

*Ushdev
Internatio
Limited*



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**BOARD OF
DIRECTORS**

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

BANKERS

Dombivli Nagari Sahakari Bank Ltd.
Kapol Co-Operative Bank Ltd.
ABN Amro Bank N.V., Mumbai

AUDITORS

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

**REGISTRAR
AND SHARE
TRANSFER AGENT**

Sharex Dynamic (India) Private Limited
17/B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort Mumbai - 400 001
Tel. No. 22 70 24 85, 22 64 13 76
Fax No. 22 64 13 49
E-mail: sharexindia@vsnl.com

**REGISTERED
OFFICE**

New Harileela House,
6th Floor, Mint Road, Fort, Mumbai - 400 001
Tel. No. 22672450 / 2460 / 56338706
E-mail: ushdev@vsnl.com

**NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the Shareholders of USHDEV INTERNATIONAL LIMITED will be held on Friday, 30th September, 2005 at Indian Merchant Chamber Building, Kilachand Conference Room, 2nd Floor, Churchgate, Mumbai - 400020. at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2005 and Audited Profit and Loss Account for the year ended 31st March, 2005 and the Report of the Directors and the Auditors thereon.
- 2) To Declare Dividend on equity shares.
- 3) To appoint a Director in place of Mrs. Suman Gupta who retires by rotation and being eligible offers herself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

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

By order of the Board of Directors,
For USHDEV INTERNATIONAL LIMITED

Date : 29th June, 2005.

sd/-
Vijay Gupta
Chairman & Managing Director

**NOTICE****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 Monday, 26th September, 2005 to Friday, 30th September, 2005 both the days inclusive.
4. The members are requested to:-
 - a) Intimate changes, if any, in their Registered address to the Registrar & Share Transfer Agents of the Company M/s. Sharex Dynamic (India) Private Limited having their office situated at 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai – 400 001.
 - 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.

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

Date : 29th June, 2005.

By order of the Board of Directors,
For USHDEV INTERNATIONAL LIMITED

sd/-
Vijay Gupta
Chairman & Managing Director



DIRECTORS' REPORT

To
The Members,

Your Directors present herewith the Eleventh Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2005.

1. FINANCIAL RESULTS (RS. IN THOUSAND)

	Year Ended 31/03/2005	Year Ended 31/03/2004
Gross Revenue	8,47,999	2,48,757
Gross Profit (before interest, depreciation, tax and writing off of preliminary expenses)	41,054	38,223
Interest	12,083	13,446
Depreciation	8,625	8,907
Provision for taxation	1,652	1000
Preliminary expenses and share issue expenses written off	69	212
Net Profit / (Loss)	18,625	14,658
Deferred Tax Liability	8,717	-
Profit after Tax	9,908	14,658
Balance in Profit & Loss A/c c/f from last year	12,952	(3,972)
Deferred Tax Liability of earlier year	-	2,266
Amount available for appropriation	22,860	12,952
Appropriations		
Proposed dividend on Equity Shares	4,029	
Tax on Dividend	526	
Prior period expenses	37	
Balance carried to Balance Sheet	18,268	

2. DIVIDEND

In view of the strong financial growth of the company, your Directors have recommended a dividend for the year at 10%

3. PERFORMANCE DURING THE YEAR

(I) POWER SECTOR :

1st Project :-

The Company had successfully commissioned in March



DIRECTORS' REPORT

1997 a Wind Mill project for generation of electricity having capacity of 2.53 M.W. comprising of 11, E-30, 230 KVA Wind Energy Converters (WEC's) at a cost of Rs. 15 Crores spread over 60 acres of land in village Naranpuram in the state of Tamil Nadu. We have been consistently generating power from the project and have an average Plant Load Factors (PLF) of 31% since day of incorporation.

	Plant Load Factor(PLF)	No. of Units Sold
For the year ended March 2003	31%	69,07,377
For the year ended March 2004	33%	72,71,986
For the year ended March 2005	28%	63,04,619

The company is proud to achieve a 3 years average in PLF at 31 % which is one of the highest PLF's in the state of Tamil Nadu and in India as against industry average of 18%.

2nd Project :-

The company has installed and commissioned on 28/3/2005 a new wind mill project in Chinnaputhur Village, Dharapuram Taluk, Erode Dist. Comprising of 2 Enercon make E-48 WEC's of 800 KVA each totaling 1.60 MW at a cost of Rs..7.80 Crores spread over 10 acres of land. Guaranteed PLF by Enercon is 28%.

(II). STEEL SECTOR :

Your company's emphasis on core competencies has paid off multifold's. Your company has been successful in increasing its market share in the steel sector, thus in turn it has been successful in increasing its presence in the steel sector. This has resulted in an increase in top line income of 298%.

Your company plans to concentrate whole heartedly on this sector specially on higher margin business's.



DIRECTORS' REPORT

4. MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Development

The Industry is on a growth path in terms of capacities and global consumption with global demand and supply growing in tandem.

b. Opportunities and Threats

Opportunities will exist with the increase in higher value added steel consumption on a steady growth path in the country and the expectation of strengthening of the Indian economy.

As far as the power sector is concerned, the deficit between the demand and the supply is so large that The Government of India requires the Private sector participation and offers excellent infrastructure for completion of the same. Your company benefits from the same and is thus able to consolidate and increase its presence in this sector due to the same.

c. Segment

Segment wise analysis or performance is also given herewith as per Accounting Standard 17.

d. Outlook

Your company is well respected in both the Steel & Power Sectors. A detailed expansion is on an anvil specially in the Power sector to increase power generating capacity's year on year on the most competitive terms.

e. Risks and Concerns

Ever changing scenario in international and domestic markets could be the only risk which may be faced by the Steel Industry.

The back trading by Govt. agencies & Dept. is a cause of concern for your Power Biz but your Company is taking adequate precautionary steps for the same.



DIRECTORS' REPORT

f. Internal Control Systems and their Adequacy.

Effective internal operational control systems and regular internal audit mechanism, to monitor and review the same under the overall control and supervision of the Internal Auditor. This has substantially contributed to the better management. Efforts for continued improvements are being made in this regard.

g. Discussion on Financial Performance with respect to Operational Performance.

The financial performance with respect to the operational performance during the year under review was reasonably good. The company is on expansion path & the company has taken a proactive financing strategy to pursue this growth.

h. Material Development in Human Resources/ Industrial Relations Front, including Number of People Employed.

The induction of professionally qualified and skilled manpower including internal and external training programmes are the constant features of your Company.

i. Material Financial and Commercial Transactions.

There are no materially significant financial and commercial transactions with the related parties conflicting with the interest of the Company during the financial year under review. The Promoters and the Directors are not dealing in the Equity Shares of the Company.

5. 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.

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



DIRECTORS' REPORT

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 carrying on manufacturing of power 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

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

9. 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, 2005, 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



DIRECTORS' REPORT

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, 2005 on a going concern basis.

10. LISTING OF SHARES

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

11. CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.

12. 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.

13. 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.