a. Energy Conservation measures taken.

1. Replaced LDO with Gas for steam generation from boilers to save energy cost as well as use cleaner fuel.
2. Replaced traditional copper chokes with electronic ballasts to reduce energy consumption.
3. Replacement of street light and plant fitting of 120W with HPMV fittings to reduce energy consumption.

#### b. Additional investments and proposals, if any, being implemented for reductions of consumption of power :

1. Installation of additional air ventilators in the plant to reduce energy consumption.
2. Replacement of Eddy current motors with AC drives and motors to reduce energy savings.

#### c. Impact of the measures at (a) and (b) above for reduction of energy consumption and subsequent impact on the cost of production of goods:

- i. Electrical energy optimization
- ii. Improved Equipment efficiency
- iii. Improved Productivity

#### d. Total energy consumption and energy consumption per unit of production as per Form-A in respect of industries specified in the schedule thereto :

Not applicable.

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R & D) - FORM - B

#### 1. Specific areas in which R & D is carried out by the Company :

- HT cables curing process, speciality elastomer compounds, thin wall elastomer cables, Optical Fibre Cables for under water application for Navy.

#### 2. Benefits derived as a result of the above R & D :

- Commercial orders received for under water cables and thin wall elastomer cables and its successful execution is opening up good opportunities during next year.

#### 3. Future plan of action :

- To continue to perfect the technology and absorb it in the above mentioned areas towards cost reduction and widening the business in similar areas of application.
- To explore business opportunities in composite cables, high temperature cables, data logging cables.

#### 4. Expenditure on R & D :

- Expenditure on R & D has not been accounted for separately.

### Technology absorption, adaptation and innovation

#### 1. Efforts in brief, made towards technology absorption, adaptation and innovation :

Technical know - how on thin wall cables is now fully absorbed.

Development of Fire survival building wires, Fire survival Fiber optic cables, Fire survival cables for fire alarm systems has been initiated.

#### 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product developments, import substitution etc. :

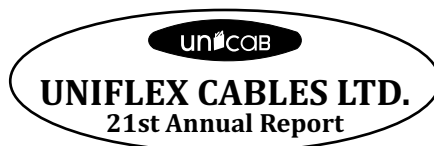
- a) Commercial orders have been received for Chemically Cured Cross Linked Cables, Optical Fibre Cables for Defence applications viz. Tactical OFC, Sonar and Mine sweeping cables.
- b) Elastomer Cables compounds which was in-house developed has reduced cost to make the product more competitive in competitive market situation.
- c) Trial order for Tactical Optical Fiber Cables received.

#### 3. Imported Technology : Nil

### FOREIGN EXCHANGE EARNINGS AND OUTGO - FORM C

*(Rs. in Lacs)*

a) Foreign Exchange Earnings	:	8627.12
b) Foreign Exchange outgo	:	
i) On Import of Raw Material		13429.90
ii) On Import of Capital Goods		-
iii) On Expenditure		442.51



## MANAGEMENT DISCUSSION AND ANALYSIS

### Forward-Looking Statements

This report contains forward looking statements that covers expectations and projections about the future, including statements about the Company's strategy for growth, product development, market scenario, expenditures and financial results.

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized fully. The Company's actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### Overall review

The Company is manufacturing Electrical & Telecommunication cables and markets its cable under the brand name 'UNICAB' and 'UNIFLEX'. The power cable industry showed sign of recovery in demand in the domestic market despite continued global recessionary trends and commodity raw material price volatility. The demand for elastomer cable also has been improving due to increased focus on Windmill, Steel and Mining sector. The demand in international market was generally stagnant. The Multinational cable manufacturers are looking to enter Indian cable market and looking for tie-up with domestic manufacturers.

The demand of the telecommunication cables remained subdued due to wireless technologies getting higher preference and has also not been showing any major improvement, though it's outlook remains positive in terms of Fiber optic cable demand.

### Opportunities and Threats

The Indian power sector is currently dominated by State/ Central utilities. The installed generation capacity in the country at present is about 1,60,000 MW and is growing. India still is a power deficient country with a significant energy shortage. As our country's Annual GDP continues to grow at close to about 9%, energy requirement is also bound to grow rapidly.

To bridge this deficit and to cater to future demand, the country needs additional power generation capacity of approx. 100,000 MW during the next five years. Apart from capacity shortage, the power sector in the country is having problems of high transmission and

distribution losses, power pilferage and concessional tariff for certain sectors. Several power generation projects are coming up in private sector. Many private Discoms are strengthening power distribution network leading to higher demand for cables. Govt. impetus towards renewable energy projects is opening several opportunities. All these measures will give a boost to power sector in the country which will provide good opportunities for business growth in the power cable segment.

The telecommunication cable sector continues to witness tough times due to over capacity besides slow down in decision making at lead telecom operator BSNL due to certain contract award anomalies in the past. The capacity utilization rates across companies are at low and uneconomical levels. The surplus capacity relating to demand, has led to lower realizations, making the business operations for Jelly Filled Telecom Cable (JFTC) un-remunerative. Therefore the Company has decided to exit this business.

There is likely to be good demand for Fiber optic cables coming up at BSNL. With the proposed introduction of 3G services by the Telecom operators, there is expected to be good demand for Fiber optic cables in private sector also. There is severe competition in this sector, which has taken its toll on revenues and profits of all major fiber optic cable manufacturing companies.

### Threats

Since the Company largely depends on projects and tenders and any slow-down in the same mainly in core sector, could effect company's growth. There is significant excess capacity in the industry both in power cables and in telecom cables, therefore prices are expected to remain under pressure. Similarly in its Telecom Division major orders come from internet service providers and its procurement may effect due to technological advancement in wireless technology. The volatility in the International Metal prices in optical fiber prices (post earth quake in Japan) and in polymer raw material prices may affect business performance.

### Outlook

The demand for electrical cable is likely to be emerging stronger as economy is already showing signs of good growth. The Government is continuing with plans to create significant additional power capacity, giving major boost to power generation & distribution sector. The distribution of power is getting better streamlined for improving its efficiency. Similarly further investment

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

by large industrial houses in various infrastructure and mining projects gaining momentum, it will also drive the demand of electrical cables significantly.

The demand for Fiber Optic cables is also likely to show improvement due to Govt. deciding to create a country wide parallel telecom infrastructure for Defence services. Higher penetration of broadband services and also introduction of 3G services, all resulting in increased demand for fiber optic cables.

### Internal Control Systems and their Adequacy

The Management shall ensure compliances of Indian GAAP and adherence thereto in its' entirety.

Uniflex's internal controls is strengthened to ensure that all assets are safeguarded and protected against loss from un-authorized use and that transactions are authorized, recorded and reported correctly.

The internal control systems is supplemented by an extensive programme of internal audits, reviews by management and documented policies, guidelines and procedures.

The management has continued the engagement of M/s. KPMG, a Chartered Accountants Firm, as Internal Auditors of the Company.

Internal audit findings and recommendations are reviewed by the top Management at the level by the Audit Committee of the Board and corrective measures if necessary, are taken by the Management in due course.

### Financial Performance with respect to Operational Performance

The Financial Statements have been prepared in compliance with the requirements of the Companies Act and the Accounting Standards issued by the Institute of Chartered Accountants of India.

Sales(net of excise) for the financial year 2010-11 stood at Rs. 31127.28 Lacs substantially higher as against Rs. 18061.85 Lacs in the previous financial year 2009-2010. However, Company has shown loss before depreciation to the tune of Rs. 2194.07 Lacs due to margins under pressure as against loss of Rs. 2132.99 Lacs in the previous year.

### Reserves and Surplus

There is no change in the figures of Reserve and Surplus for the year under review which stand at Rs. 4409.70 lacs for the year ended 31<sup>st</sup> March, 2011.

### Fixed Assets

During the year, there is an addition of Rs. 458.85 lacs in fixed assets.

### Inventories

Inventories stood at Rs. 5241.05 Lacs as at 31-03-2011 as against Rs. 5191.88 Lacs as at the end of previous year. The inventories do not include any obsolete and unserviceable items.

### Sundry Debtors

Sundry debtors increased to Rs. 5903.14 Lacs as at 31-03-2011 as against Rs. 4820.94 Lacs as at 31-03-2010 due to increase in sales turnover during current year. These debtors are considered good and realizable.

### Cash and Bank Balances

Cash Bank and Bank Deposits with scheduled banks stood at Rs. 1082.88 Lacs as on 31-03-2011.

### Loans and Advances

Loans and Advances as on 31-03-2011 stood at Rs. 2366.99 Lacs representing advances paid for raw materials, stores and services, loans and advances to employees, advance taxes, unutilized modvat, export entitlement benefit and Sundry Deposit etc.

### Current Liabilities

Current liabilities amounting to Rs. 5819.33 Lacs includes creditors and advance received from customers and other liabilities.

### Provisions

During the year the Company made provisions for excise duty and others to the tune of Rs. 282.60 Lacs.

### Human Resources

Uniflex has a good mix of experience and young among its employees. Apar Industries Ltd. (AIL), the Holding Company, has deputed some of its Officials at Uniflex.

Medical check ups are done for all the Staff & Workers at factory on regular basis and facilities are also provided for check up of their family members.



## CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance as per the format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement with Stock Exchange is set out below :

We, at Uniflex consider Corporate Governance as a tool to achieve Company's objectives and to enhance values of its stakeholders with fair transparency.

Uniflex also communicate corporate financial results & product information regularly online on its website, [www.unicab.com](http://www.unicab.com).

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Uniflex philosophy on Corporate Governance envisages to achieve transparency and accountability in all its inter actions with its stakeholders, including Shareholders, Employees, Financial Institutions like Banks and other Lenders.

Uniflex believes that all its operations and actions must serve the ultimate goal of enhancing overall shareholders' value, over a sustained period of time.

As per the requirements of revised Clause 49 of the Listing Agreement with the Stock Exchange(s), the Company is fully complying with the norms and disclosures.

The Ministry of Corporate Affairs (MCA) has issued "Corporate Governance Voluntary Guidelines" in December, 2009. Although these Guidelines are recommendatory in nature, however, the Company has adopted these guidelines substantially.

### 2. BOARD OF DIRECTORS

As on 31/03/2011, the Board of Directors consist of 7 Directors. The composition and category of the Directors are as under :

Category	Name of the Directors
Non Executive Directors :	1. Dr. Narendra D. Desai (Chairman-Non Executive) 2. Shri Kushal N. Desai 3. Shri Chaitanya N. Desai
Independent Directors : (Non-Executive)	4. Shri H. N. Shah 5. Shri F. B. Virani 6. Dr. N. K. Thingalaya
Special Director :	7. Shri S.K.Kinra (w.e.f. 3 <sup>rd</sup> January, 2011)
<b>Note :</b>	
1. Shri S. K. Kinra was appointed by the Board for Industrial & Financial Reconstruction (BIFR) as Special Director on the Board and other Committees of the Company w.e.f. 3 <sup>rd</sup> January, 2011.	
2. No Director is related to any other Director on the Board in terms of the definition of 'relatives' given under the Companies Act, 1956, except Shri Kushal N. Desai and Shri Chaitanya N. Desai who are brothers and Dr. N. D. Desai who is their father.	



## CORPORATE GOVERNANCE REPORT (Contd...)

**Attendance of each Director at the Board Meetings, last Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee in various Companies of each Director during 01-04-2010 to 31-03-2011:**

Name of the Director	Attendance Particulars		No. of other Directorships and Committee Member / Chairmanship		
	Board Meeting	Last AGM (12.08.2010)	No. of Directorship in other Public Companies	Committee Membership	Committee Chairmanship
Dr. Narendra D. Desai	5	Yes	2	Nil	3
Shri Kushal N. Desai	4	Yes	3	3	Nil
Shri Chaitanya N. Desai	4	Yes	3	3	Nil
Shri F. B. Virani	5	Yes	1	2	Nil
Shri H. N. Shah	5	Yes	1	4	1
Dr. N. K. Thingalaya	2	No	2	1	3
Shri S. K. Kinra *	1	N.A.	2	5	Nil

\*Shri S. K. Kinra was appointed by the Board for Industrial & Financial Reconstruction (BIFR) as Special Director on the Board and other Committees of the Company w.e.f. 3<sup>rd</sup> January, 2011.

### Number of Board Meetings held and the dates on which held :-

Five Board Meetings were held during the period from 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011. The dates on which the meetings were held are as follows :

15<sup>th</sup> May, 12<sup>th</sup> August, 26<sup>th</sup> October and 24<sup>th</sup> November in the year 2010 and 1<sup>st</sup> February in the year 2011.

### Code of Conduct

The Board of Directors has adopted the Code of Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors, Executives as well as Non-executive Directors and also members of the Senior Management.

A copy of the Code has been put on the Company's website [www.unicab.com](http://www.unicab.com).

The code of conduct has been circulated to all the Members of the Board and Senior Management Personnel of the Company pursuant to Clause 49 [1D] of the Listing Agreement with Stock Exchange and the same has been affirmed by them.

### Shareholding Pattern of Non Executive Directors

Dr. N. D. Desai holds 1,000 Equity Shares, Shri F. B. Virani holds 4,374 Equity Shares and Shri H.N.Shah holds 100 Equity Shares. None of the other Directors hold any shares of the Company as on 31-03-2011.

### 3. AUDIT COMMITTEE

The Company has constituted an Audit Committee of Directors in accordance with the requirement of Section 292A of the Companies Act 1956, read with Clause 49 of the Listing Agreement. The Audit Committee consists of Four Directors including two Independent Directors and one Special Director.

The broad terms of reference of the Audit Committee include reviewing with the management, the quarterly and annual financial results/statements, adequacy of internal control systems and internal audit functions, over seeing the Company's financial reporting process, recommending the appointment and removal of external and internal auditors, etc.

During the financial year 2010-2011, Audit Committee had 4 meetings i.e. on 15<sup>th</sup> May, 12<sup>th</sup> August, 26<sup>th</sup> October in the year 2010 and 1<sup>st</sup> February, in the year 2011.

## CORPORATE GOVERNANCE REPORT (Contd...)

The composition of Audit Committee and attendance of Directors at the meetings are given hereunder :

Name of the Director (Member)	Category	No. of meetings held during the tenure of Director	No. of meetings attended
Shri H.N.SHAH (Chairman)	Independent & Non-Executive	4	4
Shri Chaitanya N.Desai	Non-Executive	4	3
Shri F. B. Virani	Independent & Non-Executive	4	4
Shri S.K.Kinra * (w.e.f.03.01.2011)	Special Director & Non-Executive	1	1

\* Shri S.K.Kinra was appointed by Board for Industrial & Financial Reconstruction (BIFR) as Special Director on the Board and other Committees of the Company w.e.f. 3<sup>rd</sup> January, 2011

#### 4. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Board of Directors of the Company has constituted the Shareholders / Investors Grievance Committee of Directors to meet the requirement of Clause 49 of the Listing Agreement with the Stock Exchange. This Committee has been constituted with the objective of overseeing the redressal of investors' complaints pertaining to share transfer/transmission of shares, deletion of name on the share certificates, non-receipt of dividend, de-materialization (demat)/ re-materialization (remat) of shares, issue of duplicate shares in place of lost and mutilated share certificates and other related matters.

The Committee has delegated the powers to supervise and approve the routine transfer of shares to two officers including Company Secretary of the Company.

The Shareholders / Investors Grievance Committee met twice during the year i.e. on 15<sup>th</sup> May, 2010 and 1<sup>st</sup> February, 2011.

The composition of the committee and attendance of Directors at the meetings are given below :

Name of the Director (Member)	Category	No. of meetings held during his tenure	No. of meetings attended
Shri Kushal N.Desai (Chairman)	Non-Executive	2	2
Shri H. N. Shah	Independent & Non-Executive	2	2
Shri C. N. Desai	Non-Executive	2	1
Shri S. K. Kinra * (w.e.f. 03.01.2011)	Special Director & Non-Executive	1	1

\* Shri S.K.Kinra was appointed by Board for Industrial & Financial Reconstruction (BIFR) as Special Director on the Board and other Committees of the Company w.e.f. 3<sup>rd</sup> January, 2011.

The Committee oversees the performance of the Registrar and Transfer Agents – M/s. Karvy Computershare Pvt. Ltd. and recommend suitable measures for overall improvement in the quality of investor services including redressal of pending grievances of shareholders.

#### 5. REMUNERATION COMMITTEE

The Remuneration Committee consist of four Directors viz. Shri H.N.Shah, Shri Kushal N. Desai, Shri Chaitanya N. Desai and Shri S.K.Kinra\*. Shri H.N.Shah is the Chairman of the said Committee.

(\*Shri S.K.Kinra was appointed by Board for Industrial & Financial Reconstruction (BIFR) as Special Director on the Board and other Committees of the Company w.e.f. 3<sup>rd</sup> January, 2011).



## CORPORATE GOVERNANCE REPORT (Contd...)

The main function of the Remuneration Committee is to recommend/review the remuneration package of the Managers & Chief Executives based on performance and defined criteria.

The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice.

### Details of remuneration paid to all the Directors for the year:

There is no Executive Directors in the Company, Shri V.K.Bajaj has been appointed as Manager & Chief Operating Officer (COO) of the Company under the provisions of Section 198,269,387 and Schedule XIII of the Companies Act, 1956.

The Company pays sitting fees to all the Non-Executive Directors at the rate of Rs. 2,000/- for each Board & Committee meetings. The sitting fees paid for the year ended 31<sup>st</sup> March, 2011 to all Non-Executive Directors are as follows:-

Names of the Director	Amount
Dr. Narendra D. Desai	Rs. 10,000/-
Shri Kushal N. Desai	Rs. 12,000/-
Shri C.N.Desai	Rs. 16,000/-
Shri H.N.Shah	Rs. 22,000/-
Shri F.B.Virani	Rs. 18,000/-
Dr. N.K.Thingalaya	Rs. 4,000/-
Shri S.K.Kinra	Rs. 6,000/-

## 6. STATUTORY COMPLIANCE

The COO/CFO gives Certificates to the Board of Directors regarding Compliance of various provisions & statues at each Board Meeting.

