



USHDEV INTERNATIONAL LIMITED
5th ANNUAL REPORT
1998 - 1999

USHDEV INTERNATIONAL LIMITED



BOARD OF DIRECTORS

Vijay Gupta (*Chairman & Managing Director*)

Suman Gupta

Dr.Narayan Hegde

BANKERS

Bank of America

Bank of Punjab Ltd.

Punjab National Bank

Indian Overseas Bank

AUDITORS

S.R. Batliboi & Associates

Chartered Accountants.

Vaswani Mansion,

Dinsha Vachha Road,

Churchgate,

Mumbai - 400 020.

INTERNAL AUDITORS

R.A.Ruvala & Co.

Chartered Accountants

Shanti Niketan,

2nd Floor, 21 Vachha

Gandhi Road, Gamdevi,

Mumbai-400 007.

SOLICITORS

Desai & Diwanji

Lentin Chambers,

Dalal Street, Fort,

Mumbai - 400 021.

REGISTERED OFFICE

New Harileela House,

6th Floor, Mint Road,

Fort, Mumbai-400 001.

USHDEV INTERNATIONAL LIMITED**NOTICE**

Notice is hereby given that the Fifth Adjourned Annual General Meeting of the Shareholders of USHDEV INTERNATIONAL LIMITED will be held on Monday, 20th December 1999 at 11.30 A.M. at the registered office of the company situated at New Harileela House, 6th Floor, Mint Road, Fort, Mumbai - 400 001. to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider, and adopt the Audited Balance Sheet as at 31st March 1999 and the Profit and Loss Account for the Year ended 31st March 1999 and the Report of the Directors and the Auditors thereon.

By order of the Board,

For USHDEV INTERNATIONAL LIMITED.

Registered Office:

New Harileela House,
6th Floor, Mint Road,
Fort, Mumbai-400 001.

Date: 16th November, 1999

Sd/-

VIJAY GUPTA

Chairman & Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered office of the Company not less than 48 hours before the commencement of the Meeting.
3. The shareholders are requested to intimate immediately any change in their address Registered with the Company.
4. The Register of Members and Share Transfer Register of the Company will remain closed from 13th December, 1999 to 20th December, 1999 both the days inclusive.

USHDEV INTERNATIONAL LIMITED**NOTICE**

Notice is hereby given that the Fifth Annual General Meeting of the Shareholders of USHDEV INTERNATIONAL LIMITED will be held on Thursday 30th September 1999 at 11.30 A.M. at the registered office of the Company situated at New Harileela House, 6th Floor, Mint Road, Fort, Mumbai - 400 001. to transact the following business :

ORDINARY BUSINESS :-

- 1) To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended 31st March 1999 and the Report of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mrs. Suman Gupta who retires by rotation and, being eligible offers herself for re-appointment.
- 3) To appoint Auditors and to fix their remuneration.

By order of the Board,

For USHDEV INTERNATIONAL LIMITED.

Registered Office:

New Harileela House,
6th Floor, Mint Road,
Fort, Mumbai-400 001.

Sd/-

VIJAY GUPTA

Date: 27th August, 1999

Chairman & Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Annual Accounts for the year ended 31st March, 1999 are not ready and the Annual General Meeting is conveyed for statutory compliance and will be adjourned sine-die for consideration and adoption of Audited Annual Accounts for the year ended 31st March, 1999.

USHDEV INTERNATIONAL LIMITED**DIRECTORS
REPORT**

To
The Members,

Your Directors present herewith the Fifth Annual Report of the Company together with the Audited Accounts for the year ended 31st March 1999.

1. FINANCIAL RESULTS

	(RS. IN THOUSANDS)	
	YEAR ENDED 31/03/1999	YEAR ENDED 31/03/1998
Gross Revenue	84,879	11,4086
Gross Profit (before interest depreciation, tax and writing off of preliminary expenses)	34,602	63,492
Interest	26,741	24,516
Depreciation	14,016	14,643
Provision for taxation	Nil	2,950
Preliminary expenses and share issue expenses written off.	212	212
Dimution in value of investment	10,380	Nil
Amt. accrued in earlier years now written off	22,289	Nil
Net Profit/Loss	(39,036)	21,171
Transfer to		
(i) General Reserve	Nil	2,225
(ii) Capital Redumption Reserve	25,200	1,000
Balance in Profit & Loss Account.	8,297	56,682

2. DIVIDEND

Your Directors do not recommend any dividend in view of the loss incurred by the company.

3. PERFORMANCE DURING THE YEAR INFRASTRUCTURE:

The Company has successfully commissioned in March, 1997, a Wind Mill project for generation of electricity having capacity of 2.53 MW, in village Naranpuram, Tal.Dharapuram, Dist. Periyar in the state of Tamilnadu. The Plant Load Factor's achieved are as follows :-

USHDEV INTERNATIONAL LIMITED**DIRECTORS
REPORT**

For the year ended March 1998	-	27.4%
For the year ended March 1999	-	30%
For the year ended March 2000	-	34% (Targeted)

The Company's Windfarm was initially connected to rural Feeder which was far from Wind Farm site and prone to frequent grid Failures, but now it has been connected to a dedicated feeder known as Ushdev Feeder, which is at Poonapuram Sub Station and has helped to achieve high generation & better grid availability.

The Company has made a representation to IREDA to pass on the benefits under section 10(23G) of the Income Tax Act 1961 by reducing the rate of interest as IREDA is eligible to claim benefit under section 10(23G) of the Income Tax Act, 1961, because of the long term finance made to the Company.

