

USHDEV

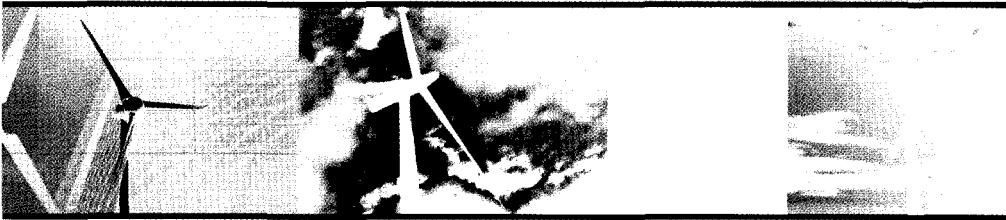
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INTERNATIONAL

LIMITED



13 ANNUAL REPORT 2005 - 2006

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## USHDEV INTERNATIONAL LIMITED

### TWELSTH ANNUAL REPORT 2005 – 2006

#### BOARD OF DIRECTORS

Mr. Vijay Gupta	(Chairman & Managing Director)
Mrs. Suman Gupta	
Dr. Narayan Hegde	(resigned as Nominee Director IREDA w.e.f. 29 <sup>th</sup> April, 2006 & appointed as additional Director w.e.f. 29 <sup>th</sup> April, 2006)
Mr. Vinay Kamat	(appointed w.e.f. 8 <sup>th</sup> December, 2005)
Mr. Yogendra Trivedi	(appointed w.e.f. 31 <sup>st</sup> January 2006 & resigned w.e.f. 29 <sup>th</sup> April 2006)
Mr. Suresh Lakhiani	(appointed w.e.f. 31 <sup>st</sup> January, 2006)
Mr. Shailesh Haribhakti	(appointed as alternate Director to Mr. Suresh Lakhiani w.e.f. 31 <sup>st</sup> January, 2006 , resigned w.e.f. 19 <sup>th</sup> Aug, 2006)

#### BANKERS

ABN Amro Bank N.V.  
Development Credit Bank Limited  
Dombivli Nagari Sahakari Bank Limited.  
Indian Overseas Bank, Mumbai  
Indian Overseas Bank, Udumalpet  
Kapol Co-Operative Bank Limited  
Shamrao Vitthal Co-Opeartive Bank Limited  
UTI Bank Limited

#### AUDITORS

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

#### DEMAT REGISTRARS

Sharex Dynamic (India) Private Limited,  
17/B, Dena Bank Building, 2<sup>nd</sup> Floor,  
Horniman Circle, Fort Mumbai – 400 001.  
Tel.No.22702485, 22641376 Fax No.22 641 49  
E-mail : [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

#### REGISTERED OFFICE

New Harileela House,  
6<sup>th</sup> Floor, Mint Road, Fort, Mumbai - 400 001.  
Ph :- 22672450/60  
E - Mail : - [ushdev@vsnl.com](mailto:ushdev@vsnl.com)



## NOTICE

Notice is hereby given that the Twelfth Annual General Meeting of the Shareholder of **USHDEV INTERNATIONAL LIMITED** will be held on 30th Decembar, 2006 at New Harileela House, 6<sup>th</sup> floor, Mint Road, Mumbai – 400 001, at 11.30 A.M. to transact the following business:

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2006 and Audited Profit and Loss Account for the year ended 31<sup>st</sup> March, 2006 and the Report of the Directors and the Auditors there on.
- 2) To declare dividend
- 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.

### SPECIAL BUSINESS

- 4) To consider and if, thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.  
“RESOLVED THAT Mr. Vinay G. Kamat, who was appointed as an Additional Director under Article 135 of Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.
- 5) To consider and if, thought fit, to pass with or without modification the following resolution as a Ordinary Resolution.  
“RESOLVED THAT Mr. Suresh R. Lakhiani, who was appointed as an Additional Director under Article 135 of Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.
- 6) To consider and if, thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.  
“RESOLVED THAT Dr. Narayan Hegde, who was appointed as an Additional Director under Article 135 of Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General



Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

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

**Registered Office.**

New Harileela House,  
6<sup>th</sup> Floor, Mint Road,  
Fort, Mumbai – 400 001.  
Date : 25<sup>th</sup> November, 2006.