The Board has designated Shri M.C. Bhalawat, Company Secretary, as the Compliance Officer. He ensures compliance with SEBI's regulations and other provisions of Listing Agreement with BSE.

The total number of complaints received and attended to the satisfaction of shareholders during the year under review, were 10 and outstanding complaints as on 31<sup>st</sup> March, 2011 were Nil. No request for transfer and de-materialization / re-materialization were pending for approval as on 31<sup>st</sup> March, 2011.

## 7. GENERAL BODY MEETINGS

Location and time for last three Annual General Meetings of the shareholders of the Company held are as under:

AGM	DATE & TIME	LOCATION	Details of Special Resolutions
20th	12 <sup>th</sup> August, 2010 at 2.30 P.M.	Mysore Association Hall, 393, Bhaudaji Rd, Near Maheshwari Udyan, Matunga, Mumbai-400 019	No Special Resolution was passed in the said AGM
19th	14 <sup>th</sup> September, 2009 at 10.30 A.M.	Mysore Association Hall, 393, Bhaudaji Rd, Near Maheshwari Udyan, Matunga, Mumbai-400 019	No Special Resolution was passed in the said AGM.

## CORPORATE GOVERNANCE REPORT (Contd...)

18th	15 <sup>th</sup> December, 2008 at 11.00 A.M.	Mysore Association Hall, 393, Bhaudaji Rd, Near Maheshwari Udyan, Matunga, Mumbai-400 019	a) Alteration/amendments in the Articles of Association of the Co. b) Maintenance of Register of members and other related records of shareholders at places other than Registered Office of the Company pursuant to Section 16 of the Companies Act, 1956. c) Appointment of Shri V.K.Bajaj as Manager of the Company for 3 years as detailed u/s 2(24) of the Companies Act, 1956.
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### 8. DISCLOSURES

- i) There is no transaction of a material nature with any of the related party, which was in conflict with the interest of the Company.
- ii) No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.
- iii) **Reconciliation of Share Capital Audit** : A qualified Practicing Company Secretary carried out secretarial audit of share capital quarterly to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The Reconciliation of Share Capital Audit confirms that the total issued/paid up capital is in agreement with the number of shares in physical form as well as in dematerialized form held with NSDL and CDSL and the said report is also put up before the Board.

### 9. MEANS OF COMMUNICATION

#### Quarterly results

The quarterly results are published in Free Press Journal (English) & Nav Shakti (Regional Language). The Company also displays its quarterly results on its website.

The Management Discussion and Analysis (MD&A) forms part of the Annual Report and the same is posted to the shareholders of the Company.

The Company has not made any presentations to any Institutional Investors/Analyst during the year.

### 10. GENERAL SHAREHOLDER INFORMATION

#### 10.1 Annual General Meeting

- Date and Time : Thursday, 25<sup>th</sup> August, 2011 at 3.00 P.M.
- Venue : Mysore Association Hall, Matunga Circle,  
Near Maheshwari Udyan,  
Matunga, Mumbai-400019.

#### 10.2 Financial Calendar for 2011-12 : (Tentative)

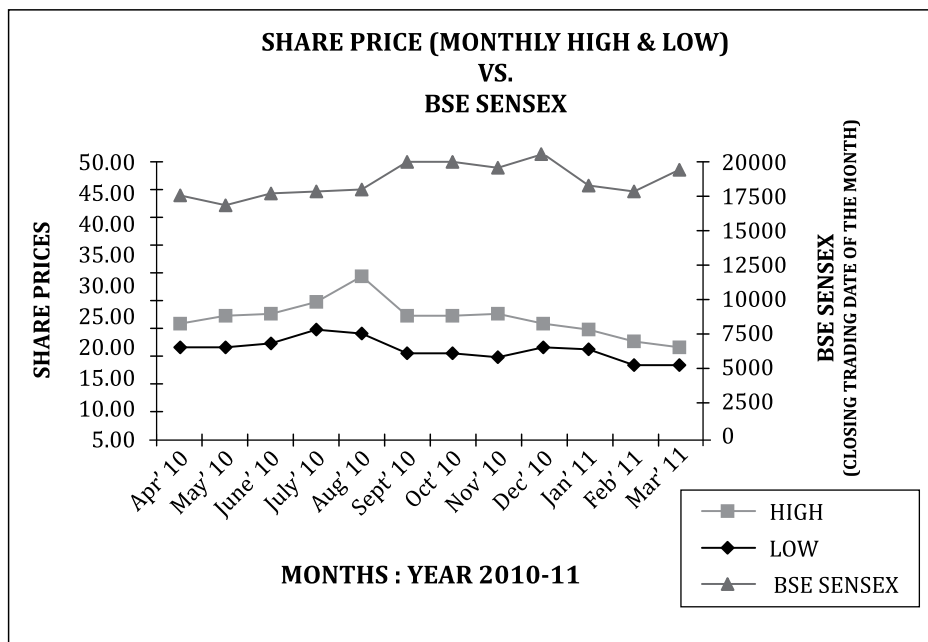
- : Results for quarter ending June, 2011 by 14<sup>th</sup> August, 2011
- Results for quarter ending September, 2011 by 14<sup>th</sup> November, 2011.
- Results for quarter ending December, 2011 by 14<sup>th</sup> February, 2012.
- Results for quarter/year ending March, 2012 within stipulated period.
- Annual General Meeting for the year ended 31<sup>st</sup> March, 2012 will be held before the end of September, 2012.

**CORPORATE GOVERNANCE REPORT (Contd...)**

- 10.3 Book Closure Date** : 22<sup>nd</sup> August, 2011 to 25<sup>th</sup> August, 2011  
(both days inclusive)
- 10.4 Dividend Payment Date** : N.A.
- 10.5 Listing of Equity Shares on Stock Exchanges at** : Bombay Stock Exchange Ltd. (BSE), Mumbai
- 10.6 a) Stock Code** : Trading Code at Bombay Stock Exchange Ltd. : 500427
- b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares** : INE146B01011
- 10.7 Stock Market Data** : Monthly High / Low of market price of the Company's shares traded on the Bombay Stock Exchange Ltd., (BSE) Mumbai during the year 2010-11 is furnished below :

Months	Months High Price (in Rs)	Months Low Price (in Rs)
April 2010	20.90	16.80
May 2010	22.50	16.70
June 2010	22.70	17.35
July 2010	24.75	19.85
August 2010	29.35	19.00
September 2010	22.40	15.65
October 2010	22.20	15.70
November 2010	22.85	14.75
December 2010	20.80	16.50
January 2011	19.80	16.25
February 2011	17.85	13.65
March 2011	16.80	13.60

**10.8 Share price performance of the Company in Comparison to broad based indices - BSE Sensex :**



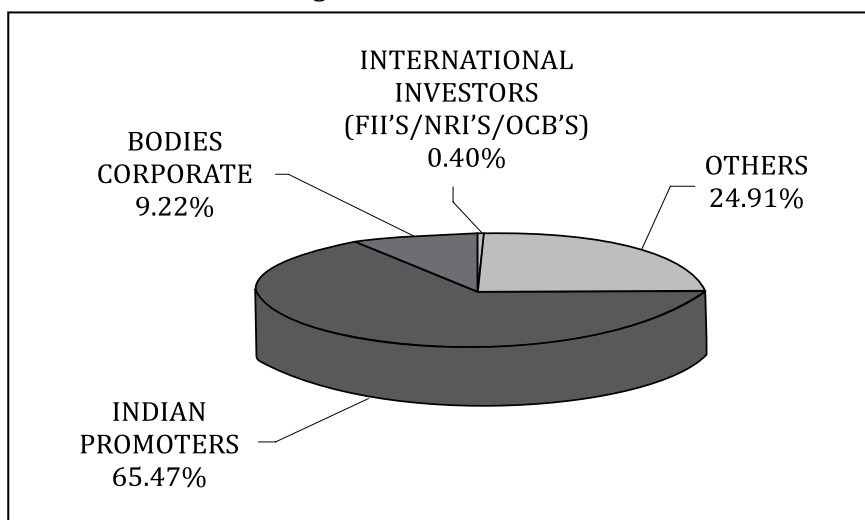
**CORPORATE GOVERNANCE REPORT (Contd...)**

**10.9 Registrar and Transfer Agent** : M/s.Karvy Computershare Pvt. Ltd.  
 (Share transfer and communication regarding share certificates, dividends and change of address) (Unit:Uniflex Cables Ltd.)  
 Plot no. 17 to 24, Vithal Rao Nagar, Madhapur, Hyderabad - 500 081.  
**E-Mail:** mailmanager@karvy.com

**10.10 Share Transfer System**

The share transfer requests received in physical form are registered within 30 days from the date of receipt and demat requests are normally confirmed within an average of 15 days from the date of receipt provided that they are in order in every respect.

**10.11(i) Distribution of Shareholding as on 31<sup>st</sup> March, 2011.**



**(ii) Distribution of Shareholding as on 31<sup>st</sup> March, 2011 :**

Range	Shareholders		Shares	
	No. of Equity Shares held	Number of shareholders	Number of Shares held	% of Shareholding
Upto - 5000	9980	86.79	1682634	6.73
5001 - 10000	749	6.51	657473	2.63
10001 - 20000	368	3.20	588673	2.36
20001 - 30000	132	1.15	347531	1.39
30001 - 40000	57	0.50	208901	0.84
40001 - 50000	68	0.59	324994	1.30
50001 - 100000	91	0.79	708468	2.84
100001 & Above	54	0.47	20461692	81.91
Grand Total	11499	100.00	24980366	100.00
Physical Mode	3737	32.50	608951	2.44
Demat Mode	7762	67.50	24371415	97.56

**10.12 Dematerialization of Shares and Liquidity**

Nearly 97.56% of the shares have been dematerialized upto 31<sup>st</sup> March, 2011. Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 28<sup>th</sup> August, 2000 as per notification issued by the Securities and Exchange Board of India (SEBI).

Outstanding GDR / ADR : N.A.



## CORPORATE GOVERNANCE REPORT (Contd...)

- 10.13 Plant Locations** : Plot No. 158 to 163 and 153,  
G.I.D.C., Umbergaon - 396 171, Dist. Valsad, Gujarat.
- 10.14 i) Address for Correspondence** : M/s.Karvy Computershare Pvt. Ltd.  
(For transfer of shares, payment of dividend and any other query relating to the physical Shares of the Company) *(Unit:Uniflex Cables Ltd.)*  
Plot No. 17 to 24, Vithal Rao Nagar, Madhapur,  
Hyderabad-500 081.  
E-Mail: mailmanager@karvy.com
- ii) Any query on Annual Report** : The Company Secretary  
Secretarial Department  
Apar House, Bldg. No. 5  
Corporate Park, Sion-Trombay Road,Chembur  
Mumbai – 400 071.  
Tel :(022)67800400 • Fax :(022)25246326  
Email : info@uniflex.in

**Note : Shareholders holding shares in electronic mode should address all correspondence to their respective Depository Participants (DPs) only.**

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### Company's Code of Conduct

#### Declaration regarding compliance by the Board Members and Senior Management Personnel with the Company's code of conduct

This is to confirm that Company has adopted a **CODE OF CONDUCT** for its Employees and Directors. The said code of conduct is available on Company's website i.e. [www.unicab.com](http://www.unicab.com).

I confirm that the Company has in respect of financial year ended 31<sup>st</sup> March, 2011, received from the senior management team of the Company and the members of the Board of Directors, declaration of compliance with the code of conduct as applicable to them for the Financial year 2010-11.

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2011**

**(V. K. BAJAJ)**  
**Manager & Chief Operating Officer**



## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **UNIFLEX CABLES LIMITED.**

We have examined the compliance of conditions of Corporate Governance by Uniflex Cables Limited for the year ended 31<sup>st</sup> March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors & the Management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2011, no investor grievances are pending exceeding one month against the Company as on 25<sup>th</sup> May, 2011 as per the records maintained by the Company and presented to Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of  
**Rashmi Zaveri & Co.**  
*Chartered Accountants*

**(RASHMI J. ZAVERI)**  
*Partner*  
Membership No. 5299  
Firm No. 108683W

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2011**



## REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the attached Balance Sheet of **UNIFLEX CABLES LIMITED** as at 31<sup>st</sup> March, 2011, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we annex here to a Statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books of the Company.
3. The Balance Sheet, Profit and Loss Account and the Cash Flow Statement referred to in this report are in agreement with the books of account.
4. In our opinion the attached Balance Sheet as on 31<sup>st</sup> March, 2011 and the Profit and Loss Account and the Cash Flow Statement for the period ended on that date, comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
5. Based on representations made by all the Directors of the Company and the information and explanations as given by the Directors, none of the Directors of the Company are disqualified as on 31<sup>st</sup> March, 2011 from being appointed as directors in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

We report that in our opinion and to the best of our information and according to the explanations given

to us, the said accounts read together with relevant notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India: -

- i) in so far as it relates to the Balance Sheet, of the State of affairs of the Company as at 31<sup>st</sup> March, 2011,
- ii) in so far as it relates to the Profit and Loss Account, of the **loss** of the Company for the period ended on that date and
- iii) in so far as it relates to the Cash Flow Statement, of the cash flows for the period ended on that date.

For **RASHMIZAVERI & CO.**  
**Chartered Accountants**

**RASHMI ZAVERI**  
**Partner**

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2011**

Membership No. 5299  
Firm No. 108683W

### **ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNT FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2011 OF UNIFLEX CABLES LTD.**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- i) a) The Company has generally maintained proper records showing particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, some of the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. Accordingly, a portion of the Fixed Assets has been physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
  - c) During the year, the Company has not disposed off any substantial part of the Fixed Assets, so as to affect its going concern status.
- ii) a) The inventory has been physically verified during the year by the management. In our opinion, the

**REPORT OF THE AUDITORS TO THE MEMBERS (Contd..)**

frequency of verification is reasonable. As per the explanations given to us, no inventory was lying with outside parties.

- b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) According to the information and explanations given to us the Company has not taken or granted any loans, secured or unsecured from/to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except unsecured loans of Rs. 1,77,24,24,815/- (Maximum amount outstanding Rs. 1,77,24,24,815/- during the year) had been taken from two parties during the year as listed in the register maintained under Section 301 of the Companies Act, 1956.
- b) The rate of interest & other terms & condition of the loan taken by the Company is *prima facie* not prejudicial to the interest of the Company.
- c) Since there is no stipulation of the repayment of the loan, the question of repayment of the same does not arise. The Company is regular in paying the interest on the above-mentioned loan taken.
- iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) a) On the basis of audit procedures performed by us and according to information and explanations and representations given to us, we are of the opinion that the disclosure of interest by Directors in Company in which such directors were interested as contemplated under Section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the said Act, have been so entered.

- b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of contacts or arrangement entered in the register maintained under Section 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at that time or prices at which transactions, if any, for similar goods/services have been made with other parties at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from Public. The Company Law Board has passed no order in respect of the Company.
- vii) The Company has appointed a firm of Chartered Accountant as an Internal Auditor. The Internal Auditors have generally covered the various aspects of the working of the Company.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determining whether they are accurate and complete.
- ix) a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, cess, investor's education and protection fund and other material statutory dues applicable to it.
- b) On the basis of our examination of the documents and records, the following disputed statutory dues on account of excise duty, income tax, which have not been deposited with the appropriate authorities, are as follows:

Nature of the dues	Amount (Rs.) In lacs	Forum where dispute is pending	Period to which relates
Excise Duty (Penalty)	66,92,604	CESTAT, Mumbai	2001
Excise Duty	15,16,541	CESTAT, Vapi	2001
Sales Tax	3,91,94,483	CST, Surat,	2006/07
Sales Tax	10,49,705	CST, Jaipur	2008/09



**REPORT OF THE AUDITORS TO THE MEMBERS (Contd..)**

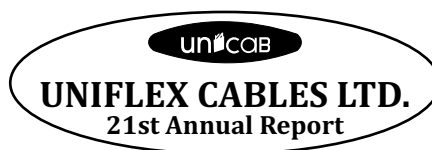
- |  |   |
|--|---|
| <p>x) In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth. The Company has incurred cash losses during the financial year covered by our audit. The Company had incurred cash loss in the immediately preceding financial year. In fact, the entire net worth of the Company has been eroded at the end of the financial year</p> | <p>sheet of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short-term usages of the funds, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.</p> |
| <p>xi) The Company has not defaulted in repayments of dues to banks and debenture holders. There was no borrowing from financial institution during the year.</p>  | <p>xvii) The Company has not made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act during the year.</p>  |
| <p>xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.</p>   | <p>xviii) There are no debentures outstanding at the end of the year.</p>   |
| <p>xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.</p>   | <p>xix) The Company has not made any public issue during the year.</p>  |
| <p>xiv) According to the information and explanations given to us and the representations made by the management, we are of the opinion that the Company has not given any guarantees for loans taken by others from banks or financial institutions.</p>  | <p>xx) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud on or by the Company has been noticed or reported by the Company during the course of our audit.</p>   |
| <p>xv) The Term Loans have been applied for the purpose for which the Loans have been obtained.</p>  |   |
| <p>xvi) According to the information and explanations given to us and on an overall examination of the balance</p>   |   |