BUSINESS

The Company continues its business in Power Generation, Leasing, Financing, Commission and Trading Business.

The Company has obtained order from Mumbai High Court in its favour for lease rent receivable from Rokadia Chemicals Limited. In accordance with the consent terms, the party has paid Rs. 41.93 lakh upto August, 1999 and balance amount is to paid as per agreed installments.

4. OUTLOOK FOR THE FUTURE

The Indian Economy as compared to other Asian economies has proved to much more stable and dependable. The Government of India has been stressing on infrastructure development and has allocated higher amounts of money in the last budget.

The Government of India has provided a package of incentives for Infrastructure Industries like relaxation in respect of Income of NRI investments, tax exemption in respect of interest, dividend and capital gain in investment made in and long term finance given to an enterprise carrying on business of developing, maintaining and operating any Infrastructure facility. The Company has obtained approval from Central Board of Direct Taxes, New Delhi, for its shares and debentures to be recognised as an approved securities under Section 54EA, & 54EB of the Income Tax Act, 1961, for generating power through Wind Mills.

Due to the current slag in the capital markets, the Company has decided to put its funds raising schemes on hold untill the Capital, markets does not improve, but still adhere to its idea to expand via generation of power through nature's very own eco-friendly resource of wind.

The Steel industry in India and the world over has had drastic changes and is showing healthy signs of improvement specially in the field of infrastructure development.

The Company would like to Stress on its core business i.e. power and related products and is expecting a financial turnaround in the near future.

USHDEV INTERNATIONAL LIMITED**DIRECTORS
REPORT****5. DIRECTORS**

During the year under review, Mr. Rajinder Miglani, Mr. Anil Harish, Mr. Raman Tikka, Mr. Tyabji Anik and Mr. H.M. Chopra resigned as Directors of the Company. The Board acknowledges the services rendered by them during the tenure of office as Directors.

In accordance with the Companies Article of Association, Mrs. Suman Gupta retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for reappointment and was re-appointed at the Fifth Annual General Meeting held on 30th September, 1999.

6. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of Section 217(1)(c) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, your Directors wish to state that as the Company is not carrying on any manufacturing activity and does not consume power the question of conservation of energy and absorption of technology does not arise. However the figures of foreign exchange are given below.

Foreign Exchange Earnings/Outgo :	Rs. in Thousands
Foreign Exchange Earned	11,608
Foreign Exchange Outgo	40,974

7. FIXED DEPOSITS

The Company has not accepted any deposits from the public.

8. PARTICULARS OF EMPLOYEES

Particulars of Employees are required in terms of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, are not applicable as none of the employees were paid a remuneration of Rs. 6,00,000/- or more per year or Rs. 50,000/- or more per month.

9. AUDITORS

M/S S.R. Batliboi & Associates, Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment and were re-appointed at the Fifth Annual General Meeting held on 30th September, 1999.

USHDEV INTERNATIONAL LIMITED**DIRECTORS
REPORT****10. ACKNOWLEDGEMENT**

Your Directors take this opportunity to place on record their warm appreciation for the valuable contribution, untiring efforts and spirit of dedication demonstrated by the employees and officers at all levels, in the sure and steady progress of the company.

Your Directors take this opportunity to place on record their deep gratitude to the Bankers and Authorities of the State of Maharashtra. They are thankful to the Shareholders and Customers for the co-operation and trust they have reposed in the company.

For and behalf of the Board

For USHDEV INTERNATIONAL LIMITED

Place : Mumbai

Sd/-

Dated : 16th November, 1999

VIJAY GUPTA

Chairman & Managing Director

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USDHEV INTERNATIONAL LIMITED**AUDITOR'S
REPORT**

We have audited the attached Balance Sheet of **USDHEV INTERNATIONAL LIMITED** as at March 31, 1999 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

- (1) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Attention is invited to the non-confirmation of balances of certain Debtors, Creditors and Loans and Advances as stated in Note No. B-3 of Schedule 17 and capital advance of Rs.3,836,291/- as stated in Note No. B-6 of schedule 17.
3. (i) Attention is invited to the non-confirmation of lease rentals due from parties amounting to Rs. 11,460,885/- including lease rentals amounting Rs. 7,458,354/- for the year which, in our opinion, are doubtful of recovery as stated in Note No. B-5 of Schedule 17; impact of which is that loss for the year is understated by Rs. 11,460,885/- and current assets are overstated by Rs. 11,460,885/-.
- (ii) The Company has received notice from Income Tax Authorities for Assessment year 1996-97, disallowing depreciation of Rs. 37,680,000/- on assets given on lease as stated above. No provision is made in the books for additional tax liability on this account, since the Company has contested the claim and is in appeal.
- (iii) No provision is made in the accounts for liquidated damages payable to IREDA as stated in Note No. B-2(ii) amount of which has not been quantified.
4. Further to our comments in the Annexure referred to in paragraph (1) above :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as it appears from our examination of such books.
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - (d) In our opinion, the Balance Sheet and the Profit and Loss Account, subject to Note No. B-8 of Schedule 17, regarding non provision for gratuity and leave encashment, amounts of which cannot be quantified, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

USHDEV INTERNATIONAL LIMITED**AUDITOR'S
REPORT**

- (e) Subject to our comments in para 3 and para 4(d) above, in our opinion and to the best of our information and recording to the explanation given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 1999;
and
- (ii) In the case of the Profit and Loss Account, of the loss for the year ended on that date.

**S.R. BATLIBOI & ASSOCIATES
CHARTERED ACCOUNTANTS**

Sd/-
per Hemal Shah
a partner

Place : Mumbai

Date : 16th November, 1999.

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