



9th Annual Report 2002-2003

USHDEV INTERNATIONAL LIMITED

**BOARD OF
DIRECTORS**

Mr. Vijay Gupta
(Chairman & Managing Director)
Mrs. Suman Gupta
Dr. Narayan Hegde
(Nominee of IREDA)

BANKERS

Dombivali Nagari Sahakari Bank, Mumbai
ABN Amro Bank N.V., Mumbai
Indian Overseas Bank, Mumbai
Indian Overseas Bank, Udumalpet

AUDITORS

M.P. Chitale & Co.,
Chartered Accountants,
Human House, Ambalal Doshi Marg,
Fort, Mumbai 400 001.

**INTERNAL
AUDITORS**

V. G. KAMAT & ASSOCIATES
Chartered Accountants
10, Khanna Bldg.
12, Pandurang Wadi,
Goregoan (East)
Mumbai - 400 063.

**DEMAT &
TRANSFER
REGISTRARS**

R & D. Consultants Private Limited
610, Dalamal Tower,
221, Nariman Point, Mumbai 400 021

**REGISTERED
OFFICE**

New Harileela House,
6th Floor, Mint Road,
Fort, Mumbai 400 001.
Tel. : 2267 2450 / 2460 / 5633 8706
E-mail : ushdev@vsnl.com
ushdev@hotmail.com



NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the Shareholders of USHDEV INTERNATIONAL LIMITED will be held on Tuesday, 30th September, 2003 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, 2003 and Audited Profit and Loss Account for the year ended 31st March, 2003 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,

Registered Office, For USHDEV INTERNATIONAL LIMITED.
New Harileela House,
6th Floor, Mint Road,
Fort, Mumbai 400 001.

Date : 25th June, 2003.

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 Register of Members and Share Transfer Register of the Company will remain closed from 23rd September, 2003 to 30th September, 2003 both the days inclusive.

**NOTICE**

4. The members are requested to:-

- a) Intimate changes, if any, in their Registered address to the Registrar & Share Transfer Agents of the Company.
- b) Quote ledger folio numbers in all their correspondence.
- c) Get the multiple folios consolidated and also get the shares transferred in joint names if they are held in single name to avoid inconvenience in future.
- d) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
- e) Write at least 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.

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DIRECTORS' REPORT

To
The Members,

Your Directors present herewith the Eight Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2003.

1. FINANCIAL RESULTS

	<i>(Rs. In Thousand).</i>	
	Year Ended 31/3/03	Year Ended 31/3/02
Gross Revenue	1,87,302	1,08,983
Gross Profit (before interest depreciation, tax and writing off preliminary expenses).	14,487	34,628
Interest	4,478	16,871
Depreciation	9,125	12,985
Provision for taxation	31	100
Preliminary expenses and share issue expenses written off	212	212
Diminution in value of investment	25	387
Loss on sale of Investment	263	Nil
Net Profit/Loss	353	4,072
Capital Redemption Reserve	Nil	(486)
Balance in Profit & Loss A/c		
Carried forward from last year	(4,324)	7,862
Transfer from General Reserve	Nil	12,225
Deferred Tax Liability of earlier year	Nil	(27,998)
Balance in Profit & Loss account	(3,972)	(4,324)

2. DIVIDEND

With a view to conserve cash balance's, your Directors do not recommend any dividend for the year under review.

3. PERFORMANCE DURING THE YEAR

(i). INFRASTRUCTURE:

The Company had successfully commissioned in March, 1997 a Wind Mill project for generation of electricity having capacity of 2.53 M.W. in village Naranpuram, Tal. Dharmapuram, Dist. Periyar in the state of TamilNadu. The Plant Load Factors achieved are as follows:-

	Plant Load Factor(PLF)	No. of Units Sold
For the year ended March 2001	33%	70,07,184
For the year ended March 2002	34%	72,82,544
For the year ended March 2003	31%	69,07,377



DIRECTORS' REPORT

(ii). BUSINESS

The Company is focused on encouraging its Core Competence of steel trading & power generation.

The last year has witnessed a very encouraging steel industry, both domestically as well as internationally, thus the company was able to support the spurt the volume's of turnover. The company is in talks with several large international steel producers, internationally for marketing their products on an exclusive basis in India.

4. AUDITOR'S REPORT.

1. With reference to Para No.4 (b) of the auditor's report, the Company states as follows :-

As per the policy of IREDA, the company has submitted a One Time Settlement proposal to IREDA, which continue to be their active consideration. The company has replied to the query raised by IREDA on this proposal and believes that IREDA is fully satisfied. No, provision of interest on IREDA's loan has been made since we are reasonably certain that the OTS proposal will be accepted by IREDA soon. Further, the company does not expect any adverse penal consequences.

If the OTS is sanctioned as per the company's proposal then the company would benefit to the tune of Rs.450 Lacs, thus no further provision of interest was made:

The Company therefore states that there has been no overstatement of Profit or Resereves & Surpluses in the Balance sheet or in the financial statements.