For **RASHMIZAVERI & CO.**  
**Chartered Accountants**

**RASHMI ZAVERI**  
**Partner**

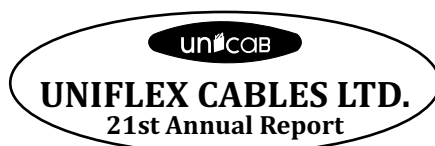
Membership No. 5299  
Firm No. 108683W

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2011**



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

	SCHEDULE	31- March-2011 (Amt. in Rs.)	31- March-2010 (Amt. in Rs.)
<b>SOURCES OF FUNDS</b>			
<b>I. SHAREHOLDERS' FUNDS</b>			
SHARE CAPITAL	A	249,803,660	249,803,660
RESERVES AND SURPLUS	B	440,970,251	440,970,251
		<u>690,773,911</u>	<u>690,773,911</u>
<b>II. LOAN FUNDS</b>			
SECURED LOANS	C	135	340,845,199
UNSECURED LOANS	D	1,772,424,815	981,273,935
		<u>1,772,424,950</u>	<u>1,322,119,134</u>
<b>Total I + II</b>		<u>2,463,198,861</u>	<u>2,012,893,045</u>
<b>APPLICATION OF FUNDS</b>			
<b>I. FIXED ASSETS</b>			
GROSS BLOCK	E	1,260,209,571	1,215,081,201
LESS : DEPRECIATION		<u>(732,207,201)</u>	<u>(669,211,122)</u>
NET BLOCK		528,002,370	545,870,079
CAPITAL WORK-IN-PROGRESS/ADVANCES		40,542,746	14,714,563
		<u>568,545,116</u>	<u>560,584,642</u>
<b>II. INVESTMENT</b>			
	F	<u>23,236,783</u>	<u>23,236,783</u>
<b>III. CURRENT ASSETS, LOANS AND ADVANCES</b>			
INVENTORIES		524,104,569	519,188,455
SUNDRY DEBTORS		590,314,004	482,094,396
CASH AND BANK BALANCES		108,288,681	168,834,787
OTHER CURRENT ASSETS		2,731,318	1,648,053
LOANS AND ADVANCES		236,699,126	204,910,711
		<u>1,462,137,698</u>	<u>1,376,676,402</u>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>	H	<u>(610,193,632)</u>	<u>(684,550,793)</u>
<b>NET CURRENT ASSETS</b>		<u>851,944,066</u>	<u>692,125,609</u>
<b>IV. MISCELLANEOUS EXPENDITURE</b>			
		-	-
<b>V. PROFIT AND LOSS ACCOUNT</b>			
		<u>1,019,472,896</u>	<u>736,946,011</u>
		<u>2,463,198,861</u>	<u>2,012,893,046</u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	I		
<b>NOTES TO THE ACCOUNTS</b>	J		
<b>THIS IS THE BALANCE SHEET REFERRED TO IN OUR REPORT OF EVEN DATE FOR AND ON BEHALF OF THE BOARD OF DIRECTORS</b>			
<b>FOR RASHMI ZAVERI &amp; CO.</b>		<b>CHAITANYA N. DESAI</b>	<b>KUSHAL N. DESAI</b>
CHARTERED ACCOUNTANTS		DIRECTOR	DIRECTOR
<b>RASHMI ZAVERI</b>	<b>V. K. BAJAJ</b>	<b>SAMIR H. MEHTA</b>	
PARTNER	MANAGER AND CHIEF OPERATING OFFICER	CHIEF FINANCIAL OFFICER	
MEMBERSHIP NO. 5299			
Firm No: 108683W	<b>M. C. BHALAWAT</b>		
Mumbai, 26 <sup>th</sup> May, 2011	COMPANY SECRETARY		Mumbai, 26 <sup>th</sup> May, 2011



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

	SCHEDULE	31- March-2011 (Amt. in Rs.)	31- March-2010 (Amt. in Rs.)
<b>INCOME</b>			
SALES		3,334,637,807	1,924,572,175
LESS : EXCISE DUTY		<u>221,910,169</u>	<u>118,386,855</u>
<b>NET TURNOVER</b>		<b>3,112,727,638</b>	<b>1,806,185,320</b>
INCREASE IN STOCK	K	26,160,254	26,369,099
OTHER INCOME	L	<u>38,251,921</u>	<u>26,704,355</u>
<b>TOTAL INCOME</b>		<b><u>3,177,139,813</u></b>	<b><u>1,859,258,774</u></b>
<b>EXPENDITURE</b>			
RAW MATERIAL CONSUMPTION	M	2,615,130,126	1,499,532,676
MANUFACTURING AND OPERATING EXPENSES	N	258,143,660	233,932,953
PERSONNEL EXPENSES	O	112,850,046	101,101,273
SELLING & ADMINISTRATIVE EXPENSES	P	255,923,925	115,949,889
INTEREST & DISCOUNTING CHARGES (NET )	Q	<u>154,499,188</u>	<u>122,041,193</u>
<b>TOTAL EXPENDITURE</b>		<b><u>3,396,546,945</u></b>	<b><u>2,072,557,985</u></b>
<b>LOSS BEFORE DEPRECIATION AND TAX</b>		<b>219,407,132</b>	<b>213,299,211</b>
ADD :: DEPRECIATION / WRITE OFFS		<u>63,119,753</u>	<u>61,282,958</u>
<b>LOSS BEFORE TAX</b>		<b>282,526,885</b>	<b>274,582,169</b>
ADD :: PROVISION FOR CURRENT TAX		<u>-</u>	<u>-</u>
		<b>282,526,885</b>	<b>274,582,169</b>
<b>DEFICIT BROUGHT FORWARD FROM PREVIOUS YEAR</b>		<b><u>736,946,011</u></b>	<b><u>462,363,842</u></b>
<b>DEFICIT CARRIED FORWARD TO BALANCE SHEET</b>		<b><u>1,019,472,896</u></b>	<b><u>736,946,011</u></b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	I		
<b>NOTES TO FINANCIAL STATEMENTS</b>	J		
EARNINGS PER SHARE (REFER NOTE 11 OF SCHEDULE J )			
BASIC & DILUTED (IN RS.)		<b>(11.31)</b>	<b>(10.99)</b>
<b>THIS IS THE PROFIT AND LOSS ACCOUNT FOR AND ON BEHALF OF THE BOARD OF DIRECTORS REFERRED TO IN OUR REPORT OF EVEN DATE</b>			
<b>FOR RASHMI ZAVERI &amp; CO.</b> CHARTERED ACCOUNTANTS	<b>CHAITANYA N. DESAI</b> DIRECTOR	<b>KUSHAL N. DESAI</b> DIRECTOR	
<b>RASHMI ZAVERI</b> PARTNER MEMBERSHIP NO. 5299 Firm No: 108683W Mumbai, 26 <sup>th</sup> May, 2011	<b>V. K. BAJAJ</b> MANAGER AND CHIEF OPERATING OFFICER  <b>M. C. BHALAWAT</b> COMPANY SECRETARY	<b>SAMIR H. MEHTA</b> CHIEF FINANCIAL OFFICER  Mumbai, 26 <sup>th</sup> May, 2011	



## SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

	31-March-2011 (Amt. in Rs.)	31- March-2010 (Amt. in Rs.)
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED :</b>		
<b>EQUITY SHARES</b>		
3,00,00,000 EQUITY SHARES OF RS.10/- EACH (PREVIOUS YEAR 3,00,00,000 EQUITY SHARES OF RS.10/- EACH)	300,000,000	300,000,000
	<u>300,000,000</u>	<u>300,000,000</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
2,49,80,366 EQUITY SHARES OF RS. 10 EACH FULLY PAID (PREVIOUS YEAR 2,49,80,366 EQUITY SHARES FULLY PAID)	249,803,660	249,803,660
Out of the above Apar Industries Limited, the Holding Company of Uniflex Cables Limited holds 1,63,53,875 shares (Previous year 1,63,53,875 Shares)	<u>249,803,660</u>	<u>249,803,660</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
<b>SHARE PREMIUM ACCOUNT</b>		
BALANCE AS PER LAST BALANCE SHEET	423,918,574	423,918,574
ADD : ADDITIONS DURING THE YEAR	-	-
	<u>423,918,574</u>	<u>423,918,574</u>
<b>GENERAL RESERVE</b>		
<b>CAPITAL RESERVE</b>		
BALANCE AS PER LAST BALANCE SHEET	17,051,677	901,677
ADD: TRANSFER ON FORFEITURE OF EQUITY WARRANT APPLICATION MONEY	-	16,150,000
	<u>17,051,677</u>	<u>17,051,677</u>
	<u>440,970,251</u>	<u>440,970,251</u>
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
TERM LOAN	-	187,500,000
CASH CREDIT / WORKING CAPITAL DEMAND LOAN	135	153,345,199
	<u>135</u>	<u>340,845,199</u>
<b>Notes:</b>		
1. Working Capital Facility / Cash Credit Facility / Packing Credit Facility is secured against first pari passu charge on the stock and debts of the Company/collateral first pari passu charge on the Fixed Assets of the Company.		
2. The above facility have been secured by the Corporate Guarantee issued by Apar Industries Ltd., the Holding Company. The facility sanctioned by one of the Banks has also been secured by the personal guarantee of two of the Non Executive Directors.		
<b>SCHEDULE 'D'</b>		
<b>UNSECURED LOANS</b>		
<b>INTER CORPORATE LOAN (SHORT TERM LOAN)</b>		
APAR CORPORATION PVT. LTD	23,000,000	25,587,500
APAR INDUSTRIES LTD. (HOLDING COMPANY)	1,749,424,815	705,686,435
FROM DIRECTORS	-	250,000,000
	<u>1,772,424,815</u>	<u>981,273,935</u>

**UNIFLEX CABLES LTD.**  
21st Annual Report

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011 (Contd...)**

**SCHEDULE 'E'**  
**FIXED ASSETS**

(Amt in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Cost as at 1-Apr-10	Additions 2010-11	Deductions 2010-11	Cost as at 31-Mar-11	As at 1-Apr-10	Written back during 2010-11	For 2010-11	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
a) Land - lease hold	39,629,497	154,800	-	39,784,297	-	-	147,474	147,474	39,636,823	39,629,497
b) Factory Building	130,088,536	1,080,137	-	131,168,673	41,382,893	-	4,357,398	45,740,291	85,428,382	88,705,643
c) Residential Building	14,418,116	-	-	14,418,116	3,305,361	-	235,015	3,540,377	10,877,739	11,112,755
d) Plant & Machinery	973,043,239	41,385,789	-	1,014,429,028	589,326,459	-	55,140,131	644,466,590	369,962,438	383,716,780
e) Furniture & Fixture	18,268,424	510,505	-	18,778,929	14,496,907	-	609,677	15,106,584	3,672,345	3,771,517
f) Equipment	19,657,525	2,390,934	-	22,048,459	7,868,406	-	888,676	8,757,082	13,291,377	11,789,115
g) Computer/ Printer	13,702,014	362,823	-	14,064,837	8,692,774	-	1,061,726	9,754,500	4,310,337	5,009,240
h) Vehicles	6,273,850	-	756,618	5,517,232	4,138,318	123,671	679,656	4,694,303	822,929	2,135,532
<b>TOTAL</b>	<b>1,215,081,201</b>	<b>45,884,988</b>	<b>756,618</b>	<b>1,260,209,571</b>	<b>669,211,118</b>	<b>123,671</b>	<b>63,119,753</b>	<b>732,207,201</b>	<b>528,002,370</b>	<b>545,870,079</b>
i) Capital work in Progress	14,714,563	-	-	40,542,746	-	-	-	-	40,542,746	14,714,563
<b>TOTAL FOR THE YEAR</b>	<b>1,229,795,764</b>	<b>45,884,988</b>	<b>756,618</b>	<b>1,300,752,317</b>	<b>669,211,118</b>	<b>123,671</b>	<b>63,119,753</b>	<b>732,207,201</b>	<b>568,545,116</b>	<b>560,584,642</b>
PREVIOUS YEAR	1,121,209,394	171,838,006	66,308	1,229,795,764	607,936,332	8,164	61,282,958	669,211,122	560,584,642	513,273,063

**31-March-2011**  
**(Amt. in Rs.)**

31-March-2010  
(Amt. in Rs.)

**SCHEDULE 'F'**

**INVESTMENTS NON TRADE (LONG TERM AT COST, UNQUOTED)**

**UNQUOTED IN SUBSIDIARY COMPANY**

94,650 EQUITY SHARES OF MARINE CABLES AND WIRES PVT. LTD. **23,232,783** 23,232,783  
(PREVIOUS YEAR 94,650 EQUITY SHARES)

4 PREFERENCE SHARES OF MARINE CABLES AND WIRES PVT. LTD. **4,000** 4,000  
(PREVIOUS YEAR 4 PREFERENCE SHARES)

**23,236,783**

**23,236,783**

**AGGREGATE BOOK VALUE OF UNQUOTED INVESTMENTS**

**23,232,783**

**23,232,783**

**SCHEDULE 'G'**

**CURRENT ASSETS, LOANS AND ADVANCES**

**A) CURRENT ASSETS :**

**I. INVENTORIES**

AS VALUED AND CERTIFIED BY THE  
MANAGEMENT:

(AT LOWER OF COST AND NET REALISABLE  
VALUE)

RAW MATERIAL **163,787,976** 149,133,914

WORK-IN-PROGRESS **187,643,275** 137,547,688

FINISHED GOODS **148,537,505** 172,472,838

FUEL STOCK **1,049,330** 115,168

PACKING MATERIAL **23,086,483** 3,106,872

**524,104,569**

462,376,480

RAW MATERIAL IN TRANSIT - 56,811,975

**524,104,569**

519,188,455



**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011 (Contd..)**

	31-March-2011 (Amt. in Rs.)	31-March-2010 (Amt. in Rs.)
<b>II. SUNDRY DEBTORS</b>		
UNSECURED ; CONSIDERED GOOD :		
OUTSTANDING FOR MORE THAN SIX MONTHS	90,059,297	107,761,934
OTHERS	500,254,707	374,332,462
(INCLUDES RS. NIL BEING MORE THAN SIX MONTHS AND RS. 1,22,28,195/- BEING LESS THAN SIX MONTHS DUE FROM HOLDING COMPANY) (PREVIOUS YEAR RS. 80,08,072/- BEING MORE THAN SIX MONTHS AND RS. 27,41,792/- BEING LESS THAN SIX MONTHS)		
UNSECURED ; CONSIDERED DOUBTFUL :		
OUTSTANDING FOR MORE THAN SIX MONTHS	1,644,649	1,644,649
LESS : PROVISION FOR DOUBTFUL DEBTS	<u>(1,644,649)</u>	<u>(1,644,649)</u>
	<u>590,314,004</u>	<u>482,094,396</u>
<b>III. CASH AND BANK BALANCES</b>		
CASH ON HAND	687,803	293,356
CHEQUES ON HAND	-	16,959,870
BALANCES WITH SCHEDULED BANKS :		
IN CURRENT ACCOUNTS	54,826,777	90,603,164
IN FIXED DEPOSIT ACCOUNTS	52,774,101	60,957,444
IN MARGIN ACCOUNT	-	20,953
	<u>108,288,681</u>	<u>168,834,787</u>
<b>IV. OTHER CURRENT ASSETS</b>		
INTEREST ACCRUED BUT NOT DUE	<u>2,731,318</u>	<u>1,648,053</u>
	<u>2,731,318</u>	<u>1,648,053</u>
<b>V. LOANS AND ADVANCES</b>		
(UNSECURED ; CONSIDERED GOOD)		
ADVANCES RECOVERABLE IN CASH OR IN KIND FOR THE VALUE TO BE RECEIVED		
(INCLUDING LOAN TO OFFICER RS. NIL, MAXIMUM AMOUNT OUTSTANDING DURING THE YEAR RS. NIL) (PREVIOUS YEAR RS. 11,000/-)	5,499,122	7,180,436
EXPORT ENTITLEMENT BENEFIT	50,086,625	39,056,724
SUNDRY DEPOSITS	28,361,590	25,288,401
DUE FROM EX-DIRECTORS	432,746	432,746
UNUTILISED MODVAT CREDIT	110,793,773	89,065,065
ADVANCE TO SUPPLIERS	12,794,254	11,743,215
ADVANCE TO SUPPLIERS FOR CAPITAL GOODS	10,483,701	2,654,845
ADVANCE TAXES	8,583,300	12,633,476
BALANCE WITH REVENUE AUTHORITIES	9,664,015	16,855,803
	<u>236,699,126</u>	<u>204,910,711</u>
	<u>1,462,137,698</u>	<u>1,376,676,402</u>



**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011 (Contd...)**

	31-March-2011 (Amt. in Rs.)	31-March-2010 (Amt. in Rs.)
<b>SCHEDULE `H`</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>I. CURRENT LIABILITIES</b>		
SUNDRY CREDITORS (REFER NOTE NO. 12)		
TOTAL OUTSTANDING DUES OF MICRO, SMALL AND MEDIUM ENTERPRISES	9,923,789	12,176,808
TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES	226,125,372	246,911,581
DUE TO HOLDING COMPANY	124,300,715	66,149,617
DUE TO SUBSIDIARY COMPANY	4,290,156	16,693,314
ACCEPTANCES	195,514,192	286,133,370
ADVANCE FROM CUSTOMERS	14,054,210	10,420,547
BOOK OVERDRAFT	6,498,450	17,892,568
INTEREST ACCRUED BUT NOT DUE	1,226,432	3,198,065
	<b>581,933,316</b>	<b>659,575,870</b>
<b>II. PROVISIONS</b>		
PROVISION FOR EXCISE DUTY	12,680,406	13,613,893
PROVISION FOR LEAVE SALARY	3,691,796	2,238,171
PROVISION FOR GRATUITY	6,662,210	4,271,999
PROVISION FOR PROVIDENT FUND	550,776	538,438
PROVISION FOR BONUS	4,675,128	4,312,422
	<b>28,260,316</b>	<b>24,974,923</b>
	<b>610,193,632</b>	<b>684,550,793</b>
<b>MISCELLANEOUS EXPENSES</b>		
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	-	-
<b>PROFIT AND LOSS ACCOUNT</b>		
BALANCE CARRIED FORWARD TO BALANCE SHEET	1,019,472,896	736,946,011
<b>SCHEDULES ANNEXED TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011</b>		
	31-March-2011 (Amt. in Rs.)	31-March-2010 (Amt. in Rs.)
<b>SCHEDULE `K`</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
<b>I FINISHED GOODS</b>		
CLOSING STOCK	148,537,505	172,472,838
OPENING STOCK	(172,472,838)	(104,370,222)
	<b>(23,935,333)</b>	<b>68,102,616</b>
<b>II WORK-IN-PROCESS</b>		
CLOSING STOCK	187,643,275	137,547,688
OPENING STOCK	(137,547,688)	(179,281,205)
	<b>50,095,587</b>	<b>(41,733,517)</b>
	<b>26,160,254</b>	<b>26,369,099</b>



**SCHEDULES ANNEXED TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011 (Contd..)**

	<b>31-March-2011</b> <b>(Amt. in Rs.)</b>	<b>31-March-2010</b> <b>(Amt. in Rs.)</b>
<b>SCHEDULE `L`</b>		
<b>OTHER INCOME</b>		
EXPORT BENEFITS & DUTY DRAW BACK	5,588,903	13,495,416
JOB WORK CHARGES	28,363,497	12,208,335
SALE OF SCRAP	368,055	270,953
EXCESS PROVISION WRITTEN BACK	3,931,466	729,651
	<u>38,251,921</u>	<u>26,704,355</u>
<b>SCHEDULE `M`</b>		
<b>RAW MATERIALS CONSUMED</b>		
OPENING STOCK	149,133,914	92,364,635
PURCHASES	2,629,784,188	1,556,301,955
	2,778,918,102	1,648,666,590
LESS : CLOSING STOCK	(163,787,976)	(149,133,914)
	<u>2,615,130,126</u>	<u>1,499,532,676</u>
<b>SCHEDULE `N`</b>		
<b>MANUFACTURING AND OPERATING EXPENSES</b>		
POWER & FUEL *	75,926,944	61,343,182
STORES & SPARES	23,991,030	25,702,106
EXCISE DUTY PROVIDED ON CLOSING STOCK OF FINISHED GOODS NOT CLEARED FROM FACTORY	(933,487)	6,030,950
FACTORY BUILDING REPAIR AND MAINTENANCE	2,939,953	4,362,287
MACHINERY REPAIR AND MAINTENANCE	8,203,835	10,726,601
PACKING MATERIAL	64,610,000	47,480,129
PROCESSING CHARGES	31,006,429	46,093,224
LABOUR CHARGES	51,899,826	31,567,505
WATER CHARGES	499,130	626,969
	<u>258,143,660</u>	<u>233,932,953</u>
* FUEL INCLUDES RS. 30,32,378/- (PREVIOUS YEAR RS. 22,72,682/-) FOR GENERATION OF OWN POWER		
<b>SCHEDULE `O`</b>		
<b>PERSONNEL COST</b>		
SALARY AND WAGES	79,687,101	75,052,986
SERVICE CHARGES	18,000,300	10,000,000
PROVIDENT FUND	3,729,369	3,486,159
GRATUITY	3,981,474	4,271,999
BONUS	5,249,470	5,366,246
EMPLOYEES STATE INSURANCE FUND	93,916	61,108
WORKERS WELFARE	2,108,416	2,862,775
	<u>112,850,046</u>	<u>101,101,273</u>





**SCHEDULES ANNEXED TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011 (Contd..)**

	31-March-2011 (Amt. in Rs.)	31-March-2010 (Amt. in Rs.)
<b>SCHEDULE `P`</b>		
<b>SELLING AND ADMINISTRATION EXPENSES</b>		
ADVERTISEMENT	1,306,862	342,380
BROKERAGE AND COMMISSION	48,920,992	9,043,925
DIRECTORS SITTING FEES	88,000	122,000
DISCOUNTS & SETTLEMENTS (NET)	(240,333)	2,706,390
DONATION	21,000	10,000
EXCHANGE FLUCTUATION DIFFERENCE (NET)	(11,888,240)	(31,046,041)
INSURANCE EXPENSES	3,208,441	3,572,979
LEGAL & PROFESSIONAL EXPENSES	8,521,738	3027334
MISCELLANEOUS EXPENSES	25,764,320	19,386,454
OFFICE EXPENSES	1,337,494	1,899,061
PAYMENTS TO AUDITORS	350,000	279,355
POSTAGE AND COMMUNICATION EXPENSES	2,525,150	2,479,253
PRIOR PERIOD EXPENSES	-	328,186
RENT, RATES AND TAXES	7,466,344	5,576,410
SALES PROMOTION EXPENSES	1,377,960	683,649
SHARE TRANSFER EXPENSES	81,411	81,848
STATIONERY AND PRINTING	2,628,164	2,225,813
TRANSPORTATION CHARGES	103,706,023	50,443,239
TRAVELLING, CONV. & MOTOR CAR EXPENSES	11,661,844	10,097,765
LOSS ON DISPOSAL OF ASSETS	-	32,840
SUNDRY BALANCE W/OFF	161,719	1,471,981
BANK CHARGES & COMMISSION	23,275,249	15,940,439
HEDGING EXPENSES	(892,317)	8,349,549
LEASE RENT	13,202,205	8,895,080
BAD DEBTS	13,339,899	-
	<b>255,923,925</b>	<b>115,949,889</b>
<b>SCHEDULE `Q`</b>		
<b>INTEREST AND DISCOUNTING CHARGES ( NET )</b>		
1 INTEREST ON TERM LOAN	3,472,603	38,452,055
2 INTEREST ON OTHER LOANS/ FACILITIES (INCLUDES RS. 52,92,010/- PERTAINING TO PRIOR PERIOD, PREVIOUS YEAR RS. NIL)	155,328,971	158,801,574
LESS : INTEREST INCOME ON BANK DEPOSITS AND OTHERS (TDS RS. 10,00,104/-) (PREVIOUS YEAR TDS RS. 24,61,790/-)	(4,302,386)	(6,156,651)
	<b>154,499,188</b>	<b>122,041,193</b>

## NOTES TO THE ACCOUNTS

### SCHEDULE 'I'

#### SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.

**1. Basis of preparation at financial statements:**

The financial statements are prepared on accrual basis under the historical cost convention and comply in all material aspects with the generally accepted accounting principles in India, the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 and the applicable provisions, thereof.

**2. Use of estimates:**

The preparation of financial statements is in conformity with generally accepted accounting principles ("GAAP") which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of its financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**3. Significant accounting policies:**

**A) Fixed Assets, Depreciation & Amortization:-**

- i Leasehold land is accounted at historical cost less amounts written off till date.
- ii Fixed Assets are stated at cost of acquisition/construction (net off CENVAT) less accumulated depreciation. Cost includes purchase price and other costs attributable to acquisition / construction of fixed assets.
- iii Depreciation on assets is provided at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, on Straight Line Method.
- iv In respect of assets costing less than Rs. 5,000/ – each, 100% depreciation is provided in the year of addition.
- v Depreciation on fixed assets, added/disposed off during the year has been provided on pro-rata basis with reference to the month of addition/disposal.
- vi Pre-operation expenses including trial run expenses (net of revenue) are capitalized.
- vii Borrowing costs attributable to the acquisition / construction of qualifying assets within the meaning of the Accounting Standard 16 on "Borrowing Costs" are capitalized as a part of the cost of fixed assets.

**B) Impairment of Assets:**

The Company assesses, at each balance sheet date, whether there is any indication of impairment of the carrying amount of the Company's assets. An impairment loss is recognized in the profit & loss account wherever the carrying amount of the assets exceeds its estimated recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discounting factor. Impairment losses are recognized in the profit & loss account. The impairment loss recognized in prior accounting period is reversed if there has been change in recoverable account.

**C) Investments:**

All long term investments are stated at cost. Provision for diminution in value of long term investments is made if it is other than temporary in nature. Current investments are valued at lower of cost and market value.

**D) Inventories:**

Inventories are valued at lower of cost and net realizable value. Cost includes raw material cost, cost of labour and attributable manufacturing overheads. Cost of materials is arrived at on FIFO Basis. Inventories of Finished Goods include excise duty as applicable.

**E) Government Grants:**

Capital subsidy relating to projects in backward area is credited to capital reserve on receipt of the same. However Capital Subsidy received after 1-4-98 is reduced from the cost of Fixed Assets as per the changes made in the Income Tax Act, 1961 which is in line with the Accounting Standard – 12 pertaining to Accounting for Government Grants issued by the Institute of Chartered Accountants of India.

**F) Revenue Recognition:**

- i Sale of goods is recognized on dispatch to local customers and on date of shipment in case of exports. Sales exclude amounts recovered towards sales tax and excise duty and are net of returns

## NOTES TO THE ACCOUNTS (Contd...)

- ii. Price Variation claims are accounted in accordance with the terms and conditions of contract and /or upon admittance by customers.

### G) Post Employment Benefits:

- i. **Defined Contribution Plans :** – In respect of the Company’s provident fund scheme, the Company makes specified monthly contribution towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the return on notified interest rate. The companies contribution paid/payable under these schemes is recognized as expenses in the profit & loss account during the period in which the employees renders the related service.
- ii. **Defined Benefit Plans :** – In respect of the Company’s gratuity and leave wage schemes, the present value of the obligation under such scheme is determined based on actuarial valuation using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligation is based on the market yields of Government Securities as at the balance sheet date. Actuarial gains & losses are recognized immediately in the Profit & Loss Account. Long term compensated absences are provided for based on actuarial valuation, made at the year end, by independent actuaries.

### H) Translation of Foreign Currency:

- i. The Company translates foreign currency transactions during the year, at the conversion rates prevailing on transaction dates.
- ii. Monetary items remaining unsettled at the year end are translated/reported at the year end rate. Exchange differences arising on such revaluation are recognized in the Profit & Loss Account.
- iii. Non-monetary items (other than Fixed Assets) are reported at the exchange rate at which they are accounted.
- iv. In case of forward contracts, premium on the forward contract is recognized as Income & Expenses over the period of contract.

### I) Export benefits / Incentives:

The Company accounts for excise duty rebate on deemed and physical exports and duty entitlements on physical exports on accrual basis.

### J) Leases:

For premises, equipments taken / given on lease, lease rentals payable / receivable are charged / credited to the revenue.

Lease payments (excluding cost for services such as insurance and maintenance) are recognized by lessee’s as an expense in the statement of profit & loss on straight line basis unless another systematic basis is more representative of the time pattern of the users benefit, even if the payment are not on that basis.

### K) Tax on Income:

Provision for taxation is made for both current & deferred taxes. Provision for current tax is made, at current rate of tax, based on assessable income. Deferred tax resulting from timing differences between the book profits and the tax profits is accounted for to the extent that the timing of differences are expected to crystallize.

### L) Claims against the Company not acknowledged as debts:

The demands under disputed show cause notices/orders of statutory authorities are provided in the accounts on the basis of management’s estimate and the balance, if any are included in contingent liability.

### M) Provision for Contingencies:

A provision is recognized where there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Disclosure of contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require a outflow of resources. When likelihood of such outflow is remote, no provision or disclosure is made. Provision arising from litigations, assessments by statutory authorities, etc. is made when the Company based on legal advise wherever necessary estimates that the liability has been incurred and the amount can be reasonably estimated by management after careful evaluation of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.



**NOTES TO THE ACCOUNTS (Contd...)**

**ADDITIONAL INFORMATION PURSUANT TO PARA 3, 4B,4C AND 4D OF THE PART II OF THE SHEDULE VI TO THE COMPANIES ACT 1956**

**SCHEDULE "I" - ANNEXURE**

PARTICULARS		31 MARCH '11 IN RS.		31 MARCH '10 IN RS.
<b>MANAGERIAL REMUNERATION</b>				
REMUNERATION		-		-
PERQUISITES		-		-
		-		-
<b>AUDITOR'S REMUNERATION</b>				
AUDIT FEES		240,000		145,000
TAX AUDIT FEES		60,000		60,000
CERTIFICATION WORK		50,000		50,000
OUT OF POCKET EXPENSES		25,573		24,355
SERVICE TAX		36,050		26,265
<b>TOTAL</b>		<b>411,623</b>		<b>305,620</b>
<b>COST AUDITOR'S REMUNERATION</b>				
AUDIT FEES		30,000		30,000
<b>TOTAL</b>		<b>30,000</b>		<b>30,000</b>
VALUE OF IMPORTS ON CIF BASIS		1,342,989,868		697,774,958
<b>EXPENDITURE IN FOREIGN CURRENCY</b>				
INTEREST & FINANCIAL CHARGES		8,028,321		11,830,695
CAPITAL ITEMS		36,706		1,341,367
OTHERS		36,186,162		147,182
EARNINGS IN FOREIGN EXCHANGE		862,712,048		395,021,202
EXPORT OF GOODS ON FOB BASIS				
<b>VALUE OF MATERIALS CONSUMED AND THE PERCENTAGE THEREOF</b>				
<b>RAW MATERIAL</b>				
IMPORTED	41.95%	1,097,156,693	44.84%	672,322,197
INDIGENOUS	58.05%	1,517,973,433	55.16%	827,210,478
<b>TOTAL</b>	<b>100.00%</b>	<b>2,615,130,126</b>	<b>100.00%</b>	<b>1,499,532,675</b>
<b>STORES AND SPARE PARTS</b>				
IMPORTED	1.83%	439,351	0.58%	147,842
INDIGENOUS	98.17%	23,551,679	99.42%	25,554,264
<b>TOTAL</b>	<b>100%</b>	<b>23,991,030</b>	<b>100.00%</b>	<b>25,702,106</b>

**NOTES TO THE ACCOUNTS (Contd...)**

**DETAILED INFORMATION REGARDING GOODS MANUFACTURED.**

(Previous years figures are in brackets)

CLASS OF GOODS	PRODUCTION QTY
Elastomeric / LT PVC XLPE Cable/AB Cables/ Optical Fibre Cables (KM)/JFTC(LCKM) and Others	<b>83,028.17</b> (39,235.27)

**a) DETAILS OF SALES RETURN (KM)**

Elastomeric / LT PVC XLPE Cable/AB Cables/ Optical Fibre Cables (KM)/ JFTC(LCKM) and Others	<b>42.72</b>	<b>10,658,383</b>
	(207.25)	(2,3474,860)

**b) THE PRODUCTION DOES NOT INCLUDE QUANTITIES GIVEN AS SAMPLE AND FOR TESTING.**

**DETAILS IN RESPECT OF GOODS TRADED IN:**

Class of Goods	Opening Stock		Production	Turnover		Closing Stock	
	QTY	Value (Rs)	QTY	QTY	Value (Rs)	QTY	Value (Rs)
Elastomeric / LT PVC XLPE Cable/AB Cables/ Optical Fibre Cables (KM)/JFTC(LCKM) and Others	-	-	-	-	-	-	-
	-	(103,555)	-	-	(18,141,461)	-	-

**NOTES TO THE ACCOUNTS (Contd...)**

**SCHEDULE 'J'**

**A) NOTES TO THE FINANCIAL STATEMENTS:**

**1. Contingent Liabilities not provided for:**

*(Amount in Rupees)*

Particulars		Amount as on 31-03-2011	Amount as on 31-03-2010
a.	Claims against the Company not acknowledged as debts	<b>8,13,03,074</b>	8,13,03,074
b.	Excise duty Demand in dispute	<b>15,16,541</b>	15,16,541
c.	Labour Cases in Vapi Labour Court	<b>1,50,00,000</b>	Nil
d.	Sales Tax Assesment 06-07 Demand	<b>3,91,94,483</b>	Nil
e.	Rajasthan Sales Tax Assesment 08-09	<b>10,49,705</b>	Nil

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) Rs. 99,71,268/- (Previous Year Rs. 53,03,898/-).

3. As per Revised Accounting standard 15 "Employee Benefits", the disclosure of employee benefits as defined in the Accounting Standard are given below:

**a) Defined Contribution Plan:**

Employers Contribution to Government managed Provident Fund & Family Pension Fund – Rs. 37, 29,369/- (Previous Year Rs. 34, 86,159/-).

Employers Contribution to ESIC – Rs. 93,916/- (Previous Year Rs. 61,108/-).

**b) Defined Benefits Plan :**

The employee's gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Particulars		Gratuity	
		2010-2011	2009-2010
<b>(I)</b>	<b>Changes in the Present Value of the Defined Benefits Obligation.</b>		
1	Present Value of Defined Benefit Obligation at the beginning of the year	<b>10,345,297</b>	8,309,083
2	Interest Cost	<b>874,331</b>	664,727
3	Current Service Cost	<b>1,115,341</b>	891,263
4	Benefits paid	<b>(1,063,007)</b>	(2,654,440)
5	Actuarial Gain / (Loss) on Defined Benefit Obligation	<b>2,658,629</b>	3,134,664
6	Present Value of Defined Benefit Obligation at the end of the year	<b>13,930,591</b>	10,345,297
<b>(II)</b>	<b>Changes in the Fair Value of Plan Assets</b>		
1	Fair Value of Plan Assets at the beginning of the year	<b>7,080,117</b>	7,479,161
2	Expected Return on Plan Assets	<b>570,645</b>	550,149
3	Contributions	<b>584,444</b>	1,836,741
4	Benefits paid	<b>(1,063,007)</b>	(2,654,440)
5	Actuarial Gain / (Loss) on Plan Assets	<b>96,182</b>	(131,494)
6	Fair Value of Plan Assets at the end of the year	<b>7,268,381</b>	7,080,117
<b>(III)</b>	<b>Amount recognized in the Balance Sheet</b>		
1	Present Value of Defined Benefit Obligation at the end of the year	<b>13,930,591</b>	10,345,297

**NOTES TO THE ACCOUNTS (Contd...)**

Particulars		Gratuity	
		2010-2011	2009-2010
2	Fair Value of Plan Assets at the end of the year	7,268,381	7,080,117
3	Liability to be recognized in the Balance Sheet	6,662,210	3,265,180
<b>(IV) Balance Sheet Reconciliation</b>			
1	Net liability at the beginning of the year	3,265,180	829,922
2	Expenses recognized as under	3,981,474	4,271,999
3	Contributions as above	(584,444)	(1,836,741)
4	Net liability at the end of the year	6,662,210	3,265,180
<b>(V) Amounts recognized in the Profit &amp; Loss A/c</b>			
1	Current Service Cost	1,115,341	891,263
2	Interest Cost on obligation	874,331	664,727
3	Expected Return on plan assets for the period	(570,645)	(550,149)
4	Net Actuarial (Gain) / Loss	2,562,447	3,266,158
5	Expense Recognised in statement of Profit & Loss A/c	3,981,474	4,271,999
<b>(VI) Actual Return on Plan Assets</b>			
1	Expected Return on plan assets for the period	570,645	550,149
2	Actuarial Gain / (Loss) on Plan Assets	96,182	(131,494)
3	Actual Return on Plan Assets	666,827	418,655
<b>(VII) Percentage of each category of Plan Assets to Fair Value of Plan Assets</b>			
1	Insurer managed fund	100%	100%
<b>(VIII) Actuarial Assumption</b>			
1	Discount Rate	8.25%	8.00%
2	Expected Rate of Return on Plan Assets	8.00%	8.00%
3	The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.	5.00%	8.50%
4	Actuarial Valuation Method : Projected Unit Credit Method		

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy of plan asset management.