2. With reference to Para No.5 (i) of the auditor's report, & point no's 5&6 of the auditors report under MAOCAR Order, the unsecured loans given by the company are within the powers/ limits prescribed in section 372A. The loan to subsidiary has been since recovered fully.

5. OUTLOOK FOR THE FUTURE

The Chairman and Managing Director has been taking very active role in Wind Power Industry and has appointed as the Co-Chairman of The Indian Merchants' Chambers (IMC)- Energy Committee, with a view to carve and create a renewable energy wing. He has also been appointed on the committee of Direct Taxes.



DIRECTORS' REPORT

Your Chairman is also the Vice-Chairman Of the National Council Meeting (IWPA). The association is the largest body of Wind farm developers in the country and is one of the most well – recognized bodies in the industry. The Company has also sponsored the Western Chapter of IWPA in its office, under the supervision of the Chairman and Managing Director – Mr. Vijay Gupta.

In the past 2 years the global scenario about wind has been extremely encouraging, as India ranks the fifth in the globe for wind power. The Honorable Prime Minister of India has pledged to ensure the growth of this sector upto 10,000 MW upto the year 2010, (Currently at 1,700 MW on 31.3.2003). In view of the same and after seeing the Company's extremely good performance, as one of the highest PLF achievers in the state of Tamil Nadu and India the Company would like to expand its wind farm business in several states in a phased manner over the years to come.

In the last year the Commission Agency business & the trading business of the Company has received good support. The company expects to achieve much better figures in the next Financial years.

The Company's principals are in the process of merging with the world's largest steel producer – The ACELOR group, thus giving the company a much wider product range.

Besides its inherent strengths of steel trading, catering for the Transmission tower industry, the company is also planning to make a foray into settling-up of smaller transmission lines.

6. DIRECTORS

In accordance with the Company's Articles of Association, Mrs. Suman Gupta retires by rotation at the forthcoming Annual General meeting and being eligible offers herself for re-appointment.

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

In terms of 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, 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 thousand
Foreign Exchange Earned	Nil
Foreign Exchange Outgo	Nil



DIRECTORS' REPORT

8. SUBSIDIARY COMPANY

During the year under review the Company has divested major equity holding in Ushdev Securities Limited. Thus its ceases to be a subsidiary of the Company.

9. FIXED DEPOSITS

The Company has not accepted any deposits from the public.

10. 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. 24,00,000/- or more per year or Rs. 2,00,000/- or more per month.

11. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement Under Section 217 (2AA) of the Companies Act, 1956 with respect to the Directors Responsibilities Statement, it is hereby confirmed;

- i) That in the preparation of the Annual Accounts for the financial year 31st March, 2003, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were 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 profit or loss of the Company for the year under review.
- iii) That the Directors have taken proper and sufficient care 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) That the Directors have prepared the Accounts for the financial year ended 31st March, 2003 on a going concern basis.

12. LISTING OF SHARES

The company's shares are listed on Mumbai Stock Exchange and the Company has paid the listing fees for the same.



DIRECTORS' REPORT

13. CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.

14. AUDITORS

M/s. M.P. Chitale & Co., Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. You are requested to appoint them and fix their remuneration.

15. ACKNOWLEDGMENT

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 also express 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 on behalf of the Board
For **USHDEV INTERNATIONAL LIMITED**

Place : Mumbai
Dated : 25th June, 2003

sd/-
VIJAY GUPTA
Chairman & Managing Director



CORPORATE GOVERNANCE REPORT

As per Schedule of Implementation of Clause 49 of the Listing Agreement with the Stock Exchange, the said Clause 49 is applicable to your company from the Financial Year ending as on 31st March, 2003. As per the Clause 49 of Listing Agreement with Stock Exchange, incorporate certain mandatory disclosure requirements with regard to Corporate Governance. In pursuance of the requirements of Corporate Governance, the Board of Directors report the following;

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings which is shareholders, employees, lenders, creditors, customers and the government. The Board of Directors by considering itself by trustee of its Shareholders aims at maximizing shareholders value and protecting the interest of other stakeholders

II. BOARD OF DIRECTORS:

- i) The strength of the Board was 3 Directors as on 31st March, 2003 comprising of One Executive Director and Two Non-Executive Directors. One out of Three Directors is independent. The independent Director do not have any material or pecuniary relationship or transaction with the Company, its promoters or its management, which may affect their judgement in any manner.
- ii) None of the Directors hold Directorship in more than the permissible no. of Company under the relevant provision. Further, none of the Directors on the Board is a member of Ten Committees or Chairman of more than Five Committees.
- iii) The Board met 9 times during the period from April 2002 to March 2003, i.e. 16th April 2002, 30th April 2002, 29th June 2002, 16th July 2002, 31st July 2002, 3rd September 2002, 31st October 2002, 31st January 2003, and 29th March 2003.
- iv) All the Directors of the Company has attended all the Board Meetings and General Meetings except Dr. Narayan Hegde.