**4. Leave Encashment :**

The actuarial value of leave encashment liability of Rs. 3,691,796/- is based on the following assumptions as per the actuarial certificate under revised AS - 15. The assumptions are 5% as salary escalation, average of 2% as attrition and discount rate 8.25% as an assumption.

**5. Leases**

The Company has taken office premises under operating lease or leave and license agreements. These agreements are for a period of 11 months to 3 years, cancelable during the life of the contract at the option of both the parties and contain stipulation for up to 10 % increase in lease rentals. Minimum lease payments charged during the period to the profit and loss account aggregated to Rs. 28,83,376/- (Previous year Rs. 28, 05,000/-).

Previous year, the Company had entered in to an operating lease of Equipment for 60 months i.e. 20 quarters of 3 calendar months each, commencing from 1<sup>st</sup> day of the month in which the Equipment is delivered to the Company. Lease Rent charged during the period of profit & loss account aggregated to Rs. 1, 32, 02,205/- (Previous Year Rs. 88, 95,080/-).

**NOTES TO THE ACCOUNTS (Contd...)**

The Company has taken lease against Land for total 120 months i.e. 40 quarters of 3 calendar months each, commencing from 01.04.2010. Lease Rent charged during the period of Profit & Loss account aggregated to Rs. 4, 16,748/- (Previous Year Rs. Nil).

**6. Related party disclosures as per Accounting Standard-18**

**LIST OF RELATED PARTIES**

**(A) \*Key Management Personnel (KMP) and their Relatives**

Dr. Narendra D. Desai	-	Chairman
Shri. Kushal N. Desai	-	Director
Shri. Chaitanya N. Desai	-	Director
Shri. V. K. Bajaj	-	Chief Operating Officer

**(B) Other Related Parties with whom transactions have taken place.**

1. Marine Cables & Wires Pvt Ltd.	-	Subsidiary Company.
2. Apar Industries Limited	-	Holding Company.
3. Apar Corporation Pvt. Ltd.	-	Director/Member
4. Petroleum Specialities Pte ltd.	-	Subsidiary of the Holding Company

**(C) Other Related Parties where control exists but no transactions have taken place during the year.**

1. Kushal Chaitanya Desai Family Trust.
2. Apar Masat Conductors Ltd.
3. Apar Technologies Private Ltd.
4. Catalis World Private Ltd.
5. Kushal N. Desai Family trust
6. Scope Pvt. Ltd & its Subsidiaries
7. Chaitanya Desai Family Trust

**\* The Directors are the Key Management Personnel (KMP) who have the authority and responsibility for planning, directing and controlling the activities of the Company.**

**(D) Transactions with Related Parties**

Nature of Transactions	2010-2011		2009-2010	
	Associates/ Relatives	KMP	Associates/ Relatives	KMP
Sale of Goods	24,94,951	-	44,26,578	-
Purchase of Goods	140,43,39,841	-	23,75,83,966	-
Purchase of Plant & Machinery	23,18,204	-	1,12,71,335	-
Purchase Maintenance Item	-	-	41,20,324	-
Job Work Charges Received	2,82,11,321	-	1,20,45,015	-
Processing Charges Paid	2,98,52,142	-	4,28,27,701	-
Rent Paid	-	-	-	-
Secondment Charges (Personnel)	180,00,000	-	1,00,00,000	-
Perquisites to Ex Directors	-	-	-	-
Investment in Subsidiary Co.	232,36,783	-	232,36,783	-
Loans taken by the Company	515,000,000	-	58,57,23,084	-
Interest Paid by the Company	115,628,157	-	4,63,68,307	-
Loans Repaid	832,877,719	-	-	-
Sitting Fees	-	38,000	-	42,000



**UNIFLEX CABLES LTD.**  
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**NOTES TO THE ACCOUNTS (Contd...)**

Nature of Transactions	2010-2011		2009-2010	
	Associates/ Relatives	KMP	Associates/ Relatives	KMP
Reimbursement of Expenses	79,830,190	-	2,97,78,946	-
Lease Rent	1,32,02,205	-	88,95,080	-
Advance given by Company	-	-	-	-
Rent Deposit given	-	-	-	-
<b>Closing Balance – Debit</b>	<b>13,953,846</b>	-	107,49,864	-
<b>– Credit</b>	<b>1,903,541,638</b>	-	80,02,40,013	-

**Note:** Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

Nature of Transactions	2010-2011		2009-2010	
	Associates/ Relatives	KMP	Associates/ Relatives	KMP
<b>Sale of Goods :</b>				
– Apar Industries Limited	24,27,482	-	43,51,054	-
– Apar Corporation Pvt Limited	67,469	-	-	-
<b>Purchase of Goods :</b>				
– Apar Industries Limited	1,211,646,354	-	23,75,83,966	-
– Petroleum Specialities Pte. Ltd.	190,375,283	-	-	-
<b>Purchase of Plant &amp; Machinery:</b> – Apar Industries Limited	23,18,204	-	1,12,71,335	-
<b>Purchase Maintenance Item :</b>				
– Apar Industries Limited	-	-	41,20,324	-
<b>Job Work Received:</b>				
– Apar Industries Limited	2,82,11,321	-	1,20,45,015	-
<b>Processing Charges:</b>				
– Marine Cables & Wires Pvt. Ltd.	2,81,53,231	-	379,94,003	-
– Apar Industries Limited	16,98,911	-	48,33,698	-
<b>Secondment Charges (Personnel)</b>				
– Apar Industries Limited	18,000,000	-	1,00,00,000	-
<b>Investment in Subsidiary Co.</b>				
– Marine Cables & Wire Pvt. Ltd.	232,36,783	-	2,32,36,783	-
<b>Loans taken from the Company:</b>				
– Apar Industries Limited	515,000,000	-	58,57,23,084	-
<b>Interest Paid by the Company</b>				
– Apar Industries Limited	10,56,61,711	-	4,34,93,307	-
– Apar Corporation Pvt. Ltd.	28,75,000	-	-	-
– Petroleum Specialities Pte. Ltd.	11,42,953	-	-	-
– Directors:				
• Shri. Chaitanya N. Desai	41,60,000	-	-	-
• Shri. Kushal N. Desai	9,46,849	-	-	-
• Dr. Narendra D. Desai	8,41,644	-	-	-
<b>Sitting Fees:</b>				
• Shri. Chaitanya N. Desai	-	16,000	-	16,000
• Shri. Kushal N. Desai	-	12,000	-	14,000
• Dr. Narendra D. Desai	-	10,000	-	12,000
<b>Reimbursement of Expenses:</b>				
– Apar Industries Limited	39,836,866	-	37,42,905	-
– Marine Cables & Wires Pvt. Ltd.	39,993,324	-	2,60,36,041	-

**NOTES TO THE ACCOUNTS (Contd...)**

<b>Lease Rent</b>				
- Apar Industries Limited	<b>1,32,02,205</b>	-	88,95,080	-
<b>Marine Cables &amp; Wires Pvt. Ltd.</b>				
- Cl. Balance Credit	<b>42,90,156</b>	-	1,66,93,314	
<b>Closing Balance:</b>				
- Apar Corporation Pvt. Ltd. – Credit	<b>2,30,00,000</b>	-	2,55,87,500	-
- Apar Industries Limited – Credit	<b>1,880,541,638</b>	-	80,02,40,013	-
<b>Loans From Directors:</b>				
- Dr. Narendra D. Desai	-	-	-	8,00,00,000
- Shri. Kushal N. Desai	-	-	-	9,00,00,000
- Shri. Chaitanya N. Desai	-	-	-	8,00,00,000

The related party relationship is as identified by the Company and relied upon by the Auditors.

**7. Segment Reporting**

Due to change in Industrial environment, the assets of Telecom Cables are being utilized for Power Cables. Due to this, there is only one segment of operations in Cables and Conductors.

Installed capacity Cables and Conductors 69,480 KM - 2010-2011 (34,720 KM - 2009-2010).

**8. Impairment**

The management is of the view that Accounting Standard (AS) 28, on Impairment of Assets is not applicable as the carrying amount of the assets is lower than the present value.

**9. Taxation**

No provision of Tax has been made in view of losses.

**10. Deferred Taxation**

There is no deferred tax liability in the current year as the Book depreciation is higher than the Income Tax depreciation. Also due to concept of prudence, deferred tax assets is not recognized in all cases of timing difference due to depreciation, unabsorbed losses as per Para 15 & 17 of Accounting Standard 22 “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India.

**11. The details of Earning Per Share (EPS) are as follows:**

Sr. No.	Particulars	As on 31.03.2011	As on 31.03.2010
1.	No. of Equity Shares	<b>249,80,366</b>	2,49,80,366
2.	No. of Equity Shares after potential dilution	<b>249,80,366</b>	249,80,366
3.	Weighted average no. of equity shares outstanding during the year	<b>249,80,366</b>	249,80,366
4.	Loss before exceptional items	<b>28,25,26,885</b>	27,45,82,169
5.	Loss after exceptional items	<b>28,25,26,885</b>	27,45,82,169
6.	EPS	<b>(11.31)</b>	(10.99)

**12. Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are given as follows:**

Particulars	31.03.2011	31.03.2010
a) Principal amount outstanding as on March, 31 <sup>st</sup>	<b>99,23,789</b>	1,21,76,808
b) Interest accrued and remaining unpaid at the end of the year	<b>Nil</b>	Nil
c) Payments made to supplier beyond the appointed day during the year	<b>Nil</b>	Nil
d) Interest due & payable for the period of delay	<b>Nil</b>	Nil

**13.** Depreciation and write off include Rs. 1, 47,474/- (Previous year Rs. Nil) on account of proportionate leasehold land value written off.

**14.** In the opinion of the Board, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.



**NOTES TO THE ACCOUNTS (Contd...)**

15. Sundry Debtors, Sundry Creditors, Loans and Advances, Loans to Employees, Advances from Customers, Sundry deposits, Earnest Money Deposits paid are subject to confirmations and are as per books of accounts only.
16. There is no amount due and outstanding as at the balance sheet date to be credited to "Investors Education and Protection Fund."
17. Foreign Currency Exposure:

The details of foreign currency that are not hedged by derivative instruments or otherwise are summarized below.

Particulars	Amount in Foreign Currency		Amount in Rupees	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Payable				
US\$	<b>43,70,018</b>	6,371,226	<b>19,55,14,192</b>	286,131,797
Receivable				
US\$	<b>4,65,758</b>	936,836	<b>20,823,762</b>	42,052,254
EURO	<b>190.40</b>	-	<b>11,995</b>	-

18. The Previous year's figures have been regrouped/recast wherever considered necessary to make them comparable with that of current year.
19. Information required in terms of Part IV of Schedule VI of the Companies Act 1956 attached.
20. Draft Rehabilitation Scheme (DRS) of the Company which Inter alia includes scheme of Amalgamation of Company with Apar Industries Ltd., Holding Company (AIL) with effect from 01<sup>st</sup> April 2010 (Transfer Date) has been submitted to Board for Industrial and Financial Reconstruction (BIFR) by Operating Agency (OA) appointed by BIFR, for its final consideration. Shareholders of the Holding Company (AIL) have approved the DRS subject to approval of BIFR and other regulatory approval.

**SIGNATORIES TO SCHEDULE  
'A' TO 'Q' AND STATEMENT  
OF SIGNIFICANT ACCOUNTING POLICY**

**FOR AND ON BEHALF OF THE BOARD**

**CHAITANYA N. DESAI**  
(DIRECTOR)

**KUSHAL N. DESAI**  
(DIRECTOR)

**M. C. BHALAWAT**  
(COMPANY SECRETARY)

**Mumbai, 26<sup>th</sup> May, 2011.**



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. REGISTRATION DETAILS

Registration No.      State Code :

Balance Sheet Dt.   -   -

### II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousand)

PUBLIC ISSUE    Rights Issue

BONUS ISSUE    Private Placement

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.Thousand)

Total Liabilities        Total Assets

#### Source of Funds

Paid-Up Capital       Reserves & Surplus

Secured Loans     Unsecured Loans

#### Application of Funds

Net Fixed Assets       Investments

Net Current Assets       Misc.Expenditure

Accumulated Losses

### IV. PERFORMANCE OF COMPANY (Amount in Rs.Thousand)

Turnover        Total Expenditure

Profit/(Loss) Before Tax        Profit/(Loss) After Tax

Earning Per Share In Rs. Dividend Rate % - Equity

Basic & Diluted

### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)

Item Code No. (Itc Code)

Product Description

Product Description

Product Description

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**CHAITANYA N. DESAI**  
DIRECTOR

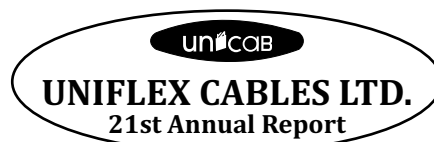
**KUSHAL N. DESAI**  
DIRECTOR

**V. K. BAJAJ**  
MANAGER AND CHIEF OPERATING OFFICER

**SAMIR H. MEHTA**  
CHIEF FINANCIAL OFFICER

**M. C. BHALAWAT**  
COMPANY SECRETARY

Mumbai, 26<sup>th</sup> May, 2011



**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

PARTICULARS	Stand Alone	
	31-Mar-11 Rupees	31-Mar-10 Rupees
<b>A) CASH FROM OPERATING ACTIVITIES</b>		
<b>PROFIT / (LOSS) BEFORE TAX</b>	<b>(282,526,885)</b>	<b>(274,582,169)</b>
<b>1 Adjustment for</b>		
a) Depreciation	62,972,279	61,282,958
b) Write - Offs against Leasehold Land	147,474	-
c) Bad & Doubtful Debts	-	-
d) (Profit) / Loss on sale of assets	-	32,840
e) Interest Received	(4,302,386)	(6,156,651)
f) Interest Paid	182,076,824	144,138,283
<b>Operating profit before working capital changes</b>	<b>(41,632,694)</b>	<b>(75,284,739)</b>
<b>2 Working Capital Changes</b>		
<b>Adjustment for</b>		
a) Decrease / (Increase) in Inventories	(4,916,114)	(17,146,998)
b) Decrease / (Increase) in Sundry Debtors	(108,219,608)	(93,055,450)
c) Other Current Assets	-	-
d) Decrease / (Increase) in Loans and Advances	(31,788,415)	(24,284,772)
e) (Decrease) / Increase in Current Liabilities and Provisions	(79,649,172)	36,879,816
f) (Decrease) / Increase in Cash Credit from Banks	-	-
	<b>(224,573,309)</b>	<b>(97,607,404)</b>
<b>Cash Generated from Operations</b>	<b>(266,206,003)</b>	<b>(172,892,143)</b>
<b>3 Taxes Paid</b>	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(266,206,003)</b>	<b>(172,892,143)</b>
<b>B) CASH FROM INVESTING ACTIVITIES</b>		
A) Capital Expenditure	(71,713,173)	(108,652,678)
B) Sale of Fixed Assets	632,947	25,300
C) Investment in Subsidiary Company	-	-
D) Interest Received	3,219,121	5,275,032
<b>Net Cash from Investing Activities</b>	<b>(67,861,105)</b>	<b>(103,352,346)</b>
<b>C) CASH FROM FINANCING ACTIVITIES</b>		
a) Equity Shares	-	-
b) Share Premium	-	-
c) Equity Warrant Application Money	-	-
d) Borrowings	603,650,880	515,929,430
e) Interest Paid	(176,784,814)	(144,138,283)
f) (Decrease) / Increase in Cash Credit from Banks	(153,345,064)	(11,174,910)
<b>Net cash from Financing Activities</b>	<b>273,521,003</b>	<b>360,616,237</b>
<b>D) NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(60,546,106)</b>	<b>84,371,748</b>
<b>Opening Balance</b>	<b>168,834,787</b>	<b>84,463,039</b>
<b>Closing Balance</b>	<b>108,288,681</b>	<b>168,834,787</b>

**AS PER OUR REPORT OF EVEN  
DATE ATTACHED**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**FOR RASHMI ZAVERI & CO.**  
CHARTERED ACCOUNTANTS

**CHAITANYA N. DESAI**  
DIRECTOR

**KUSHAL N. DESAI**  
DIRECTOR

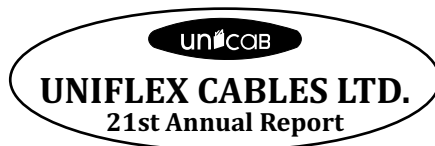
**RASHMI ZAVERI**  
PARTNER  
MEMBERSHIP NO. 5299  
Firm No. 108683W  
Mumbai, 26<sup>th</sup> May, 2011

**V. K. BAJAJ**  
MANAGER AND CHIEF OPERATING OFFICER

**SAMIR H. MEHTA**  
CHIEF FINANCIAL OFFICER

**M. C. BHALAWAT**  
COMPANY SECRETARY

Mumbai, 26<sup>th</sup> May, 2011



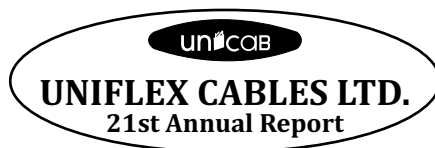
**FINANCIAL INFORMATION OF SUBSIDIARY COMPANY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.**

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANY**

**MARINE CABLES & WIRES PVT. LTD.**

*(Amt in Rupees)*

SR NO.	PARTICULARS	AMOUNT
1	Capital	9,469,000
2	Reserve (Net of Loss)	(34,324,773)
3	Total Assets (Net)	46,982,467
4	Total Liabilities	71,838,240
5	Details of Investment (Except in case of Investment in subsidiaries)	Nil
6	Turnover	28,673,392
7	Profit / (Loss) before taxation	(11,271,863)
8	Provision for taxation	-
9	Profit / (Loss) after taxation	(11,271,863)
10	Proposed dividend	Nil



## REPORT OF THE AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have examined the attached Consolidated Balance Sheet of **UNIFLEX CABLES LIMITED** and its subsidiary as at 31<sup>st</sup> March, 2011, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements of Marine Cables & Wires Pvt. Ltd., a subsidiary, whose financial statements for the year ended 31<sup>st</sup> March, 2011 reflect total assets of Rs. 8,23,86,900/- and total revenues of Rs. 2,86,73,392/- have been audited by an independent firm of Chartered Accountants. Our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based on their report.

We report that the Consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards issued by the Institute of Chartered Accountants of India viz. Accounting Standard (AS) 21, Consolidated Financial Statements, the Accounting Standard Interpretations and amendments issued thereto, to the extent applicable for the year ended 31<sup>st</sup> March, 2011 and on the basis of the separate audited statements of Uniflex Cables Ltd. and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit report on individual audited financial statements of Uniflex Cables Ltd. and its aforesaid subsidiary:

- i) The Consolidated Balance Sheet read together with notes thereon, gives a true and fair view of the consolidated state of affairs of Uniflex Cables Ltd. and its subsidiary as at 31<sup>st</sup> March, 2011.
- ii) The Consolidated Profit and Loss read together with notes thereon, gives a true and fair view of the consolidated results of operation of Uniflex Cables Ltd. and its subsidiary for the year ended and
- iii) The Consolidated Cash Flow Statement read together with notes thereon, gives a true and fair view of the consolidated cash flows of Uniflex Cables Ltd. and its subsidiary for the year ended.

For **RASHMI ZAVERI & CO.**  
*Chartered Accountants*

**Place : Mumbai**  
**Date : 26<sup>th</sup> May, 2011**

**RASHMI ZAVERI**  
*Partner*  
Membership No. 5299  
Firm No. 108683W



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011

	SCHEDULE	31- March-2011 (Amt. in Rs.)	31- March-2010 (Amt. in Rs.)
<b>SOURCES OF FUNDS</b>			
<b>I. SHAREHOLDERS' FUNDS</b>			
SHARE CAPITAL	A	249,803,660	249,803,660
RESERVES AND SURPLUS	B	440,970,251	440,970,251
		<u>690,773,911</u>	<u>690,773,911</u>
<b>II. LOAN FUNDS</b>			
SECURED LOANS	C	135	340,845,199
UNSECURED LOANS	D	1,832,424,815	1,048,023,935
		<u>1,832,424,950</u>	<u>1,388,869,134</u>
<b>Total I + II</b>		<u><u>2,523,198,861</u></u>	<u><u>2,079,643,045</u></u>
<b>APPLICATION OF FUNDS</b>			
<b>I. FIXED ASSETS</b>			
GOODWILL ON CONSOLIDATION		42,672,290	42,672,290
GROSS BLOCK	E	1,328,552,444	1,283,424,074
LESS : DEPRECIATION		(766,406,124)	(700,405,969)
NET BLOCK		562,146,320	583,018,105
CAPITAL WORK-IN-PROGRESS/ADVANCES		40,542,746	14,714,563
		<u>645,361,356</u>	<u>640,404,958</u>
<b>II. INVESTMENT</b>			
		-	-
<b>III. CURRENT ASSETS, LOANS AND ADVANCES</b>			
INVENTORIES		524,104,569	519,188,455
SUNDRY DEBTORS		590,314,004	482,094,396
CASH AND BANK BALANCES		109,920,431	168,949,067
OTHER CURRENT ASSETS		2,731,318	1,648,053
LOANS AND ADVANCES		243,615,737	212,658,546
		<u>1,470,686,059</u>	<u>1,384,538,517</u>
<b>LESS:CURRENT LIABILITIES AND PROVISIONS</b>	G	<u>(617,741,716)</u>	<u>(676,394,845)</u>
<b>NET CURRENT ASSETS</b>		<u>852,944,343</u>	<u>708,143,672</u>
<b>IV. MISCELLANEOUS EXPENDITURE</b>			
		-	-
<b>V. PROFIT AND LOSS ACCOUNT</b>			
		<u>1,024,893,163</u>	<u>731,094,415</u>
		<u><u>2,523,198,861</u></u>	<u><u>2,079,643,045</u></u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>			
	H		
<b>NOTES TO THE ACCOUNTS</b>			
	I		

THIS IS THE BALANCE SHEET REFERRED FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
TO IN OUR REPORT OF EVEN DATE

FOR RASHMI ZAVERI & CO.  
CHARTERED ACCOUNTANTS

CHAITANYA N. DESAI  
DIRECTOR

KUSHAL N. DESAI  
DIRECTOR

RASHMI ZAVERI  
PARTNER  
MEMBERSHIP NO. 5299  
Firm No. 108683W  
Mumbai, 26<sup>th</sup> May, 2011

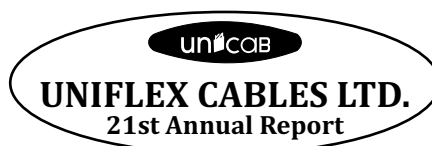
V. K. BAJAJ  
MANAGER AND CHIEF OPERATING OFFICER

SAMIR H. MEHTA  
CHIEF FINANCIAL OFFICER

M. C. BHALAWAT  
COMPANY SECRETARY

Mumbai, 26<sup>th</sup> May, 2011





**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	SCHEDULE	31-March-2011 (Amt. in Rs.)	31-March-2010 (Amt. in Rs.)
<b>INCOME</b>			
SALES		3,334,637,807	1,924,572,175
LESS : EXCISE DUTY		<u>221,910,169</u>	<u>118,386,855</u>
<b>NET TURNOVER</b>		<b>3,112,727,638</b>	1,806,185,320
INCREASE IN STOCK	J	26,160,254	26,369,099
OTHER INCOME	K	<u>38,251,921</u>	<u>28,445,282</u>
<b>TOTAL INCOME</b>		<b>3,177,139,813</b>	1,860,999,701
<b>EXPENDITURE</b>			
RAW MATERIAL CONSUMPTION	L	2,615,130,126	1,499,532,676
MANUFACTURING AND OPERATING EXPENSES	M	248,853,295	209,286,144
PERSONNEL EXPENSES	N	121,139,120	108,748,442
SELLING & ADMINISTRATIVE EXPENSES	O	257,372,529	117,651,737
INTEREST & DISCOUNTING CHARGES (NET)	P	<u>162,319,661</u>	<u>129,457,622</u>
<b>TOTAL EXPENDITURE</b>		<b>3,404,814,731</b>	2,064,676,621
<b>PROFIT/(LOSS) BEFORE DEPRECIATION AND TAX</b>		<b>(227,674,918)</b>	(203,676,921)
Add : DEPRECIATION / WRITE OFFS		<u>66,123,830</u>	<u>64,278,410</u>
<b>PROFIT/(LOSS) BEFORE TAXES</b>		<b>(293,798,748)</b>	(267,955,331)
Add : PROVISION FOR CURRENT TAX		<u>-</u>	<u>600,000</u>
<b>LOSS AFTER TAX</b>		<b>293,798,748</b>	268,555,331
<b>DEFICIT BROUGHT FORWARD FROM PREVIOUS YEAR</b>		<b>731,094,415</b>	462,539,085
<b>DEFICIT CARRIED FORWARD TO BALANCE SHEET</b>		<b>1,024,893,163</b>	731,094,415
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	H		
<b>NOTES TO FINANCIAL STATEMENTS</b>	I		
<b>EARNINGS PER SHARE (REFER NOTE 11 OF SCHEDULE I)</b>			
BASIC & DILUTED (IN RS.)		(11.76)	(10.75)
<hr/>			
<b>THIS IS THE PROFIT AND LOSS ACCOUNT FOR AND ON BEHALF OF THE BOARD OF DIRECTORS REFERRED TO IN OUR REPORT OF EVEN DATE</b>			
<hr/>			
FOR RASHMI ZAVERI & CO. CHARTERED ACCOUNTANTS	CHAITANYA N. DESAI DIRECTOR	KUSHAL N. DESAI DIRECTOR	
RASHMI ZAVERI PARTNER MEMBERSHIP NO. 5299 Firm No. 108683W Mumbai, 26 <sup>th</sup> May, 2011	V. K. BAJAJ MANAGER AND CHIEF OPERATING OFFICER	SAMIR H. MEHTA CHIEF FINANCIAL OFFICER	
	M. C. BHALAWAT COMPANY SECRETARY	Mumbai, 26 <sup>th</sup> May, 2011	



**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011**

	31-March-2011 (Amt. in Rs.)	31-March-2010 (Amt. in Rs.)
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
AUTHORISED :		
<b>EQUITY SHARES</b>		
3,00,00,000 EQUITY SHARES OF RS.10/ - EACH	<u>300,000,000</u>	<u>300,000,000</u>
	<b>300,000,000</b>	<b>300,000,000</b>
<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
2,49,80,366 EQUITY SHARES OF RS. 10 EACH (PREVIOUS YEAR 2,49,80,366 EQUITY SHARES FULLY PAID)	<b>249,803,660</b>	<b>249,803,660</b>
Out of the above Apar Industries Limited, the Holding Company of Uniflex Cables Limited holds 1,63,53,875 shares (Previous Year 1,63,53,875 shares)		
	<u>249,803,660</u>	<u>249,803,660</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVES AND SURPLUS</b>		
<b>SHARE PREMIUM ACCOUNT</b>		
BALANCE AS PER LAST BALANCE SHEET	<b>423,918,574</b>	<b>423,918,574</b>
ADD : ADDITIONS DURING THE YEAR	<u>-</u>	<u>-</u>
	<b>423,918,574</b>	<b>423,918,574</b>
<b>CAPITAL RESERVE</b>		
BALANCE AS PER LAST BALANCE SHEET	<b>17,051,677</b>	<b>901,677</b>
ADD: TRANSFER ON FORFEITURE OF WARRANT APPLICATION MONEY	<u>-</u>	<u>16,150,000</u>
	<b>17,051,677</b>	<b>17,051,677</b>
	<u>440,970,251</u>	<u>440,970,251</u>
<b>SCHEDULE 'C'</b>		
<b>SECURED LOANS</b>		
TERM LOAN FROM YES BANK	-	<b>187,500,000</b>
CASH CREDIT / WORKING CAPITAL DEMAND LOAN	<b>135</b>	<b>153,345,199</b>
	<u>135</u>	<u>340,845,199</u>
<b>Notes:</b>		
1. Working Capital Facility / Cash Credit Facility / Packing Credit Facility is secured against first pari passu charge on the stock and debts of the Company/collateral first pari passu charge on Fixed Assets of the Company.		
2. The above facility have been secured by the Corporate Guarantee issued by Apar Industries Ltd., the Holding Company. The facility sanctioned by one of the Banks has also been secured by the personal guarantee of two of the Non Executive Directors.		
<b>SCHEDULE 'D'</b>		
<b>UNSECURED LOANS</b>		
INTER CORPORATE LOAN (SHORT TERM LOAN)		
APAR CORPORATION PVT. LTD.	<b>83,000,000</b>	<b>92,337,500</b>
APAR INDUSTRIES LTD. (HOLDING COMPANY)	<b>1,749,424,815</b>	<b>705,686,435</b>
FROM DIRECTORS	<u>-</u>	<u>250,000,000</u>
	<b>1,832,424,815</b>	<b>1,048,023,935</b>



**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011 (Contd...)**

**SCHEDULE - E**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost as at 1-Apr-10	Additions 2010-11	Deductions 2010-11	Cost as at 31-Mar-11	As at 1-Apr-10	For 2010-11	Written back during 2010-11	As at 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10	
a) Land - lease hold	42,745,934	154,800	-	42,900,734	1,121,926	287,714	-	1,409,640	41,491,094	41,624,008	
b) Factory Building	144,746,747	1,080,137	-	145,826,884	46,911,179	4,846,982	-	51,758,161	94,068,723	97,835,568	
c) Residential Building	15,802,574	-	-	15,802,574	3,598,444	257,582	-	3,856,026	11,946,548	12,204,130	
d) Plant & Machinery	1,021,304,472	41,385,789	-	1,062,690,261	612,968,748	57,375,512	-	670,344,259	392,346,002	408,335,722	
e) Furniture & Fixture	19,070,468	510,505	-	19,580,973	15,063,870	660,446	-	15,724,316	3,856,657	4,006,598	
f) Equipment	19,753,715	2,390,934	-	22,144,649	7,906,685	950,273	-	8,856,958	13,287,691	11,847,030	
g) Computer/ Printer	13,726,314	362,823	-	14,089,137	8,696,788	1,065,665	-	9,762,453	4,326,684	5,029,526	
h) Vehicles	6,273,850	-	756,618	5,517,232	4,138,328	679,656	123,671	4,694,312	822,920	2,135,522	
<b>TOTAL</b>	<b>1,283,424,074</b>	<b>45,884,988</b>	<b>756,618</b>	<b>1,328,552,444</b>	<b>700,405,969</b>	<b>66,123,830</b>	<b>123,671</b>	<b>766,406,124</b>	<b>562,146,320</b>	<b>583,018,105</b>	
<b>CWIP</b>	<b>14,714,563</b>	<b>-</b>	<b>-</b>	<b>40,542,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,542,746</b>	<b>14,714,563</b>	
<b>TOTAL</b>	<b>1,298,138,637</b>	<b>45,884,988</b>	<b>756,618</b>	<b>1,369,095,190</b>	<b>700,405,969</b>	<b>66,123,830</b>	<b>123,671</b>	<b>766,406,124</b>	<b>602,689,066</b>	<b>597,732,668</b>	
Previous Year	1,190,915,943	172,565,843	2,157,821	1,298,138,637	636,210,303	64,278,410	82,743	700,405,969	597,732,668	554,705,640	

**SCHEDULE `F`**

**CURRENT ASSETS, LOANS AND ADVANCES**

	31-March-2011 (Amt. in Rs.)	31-March-2010 (Amt. in Rs.)
<b>A) CURRENT ASSETS :</b>		
<b>I. INVENTORIES</b>		
AS VALUED AND CERTIFIED BY THE MANAGEMENT: (AT LOWER OF COST AND NET REALISABLE VALUE)		
RAW MATERIAL	163,787,976	149,133,914
WORK-IN-PROGRESS	187,643,275	137,547,688
FINISHED GOODS	148,537,505	172,472,838
FUEL STOCK	1,049,330	115,168
PACKING MATERIAL	23,086,483	3,106,872
	<b>524,104,569</b>	<b>462,376,480</b>
RAW MATERIAL IN TRANSIT	-	56,811,975
	<b>524,104,569</b>	<b>519,188,455</b>
<b>II. SUNDRY DEBTORS</b>		
UNSECURED ; CONSIDERED GOOD :		
OUTSTANDING FOR MORE THAN SIX MONTHS	90,059,297	107,761,934
OTHERS	500,254,707	374,332,462
(Includes Rs. NIL being more than six months and Rs. 1,22,28,195/ - being less than six months due from holding Company) (Previous Year Rs. 80,08,072/ - being more than six months and Rs. 27,41,792/ - being less than six months)		
<b>UNSECURED ; CONSIDERED DOUBTFUL :</b>		
OUTSTANDING FOR MORE THAN SIX MONTHS	1,644,649	1,644,649
LESS : PROVISION FOR DOUBTFUL DEBTS	<b>(1,644,649)</b>	<b>(1,644,649)</b>
	<b>590,314,004</b>	<b>482,094,396</b>



**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011 (Contd...)**

	31-March-2011 (Amt. in Rs.)	31-March-2010 (Amt. in Rs.)
<b>III. CASH AND BANK BALANCES</b>		
CASH ON HAND	711,065	302,795
CHEQUES ON HAND	-	16,959,870
BALANCES WITH SCHEDULED BANKS :		
IN CURRENT ACCOUNTS	56,435,265	90,708,005
IN FIXED DEPOSIT ACCOUNTS	52,774,101	60,957,444
IN MARGIN ACCOUNT	-	20,953
	<b>109,920,431</b>	<b>168,949,067</b>
<b>IV. OTHER CURRENT ASSETS</b>		
INTEREST ACCRUED BUT NOT DUE	2,731,318	1,648,053
<b>V. LOANS AND ADVANCES</b>		
(UNSECURED ; CONSIDERED GOOD)		
ADVANCES RECOVERABLE IN CASH OR IN KIND FOR THE VALUE TO BE RECEIVED	9,392,253	26,269,129
(INCLUDING LOAN TO OFFICER RS. NIL, MAXIMUM AMOUNT OUTSTANDING DURING THE YEAR RS. NIL) (PREVIOUS YEAR RS. 11,000/-)		
EXPORT ENTITLEMENT BENEFIT	50,086,625	39,056,724
SUNDRY DEPOSITS	31,385,070	28,311,881
DUE FROM EX-DIRECTORS	432,746	432,746
UNUTILISED MODVAT CREDIT	110,793,773	89,065,065
ADVANCE TO SUPPLIERS	12,794,254	11,743,215
ADVANCE TO SUPPLIERS FOR CAPITAL GOODS	10,483,701	2,654,845
ADVANCE TAXES	8,583,300	12,633,476
BALANCE WITH REVENUE AUTHORITIES	9,664,015	2,491,465
	<b>243,615,737</b>	<b>212,658,546</b>
	<b>1,470,686,059</b>	<b>1,382,890,464</b>
<b>SCHEDULE 'G'</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>I CURRENT LIABILITIES</b>		
SUNDRY CREDITORS (REFER NOTE NO 12)		
TOTAL OUTSTANDING DUES OF MICRO, SMALL AND MEDIUM ENTERPRISES	9,923,789	12,176,808
TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES	234,203,191	254,821,346
DUE TO HOLDING COMPANY	124,300,715	66,149,617
ACCEPTANCES	195,514,192	286,133,370
ADVANCE FROM CUSTOMERS	14,054,210	10,420,547
BOOK OVERDRAFT	6,498,450	17,892,569
INTEREST ACCRUED BUT NOT DUE	1,226,432	3,198,065
	<b>585,720,979</b>	<b>650,792,322</b>
<b>II PROVISIONS</b>		
PROVISION FOR EXCISE DUTY	12,680,406	13,613,893
PROVISION FOR LEAVE SALARY	4,109,484	2,238,171
PROVISION FOR GRATUITY	8,144,082	4,271,999
PROVISION FOR PROVIDENT FUND	584,037	538,438

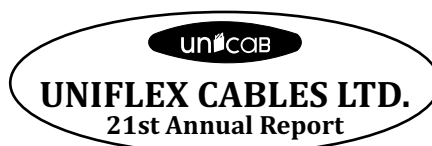


**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011 (Contd...)**

	31-March-2011 (Amt. in Rs.)	31-March-2010 (Amt. in Rs.)
PROVISION FOR INCOME TAX	627,600	627,600
PROVISION FOR BONUS	5,875,128	4,312,422
	<u>32,020,737</u>	<u>25,602,523</u>
	<u>617,741,716</u>	<u>676,394,845</u>
<b>MISCELLANEOUS EXPENSES</b>		
(TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	-	-
<b>PROFIT AND LOSS ACCOUNT</b>		
BALANCE CARRIED FORWARD TO BALANCE SHEET	<u>1,024,893,163</u>	<u>731,094,415</u>

**SCHEDULES ANNEXED TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

	31-March-2011 (Amt. in Rs.)	31-March-2010 (Amt. in Rs.)
<b>SCHEDULE `J`</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
<b>I FINISHED GOODS</b>		
CLOSING STOCK	148,537,505	172,472,838
OPENING STOCK	<u>(172,472,838)</u>	<u>(104,370,222)</u>
	<u>(23,935,333)</u>	<u>68,102,616</u>
<b>II WORK-IN-PROCESS</b>		
CLOSING STOCK	187,643,275	137,547,688
OPENING STOCK	<u>(137,547,688)</u>	<u>(179,281,205)</u>
	<u>50,095,587</u>	<u>(41,733,517)</u>
	<u>26,160,254</u>	<u>26,369,099</u>
<b>SCHEDULE `K`</b>		
<b>OTHER INCOME</b>		
EXPORT BENEFITS & DUTY DRAW BACK	5,588,903	13,495,416
JOB WORK CHARGES	28,363,497	12,208,335
SALE OF SCRAP	368,055	470,973
EXCESS PROVISION WRITTEN BACK	<u>3,931,466</u>	<u>2,270,558</u>
	<u>38,251,921</u>	<u>28,445,282</u>
<b>SCHEDULE `L`</b>		
<b>RAW MATERIALS CONSUMED</b>		
OPENING STOCK	149,133,914	92,364,635
PURCHASES	<u>2,629,784,188</u>	<u>1,556,301,955</u>
	<u>2,778,918,102</u>	<u>1,648,666,590</u>
LESS : CLOSING STOCK	<u>(163,787,976)</u>	<u>(149,133,914)</u>
	<u>2,615,130,126</u>	<u>1,499,532,676</u>
<b>SCHEDULE `M`</b>		
<b>MANUFACTURING AND OPERATING EXPENSES</b>		
POWER & FUEL *	84,023,206	68,138,245
STORES & SPARES	24,008,856	25,718,968
EXCISE DUTY PROVIDED ON CLOSING STOCK OF FINISHED GOODS NOT CLEARED FROM FACTORY	<u>(933,487)</u>	<u>6,030,950</u>
FACTORY BUILDING REPAIR AND MAINTENANCE	2,955,612	4,862,654
MACHINERY REPAIR AND MAINTENANCE	8,990,032	11,214,843
PACKING MATERIAL	64,610,000	47,480,129
PROCESSING CHARGES	2,856,314	8,099,221
LABOUR CHARGES	<u>61,829,068</u>	<u>37,083,779</u>



**SCHEDULES ANNEXED TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011 (Contd...)**

	<b>31-March-2011</b>	31-March-2010
	<b>(Amt. in Rs.)</b>	(Amt. in Rs.)
WATER CHARGES	<u>513,694</u>	<u>657,355</u>
	<u>248,853,295</u>	<u>209,286,144</u>
* Fuel includes Rs. 30,32,378/ - (Previous year Rs. 22,72,682/-) for generation of own power		
<b>SCHEDULE `N'</b>		
<b>PERSONNEL COST</b>		
SALARY AND WAGES	86,255,117	81,842,335
SERVICE CHARGES	18,000,300	10,000,000
PROVIDENT FUND	4,290,398	3,885,938
GRATUITY	4,398,639	4,571,999
BONUS	5,849,470	5,366,246
EMPLOYEES STATE INSURANCE FUND	93,916	61,108
WORKERS WELFARE	<u>2,251,280</u>	<u>3,020,816</u>
	<u>121,139,120</u>	<u>108,748,442</u>
<b>SCHEDULE `O'</b>		
<b>SELLING AND ADMINISTRATION EXPENSES</b>		
ADVERTISEMENT	1,306,862	342,380
BROKERAGE AND COMMISSION	48,920,992	9,043,925
DIRECTORS SITTING FEES	88,000	122,000
DIRECTORS REMUNERATION	-	-
DISCOUNTS & SETTLEMENTS (NET)	(240,333)	2,706,390
DONATION	21,000	10,000
EXCHANGE FLUCTUATION DIFFERENCE (NET)	(11,888,240)	(31,046,041)
INSURANCE EXPENSES	3,369,117	3,687,745
LEGAL & PROFESSIONAL EXPENSES	8,872,652	3,401,893
MISCELLANEOUS EXPENSES	26,611,955	20,216,309
OFFICE EXPENSES	1,337,494	1,903,971
PAYMENTS TO AUDITORS	390,000	319,355
POSTAGE AND COMMUNICATION EXPENSES	2,525,150	2,482,488
PRIOR PERIOD EXPENSES	-	439,525
RENT, RATES AND TAXES	7,505,442	5,703,245
SALES PROMOTION EXPENSES	1,377,960	683,649
SHARE TRANSFER EXPENSES	81,411	81,848
STATIONERY AND PRINTING	2,628,164	2,252,843
TRANSPORTATION CHARGES	103,715,730	50,470,629
TRAVELLING, CONV. & MOTOR CAR EXPENSES	11,661,844	10,139,694
LOSS ON DISPOSAL OF ASSETS	-	32,840
SUNDRY BALANCE W/OFF	161,719	1,471,981
BANK CHARGES & COMMISSION	23,275,823	15,940,439
HEDGING EXPENSES	(892,317)	8,349,549
LEASE RENT	13,202,205	8,895,080
BAD DEBTS	<u>13,339,899</u>	<u>-</u>
	<u>257,372,529</u>	<u>117,651,737</u>
<b>SCHEDULE `P'</b>		
<b>INTEREST AND DISCOUNTING CHARGES (NET)</b>		
INTEREST ON TERM LOAN		
INTEREST ON OTHER LOANS/ FACILITIES (Includes Rs.52,92,010/- pertaining to Prior Period, Previous Year Rs. NIL)	167,145,324	135,713,740
LESS : INTEREST INCOME ON BANK DEPOSITS AND OTHERS (TDS Rs. 10,00,104/-) (Previous Year TDS Rs. 24,61,790/-)	(4,825,663)	(6,256,119)
	<u>162,319,661</u>	<u>129,457,621</u>

## NOTES TO THE CONSOLIDATED ACCOUNTS

### SCHEDULE 'H'

#### SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011.

##### 1. Basis of preparation at financial statements:

The financial statements are prepared on accrual basis under the historical cost convention and comply in all material aspects with the generally accepted accounting principles in India, the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 and the applicable provisions, thereof.

##### 2. Use of estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles ("GAAP") which requires the management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of its financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

##### 3. Significant accounting policies:

##### A) Fixed Assets, Depreciation & Amortization:-

- i Leasehold land is accounted at historical cost less amounts written off till date.
- ii Fixed Assets are stated at cost of acquisition/construction (net off CENVAT) less accumulated depreciation. Cost includes purchase price and other costs attributable to acquisition / construction of fixed assets.
- iii Depreciation on assets is provided at the rates and in the manner prescribed under Schedule XIV of the Companies Act, 1956, on Straight Line Method.
- iv In respect of assets costing less than Rs 5,000/ – each, 100% depreciation is provided in the year of addition.
- v Depreciation on fixed assets, added/disposed off during the year has been provided on pro-rata basis with reference to the month of addition/disposal.
- vi Pre-operation expenses including trial run expenses (net of revenue) are capitalized.
- vii Borrowing costs attributable to the acquisition / construction of qualifying assets within the meaning of the Accounting Standard 16 on "Borrowing Costs" are capitalized as a part of the cost of fixed assets.

##### B) Impairment of Assets:

The Company assesses, at each balance sheet date, whether there is any indication of impairment of the carrying amount of the Company's assets. An impairment loss is recognized in the profit & loss account wherever the carrying amount of the assets exceeds its estimated recoverable amount. The recoverable amount is greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discounting factor. Impairment losses are recognized in the profit & loss account. The impairment loss recognized in prior accounting period is reversed if there has been change in recoverable account.

##### C) Investments:

All long term investments are stated at cost. Provision for diminution in value of long term investments is made if it is other than temporary in nature. Current investments are valued at lower of cost and market value.

##### D) Inventories:

Inventories are valued at lower of cost and net realizable value. Cost includes raw material cost, cost of labour and attributable manufacturing overheads. Cost of materials is arrived at on FIFO Basis. Inventories of Finished Goods include excise duty as applicable.

##### E) Government Grants:

Capital subsidy relating to projects in backward area is credited to capital reserve on receipt of the same. However Capital Subsidy received after 1-4-98 is reduced from the cost of Fixed Assets as per the changes made in the Income Tax Act, 1961 which is in line with the Accounting Standard – 12 pertaining to Accounting for Government Grants issued by the Institute of Chartered Accountants of India.

##### F) Revenue Recognition:

- i Sale of goods is recognized on dispatch to local customers and on date of shipment in case of exports. Sales exclude amounts recovered towards sales tax and excise duty and are net of returns.

**NOTES TO THE CONSOLIDATED ACCOUNTS (Contd...)**

- ii. Price Variation claims are accounted in accordance with the terms and conditions of contract and /or upon admittance by customers.

**G) Post Employment Benefits:**

- i. **Defined Contribution Plans:** – In respect of the Company's provident fund scheme, the Company makes specified monthly contribution towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the return on notified interest rate. The companies contribution paid/payable under these schemes is recognized as expenses in the profit & loss account during the period in which the employees renders the related service.
- ii. **Defined Benefit Plans:** – In respect of the Company's gratuity and leave wage schemes, the present value of the obligation under such scheme is determined based on actuarial valuation using the Projected Unit Credit Method. The discount rates used for determining the present value of the obligation is based on the market yields of Government Securities as at the balance sheet date. Actuarial gains & losses are recognized immediately in the Profit & Loss Account. Long term compensated absences are provided for based on actuarial valuation, made at the year end, by independent actuaries.

**H) Translation of Foreign Currency:**

- i. The Company translates foreign currency transactions during the year, at the conversion rates prevailing on transaction dates.
- ii. Monetary items remaining unsettled at the year end are translated/reported at the year end rate. Exchange differences arising on such revaluation are recognized in the Profit & Loss Account.
- iii. Non-monetary items (other than Fixed Assets) are reported at the exchange rate at which they are accounted.
- iv. In case of forward contracts, premium on the forward contract is recognized as Income & Expenses over the period of contract.

**I) Export benefits / Incentives:**

The Company accounts for excise duty rebate on deemed and physical exports and duty entitlements on physical exports on accrual basis.

**J) Leases**

For premises, equipments taken / given on lease, lease rentals payable / receivable are charged / credited to the revenue.

Lease payments (excluding cost for services such as insurance and maintenance ) are recognized by lessee's as an expense in the statement of profit & loss on straight line basis unless another systematic basis is more representative of the time pattern of the users benefit, even if the payment are not on that basis.

**K) Tax on Income**

Provision for taxation is made for both current & deferred taxes. Provision for current tax is made, at current rate of tax, based on assessable income. Deferred tax resulting from timing differences between the book profits and the tax profits is accounted for to the extent that the timing of differences are expected to crystallize.

**L) Claims against the Company not acknowledged as debts:**

The demands under disputed show cause notices/orders of statutory authorities are provided in the accounts on the basis of management's estimate and the balance, if any are included in contingent liability.

**M) Provision for Contingencies:**

A provision is recognized where there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. Disclosure of contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. When likely hood of such outflow is remote, no provision or disclosure is made. Provision arising from litigations, assessments by statutory authorities, etc. is made when the Company based on legal advice wherever necessary estimates that the liability has been incurred and the amount can be reasonably estimated by management after careful evaluation of the facts and legal aspects of the matter involved.

Contingent Assets are neither recognized nor disclosed.



**NOTES TO THE CONSOLIDATED ACCOUNTS (Contd...)**

**SCHEDULE 'Y'**

**A) NOTES TO THE FINANCIAL STATEMENTS:**

**1. Contingent Liabilities not provided for:**

*(Amount in Rupees)*

Particulars		Amount as on 31-03-2011	Amount as on 31-03-2010
a.	Claims against the Company not acknowledged as debts	8,13,03,074	8,13,03,074
b.	Excise duty Demand in dispute	15,16,541	15,16,541
c.	Labour Case's in Vapi Labour Court	1,50,00,000	Nil
d.	Sales Tax Assessment 06-07 Demand	3,91,94,483	Nil
e.	Rajasthan Sales Tax Assessment 08-09	10,49,705	Nil

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) Rs. 99,71,268/- (Previous Year Rs. 53, 03,898/-).

3. As per Revised Accounting standard 15 "Employee Benefits", the disclosure of employee benefits as defined in the Accounting Standard are given below:

**a) Defined Contribution Plan:**

Employers Contribution to Government managed Provident Fund & Family Pension Fund – Rs. 41, 91,574/- (Previous Year Rs. 34, 86,159/-).

Employers Contribution to ESIC – Rs. 93,916/- (Previous Year Rs. 61,108/-).

**b) Defined Benefits Plan :**

The employee's gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Particulars		Gratuity	
		2010-2011	2009-2010
<b>(I)</b>	<b>Changes in the Present Value of the Defined Benefits Obligation.</b>		
1	Present Value of Defined Benefit Obligation at the beginning of the year	10,345,297	8,309,083
2	Interest Cost	874,331	664,727
3	Current Service Cost	1,115,341	891,263
4	Benefits paid	(1,063,007)	(2,654,440)
5	Actuarial Gain / (Loss) on Defined Benefit Obligation	2,658,629	3,134,664
6	Present Value of Defined Benefit Obligation at the end of the year	13,930,591	10,345,297
<b>(II)</b>	<b>Changes in the Fair Value of Plan Assets</b>		
1	Fair Value of Plan Assets at the beginning of the year	7,080,117	7,479,161
2	Expected Return on Plan Assets	570,645	550,149
3	Contributions	584,444	1,836,741
4	Benefits paid	(1,063,007)	(2,654,440)
5	Actuarial Gain / (Loss) on Plan Assets	96,182	(131,494)
6	Fair Value of Plan Assets at the end of the year	7,268,381	7,080,117

**NOTES TO THE CONSOLIDATED ACCOUNTS (Contd...)**

Particulars		Gratuity	
		2010-2011	2009-2010
<b>(III)</b>	<b>Amount recognized in the Balance Sheet</b>		
1	Present Value of Defined Benefit Obligation at the end of the year	<b>13,930,591</b>	10,345,297
2	Fair Value of Plan Assets at the end of the year	<b>7,268,381</b>	7,080,117
3	Liability to be recognized in the Balance Sheet	<b>6,662,210</b>	3,265,180
<b>(IV)</b>	<b>Balance Sheet Reconciliation</b>		
1	Net liability at the beginning of the year	<b>3,265,180</b>	829,922
2	Expenses recognized as under	<b>3,981,474</b>	4,271,999
3	Contributions as above	<b>(584,444)</b>	(1,836,741)
4	Net liability at the end of the year	<b>6,662,210</b>	3,265,180
<b>(V)</b>	<b>Amounts recognized in the Profit &amp; Loss A/c</b>		
1	Current Service Cost	<b>1,115,341</b>	891,263
2	Interest Cost on obligation	<b>874,331</b>	664,727
3	Expected Return on plan assets for the period	<b>(570,645)</b>	(550,149)
4	Net Actuarial (Gain) / Loss	<b>2,562,447</b>	3,266,158
5	Expense Recognised in statement of Profit & Loss A/c	<b>3,981,474</b>	4,271,999
<b>(VI)</b>	<b>Actual Return on Plan Assets</b>		
1	Expected Return on plan assets for the period	<b>570,645</b>	550,149
2	Actuarial Gain / (Loss) on Plan Assets	<b>96,182</b>	(131,494)
3	Actual Return on Plan Assets	<b>666,827</b>	418,655
<b>(VII)</b>	<b>Percentage of each category of Plan Assets to Fair Value of Plan Assets</b>		
1	Insurer managed fund	<b>100%</b>	100%
<b>(VIII)</b>	<b>Actuarial Assumption</b>		
1	Discount Rate	<b>8.25%</b>	8.00%
2	Expected Rate of Return on Plan Assets	<b>8.00%</b>	8.00%
3	The estimate of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.	<b>5.00%</b>	8.50%
4	Actuarial Valuation Method : Projected Unit Credit Method		

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy of plan asset management.

**4. Leave Encashment:**

The actuarial value of leave encashment liability of Rs. 41,09,484/- is based on the following assumptions as per the actuarial certificate under revised AS - 15. The assumptions are 5% as salary escalation, average of 2% as attrition and discount rate 8.25% as an assumption.



## NOTES TO THE CONSOLIDATED ACCOUNTS (Contd..)

### 5. Leases

The Company has taken office premises under operating lease or leave and license agreements. These agreements are for a period of 11 months to 3 years, cancelable during the life of the contract at the option of both the parties and contain stipulation for up to 5 % increase in lease rentals. Minimum lease payments charged during the period to the profit and loss account aggregated to Rs. 28,83,376/- (Previous year Rs 28,05,000/-).

Previous year, the Company had entered in to an operating lease of Equipment for 60 months i.e. 20 quarters of 3 calendar months each, commencing from 1<sup>st</sup> day of the month in which the Equipment is delivered to the Company. Lease Rent charged during the period of profit & loss account aggregated to Rs. 1,32,02,205/- (Previous Year Rs. 88,95,080/-).

The Company has taken lease against Land for total 120 months i.e. 40 quarters of 3 calendar months each, commencing from 01.04.2010. Lease Rent charged during the period of Profit & Loss account aggregated to Rs. 4,16,748/- (Previous Year Rs. Nil).

### 6. Related party disclosures as per Accounting Standard-18

#### LIST OF RELATED PARTIES

#### (A) \*Key Management Personnel (KMP) and their Relatives

Dr. Narendra D. Desai	- Chairman
Shri. Kushal N. Desai	- Director
Shri. Chaitanya N. Desai	- Director
Shri. V. K. Bajaj	- Chief Operating Officer

#### (B) Other Related Parties with whom transactions have taken place.

1. Apar Industries Limited - Holding Company
2. Apar Corporation Pvt. Ltd. - Director/Member
3. Petroleum Specialities Pte ltd. - Subsidiary of the Holding Company

#### (C) Other Related Parties where control exists but no transactions have taken place during the year.

1. Kushal Chaitanya Desai Family Trust
2. Apar Masat Conductors Ltd.
3. Apar Technologies Private Ltd.
4. Catalis World Private Ltd.
5. Kushal N. Desai Family trust
6. Scope Pvt. Ltd & its Subsidiaries
7. Chaitanya Desai Family Trust

**\* The Directors are the Key Management Personnel (KMP) who have the authority and responsibility for planning, directing and controlling the activities of the Company.**

#### (D) Transactions with Related Parties

Nature of Transactions	2010-2011		2009-2010	
	Associates/ Relatives	KMP	Associates/ Relatives	KMP
Sale of Goods	24,94,951	-	44,26,578	-
Purchase of Goods	140,43,39,841	-	23,75,83,966	-
Purchase of Plant & Machinery	23,18,204	-	1,12,71,335	-
Purchase Maintenance Item	-	-	41,20,324	-
Job Work Charges Received	2,82,11,321	-	1,20,45,015	-
Processing Charges Paid	16,98,911	-	4,28,27,701	-
Rent Paid	-	-	-	-



**NOTES TO THE CONSOLIDATED ACCOUNTS (Contd...)**

Secondment Charges (Personnel)	180,00,000	-	1,00,00,000	-
Loans taken by the Company	515,000,000	-	58,57,23,084	-
Interest Paid by the Company	12,39,71,907	-	4,63,68,307	-
Loans Repaid	832,877,719	-	-	-
Sitting Fees	-	38,000	-	42,000
Reimbursement of Expenses	79,830,190	-	2,97,78,946	-
Lease Rent	1,32,02,205	-	88,95,080	-
Advance given by Company	-	-	-	-
Rent Deposit given	-	-	-	-
<b>Closing Balance - Debit</b>	<b>13,953,846</b>	-	<b>107,49,864</b>	-
<b>- Credit</b>	<b>2,50,65,56,066</b>	-	<b>80,02,40,013</b>	-

**Note:** Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

Nature of Transactions	2010-2011		2009-2010	
	Associates/ Relatives	KMP	Associates/ Relatives	KMP
<b>Sale of Goods :</b>				
- Apar Industries Limited	24,27,482	-	43,51,054	-
- Apar Corporation Pvt Limited	67,469	-	-	-
<b>Purchase of Goods :</b>				
- Apar Industries Limited	1,211,646,354	-	23,75,83,966	-
- Petroleum Specialities Pte. Ltd.	190,375,283	-	-	-
<b>Purchase of Plant &amp; Machinery:</b>				
- Apar Industries Limited	23,18,204	-	1,12,71,335	-
<b>Purchase Maintenance Item :</b>				
- Apar Industries Limited	-	-	41,20,324	-
<b>Job Work Received:</b>				
- Apar Industries Limited	2,82,11,321	-	1,20,45,015	-
<b>Processing Charges:</b>				
- Apar Industries Limited	16,98,911	-	48,33,698	-
<b>Secondment Charges (Personnel)</b>				
- Apar Industries Limited	18,000,000	-	1,00,00,000	-
<b>Loans taken from the Company:</b>				
- Apar Industries Limited	515,000,000	-	58,57,23,084	-
<b>Interest Paid by the Company</b>				
- Apar Industries Limited	10,56,61,711	-	4,34,93,307	-
- Apar Industries Limited	1,12,18,750	-	-	-
- Petroleum Specialities Pte. Ltd.	11,42,953	-	-	-
- Directors:				
• Shri. Chaitanya N. Desai	41,60,000	-	-	-
• Shri. Kushal N. Desai	9,46,849	-	-	-
• Dr. Narendra D. Desai	8,41,644	-	-	-



**NOTES TO THE CONSOLIDATED ACCOUNTS (Contd..)**

<b>Sitting Fees:</b>				
• Shri. Chaitanya N. Desai	-	<b>16,000</b>	-	16,000
• Shri. Kushal N. Desai	-	<b>12,000</b>	-	14,000
• Dr. Narendra D. Desai	-	<b>10,000</b>	-	12,000
<b>Reimbursement of Expenses:</b>				
- Apar Industries Limited	<b>9,836,866</b>	-	37,42,905	-
<b>Lease Rent</b>				
- Apar Industries Limited	<b>1,32,02,205</b>	-	88,95,080	-
<b>Closing Balance:</b>				
- Apar Corporation Pvt. Ltd. -Credit	<b>62,30,00,000</b>	-	2,55,87,500	-
- Apar Industries Limited - Credit	<b>1,88,35,56,066</b>	-	80,02,40,013	-
<b>Loans From Directors:</b>				
- Dr. Narendra D. Desai	-	-	-	8,00,00,000
- Shri. Kushal N. Desai	-	-	-	9,00,00,000
- Shri. Chaitanya N. Desai	-	-	-	8,00,00,000

The related party relationship is as identified by the Company and relied upon by the Auditors.

**7. Segment Reporting**

Due to change in Industrial environment, the assets of Telecom Cables are being utilized for Power Cables. Due to this, there is only one segment of operations in Cables and Conductors.

Installed capacity Cables and Conductors 69,480 KM - 2010-2011 (34,720 KM - 2009-2010).

**8. Impairment**

The management is of the view that Accounting Standard (AS) 28, on Impairment of Assets is not applicable as the carrying amount of the assets is lower than the present value.

**9. Taxation**

No provision of Tax has been made in view of losses.

**10. Deferred Taxation**

There is no deferred tax liability in the current year as the Book depreciation is higher than the Income Tax depreciation. Also due to concept of prudence, deferred tax assets is not recognized in all cases of timing difference due to depreciation, unabsorbed losses as per Para 15 & 17 of Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

**11. The details of Earning Per Share (EPS) are as follows:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As on 31.03.2011</b>	<b>As on 31.03.2010</b>
1.	No. of Equity Shares	<b>249,80,366</b>	2,49,80,366
2.	No. of Equity Shares after potential dilution	<b>249,80,366</b>	249,80,366
3.	Weighted average no. of equity shares outstanding during the year	<b>249,80,366</b>	249,80,366
4.	Loss before exceptional items	<b>29,37,98,748</b>	26,85,55,330
5.	Loss after exceptional items	<b>29,37,98,748</b>	26,85,55,330
6.	EPS	<b>(11.76)</b>	(10.75)



**NOTES TO THE CONSOLIDATED ACCOUNTS (Contd...)**

**12. Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are given as follows:**

Particulars	31.03.2011	31.03.2010
a) Principal amount outstanding as on March, 31 <sup>st</sup>	<b>99,23,789</b>	1,21,76,808
b) Interest accrued and remaining unpaid at the end of the year	<b>Nil</b>	Nil
c) Payments made to supplier beyond the appointed day during the year	<b>Nil</b>	Nil
d) interest due & payable for the period of delay	<b>Nil</b>	Nil

**13.** Depreciation and write off include Rs. 1,47,474/- (Previous year Rs. Nil) on account of proportionate leasehold land value written off.

**14.** In the opinion of the Board, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

**15.** Sundry Debtors, Sundry Creditors, Loans and Advances, Loans to Employees, Advances from Customers, Sundry deposits, Earnest Money Deposits paid are subject to confirmations and are as per books of accounts only.

**16.** There is no amount due and outstanding as at the balance sheet date to be credited to "Investors Education and Protection Fund."

**17.** Foreign Currency Exposure:

The details of foreign currency that are not hedged by derivative instruments or otherwise are summarized below.

Particulars	Amount in Foreign Currency		Amount in Rupees	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Payable				
US\$	<b>43,70,018</b>	6,371,226	<b>19,55,14,192</b>	286,131,797
Receivable				
US\$	<b>4,65,758</b>	936,836	<b>20,823,762</b>	42,052,254
EURO	<b>190.40</b>	-	<b>11,995</b>	-

**18.** The Previous year's figures have been regrouped/recast wherever considered necessary to make them comparable with that of current year.

**19.** Draft Rehabilitation Scheme (DRS) of the Uniflex Cables Limited which *Inter alia* includes scheme of Amalgamation of Company with Apar Industries Ltd., Holding Company (AIL) with effect from 01<sup>st</sup> April 2010 (Transfer Date) has been submitted to Board For Industrial and Financial Reconstruction (BIFR) by Operating Agency (OA) appointed by BIFR, for its final consideration. Shareholders of the Holding Company (AIL) have approved the DRS subject to approval of BIFR and other regulatory approval.

**20.** Marine Cables and Wires Private Limited (a Wholly Owned Subsidiary of Uniflex Cables Ltd.) has been declared as sick company by the BIFR. For its expeditious revival, Marine Cables and Wires Private Limited has prepared a Draft Rehabilitation Scheme (DRS) which, *Inter alia*, includes a Scheme of Amalgamation with the Parent Company (AIL) of the Holding Company (UCL) with effect from 01<sup>st</sup> April, 2010 (Transfer date). Shareholders of the AIL have approved the DRS subject to the approval of BIFR and other regulatory approvals. The said draft proposal has been furnished to the Operating Agency (OA) appointed by BIFR and all concerned parties. The OA report to BIFR in this regard is awaited.

**SIGNATORIES TO SCHEDULE  
'A' TO 'Q' AND STATEMENT  
OF SIGNIFICANT ACCOUNTING POLICY**

**FOR AND ON BEHALF OF THE BOARD**

**CHAITANYA N. DESAI**  
(DIRECTOR)

**KUSHAL N. DESAI**  
(DIRECTOR)

**M. C. BHALAWAT**  
(COMPANY SECRETARY)

**Mumbai, 26<sup>th</sup> May, 2011.**

**UNIFLEX CABLES LTD.**  
21st Annual Report

**CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011**

PARTICULARS	Consolidated	
	31-Mar-11 Rupees	31-Mar-10 Rupees
<b>A) CASH FROM OPERATING ACTIVITIES</b>		
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(293,798,748)</b>	<b>(267,955,331)</b>
<b>1 Adjustment for</b>		
a) Depreciation	65,976,356	64,278,410
b) Write - Offs against Leasehold Land	147,474	-
c) Bad & Doubtful Debts	-	-
d) (Profit) / Loss on sale of assets	-	32,840
e) Interest Received	(4,302,386)	(6,156,651)
f) Interest Paid	190,420,574	151,640,207
<b>Operating profit before working capital changes</b>	<b>(41,556,730)</b>	<b>(58,160,525)</b>
<b>2 Working Capital Changes</b>		
<b>Adjustment for</b>		
a) Decrease / (Increase) in Inventories	(4,916,115)	(17,146,998)
b) Decrease / (Increase) in Sundry Debtors	(95,816,451)	(107,022,183)
c) Other Current Assets	-	-
d) Decrease / (Increase) in Loans and Advances	(30,957,191)	(27,179,253)
e) (Decrease) / Increase in Current Liabilities and Provisions	(76,348,296)	37,934,737
	<b>(208,038,053)</b>	<b>(113,413,697)</b>
<b>Cash Generated from Operations</b>	<b>(249,594,783)</b>	<b>(171,574,222)</b>
<b>3 Taxes Paid</b>	-	(600,000)
<b>Net Cash Flow from Operating Activities</b>	<b>(249,594,783)</b>	<b>(172,174,222)</b>
<b>B) CASH FROM INVESTING ACTIVITIES</b>		
A) Capital Expenditure	(71,713,173)	(108,652,678)
B) Sale of Fixed Assets	632,947	1,314,398
C) Investment in Subsidiary Company	-	-
D) Interest Received	3,219,121	5,275,032
<b>Net Cash from Investing Activities</b>	<b>(67,861,105)</b>	<b>(102,063,248)</b>
<b>C) CASH FROM FINANCING ACTIVITIES</b>		
a) Equity Shares	-	-
b) Share Premium	-	-
c) Equity Warrant Application Money	-	-
d) Borrowings	596,900,880	521,376,304
e) Interest Paid	(185,128,564)	(151,640,207)
f) (Decrease) / Increase in Cash Credit from Banks	(153,345,064)	(11,174,910)
<b>Net cash from Financing Activities</b>	<b>258,427,252</b>	<b>358,561,187</b>
<b>D) NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(59,028,636)</b>	<b>84,323,718</b>
<b>Opening Balance</b>	<b>168,949,067</b>	<b>84,625,349</b>
<b>Closing Balance</b>	<b>109,920,431</b>	<b>168,949,067</b>

AS PER OUR REPORT OF EVEN  
DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR RASHMI ZAVERI & CO.  
CHARTERED ACCOUNTANTS

CHAITANYA N. DESAI  
DIRECTOR

KUSHAL N. DESAI  
DIRECTOR

RASHMI ZAVERI  
PARTNER  
MEMBERSHIP NO. 5299  
Firm No. 108683W  
Mumbai, 26<sup>th</sup> May, 2011

V. K. BAJAJ  
MANAGER AND CHIEF OPERATING OFFICER

SAMIR H. MEHTA  
CHIEF FINANCIAL OFFICER

M. C. BHALAWAT  
COMPANY SECRETARY

Mumbai, 26<sup>th</sup> May, 2011







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# UNIFLEX CABLES LTD.

Regd. Office : Apar House, Bldg. no. 5, Corporate Park, Sion-Trombay Road, Chembur, Mumbai – 400 071.

21<sup>ST</sup> ANNUAL GENERAL MEETING – 25<sup>TH</sup> AUGUST, 2011

## ATTENDANCE SLIP

(To be handed over at the entrance of the meeting Venue)

FOLIO NO. : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

DP ID NO. : \_\_\_\_\_

CLIENT ID NO. : \_\_\_\_\_

\_\_\_\_\_  
Name of the attending member (in block letters)

\_\_\_\_\_  
Name of proxy (in block letters) (to be filled by the proxy attending instead of the member)

I hereby record my presence at the **21<sup>st</sup> Annual General Meeting to be held at Mysore Association Hall, 1<sup>st</sup> Floor, 393, Bhaudaji Road, Near Maheshwari Udyan (Kings Circle), Matunga (Central Railway), Mumbai – 400 019 on Thursday, 25<sup>th</sup> August, 2011 at 3.00 p.m.**

\_\_\_\_\_  
Member's /Proxy's Signature

- Notes :** 1) Interested joint members may obtain attendance slip from the Regd. Office of the Company.  
2) Members/Joint members/proxies are requested to bring attendance slip with them. Duplicate slips will not be issued at the entrance of the Auditorium.



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# UNIFLEX CABLES LTD.

Regd. Office : Apar House, Bldg. no. 5, Corporate Park, Sion-Trombay Road, Chembur, Mumbai – 400 071.

21<sup>ST</sup> ANNUAL GENERAL MEETING – 25<sup>TH</sup> AUGUST, 2011

## PROXY FORM

FOLIO NO. : \_\_\_\_\_

No. of Shares : \_\_\_\_\_

DP ID NO. : \_\_\_\_\_

CLIENT ID NO. : \_\_\_\_\_

I/We .....of.....being a member/members of the above named Company, hereby appoint .....of.....or failing him .....of.....as my/our proxy to vote for me/us on my/our behalf at the **21<sup>st</sup> Annual General Meeting to be held at Mysore Association Hall, 1<sup>st</sup> Floor, 393, Bhaudaji Road, Near Maheshwari Udyan (Kings Circle), Matunga (Central Railway), Mumbai – 400 019 on Thursday, 25<sup>th</sup> August, 2011 at 3.00 p.m.**

Signed .....day of.....2011

Signature \_\_\_\_\_

Affix  
Revenue  
Stamp of  
Re.1/-

**Notes :** The proxy form must be deposited at the Company's Regd. Office not less than 48 hrs before the meeting. The proxy need not be a member of the Company.





## **BOOK-POST**

*If undelivered please return to:*

**UNIFLEX CABLES LTD.**

Apar House, Bldg. No. 5,

Corporate Park,

Sion-Trombay Road,

Chembur,

Mumbai - 400 071