**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 explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, for item no. 4 to 6 of the Notice are annexed.
4. The Register of Members and Share Transfer Register of the Company will remain closed from 23<sup>rd</sup> September 2006, Saturday to 30<sup>th</sup> September 2006, both the days inclusive.
5. 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, 2<sup>nd</sup> 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.

## ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956,

### ITEM NO. 4 & 5

Mr. Vinay G. Kamat, Mr. Suresh R. Lakhiani and Dr. Narayan Hegde were appointed as an Additional Director under Article 135 of the Articles of Association of the Company on 8<sup>th</sup> December, 2005, 31<sup>st</sup> January, 2006 and 29<sup>th</sup> April, 2006 respectively, pursuant to Section 260 of the Companies Act, 1956. As per the term of appointment, their terms as Directors expire at the forthcoming Annual General Meeting. The Company in turn has received notice from member pursuant to Section 257 of the Companies Act, 1956 signifying their intention to appoint them as Directors of the Company liable to retire by rotation. Your Directors recommends their appointment in the best interests of the Company.

None of the Directors except Mr. Vinay G. Kamat, Mr. Suresh R. Lakhiani and Dr. Narayan Hegde of the Company are in any way concerned or interested in this Resolution.

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

#### Registered Office.

New Harileela House,  
6<sup>th</sup> Floor, Mint Road,  
Fort, Mumbai – 400 001.

Date : 25<sup>th</sup> November, 2006.

**Vijay Gupta  
Chairman & Managing Director**



## DIRECTORS' REPORT

To  
 The Members,

Your Directors present herewith the Twelfth Annual Report of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2006.

### 1. FINANCIAL RESULTS (RS. IN THOUSAND)

	Year Ended 31/03/2006	Year Ended 31/03/2005
Gross Revenue	15,23,358	8,47,999
Gross Profit (before interest, depreciation, tax and writing off of preliminary expenses)	66,450	41,054
Interest	25,636	12,083
Depreciation	12,719	8,625
Provision for taxation	2,201	1,652
Preliminary expenses and share issue expenses written off	22	69
Net Profit / (Loss)	25,872	18,625
Deferred Tax Liability	10,497	8,717
Profit after Tax	15,375	9,908
Balance in Profit & Loss A/c c/f from last year	18,268	12,952
Amount available for appropriation	33,643	22,860
<b>Appropriations</b>		
Proposed dividend on Equity Shares	6,044	4,029
Transfer to General Reserves	769	
Tax on Dividend	678	526
Prior period expenses	81	37
Balance carried to Balance Sheet	26,071	18,268

### 2. DIVIDEND

*In view of the strong growth, your Director's have recommended stepping-up dividend to 15% from 10% last year.*

### 3. PERFORMANCE DURING THE YEAR

#### (i) POWER SECTOR :

The company has carried out its expansion plan in the relevant year also and has invested an amount of Rs.20 Crores in two states namely Rajasthan & Karnataka.



We give the details of the company projects below

Date of Installation	Location	No of WEG's	Installed Capacity	Investment
27/3/1997	Tamil Nadu	11	2.53 MW	Rs.14 Crores.
29/3/2005	Tamil Nadu	2	1.60 MW	Rs.7.80 Crores.
29/3/2006	Rajasthan	3	2.40 MW	Rs.12 Crores
29/3/2006	Karnataka	2	1.60 MW	Rs.8 Crores.
<b>TOTAL</b>		<b>18</b>	<b>8.13 MW</b>	<b>41.80 Crores</b>

#### (ii) STEEL SECTOR

Your Company's emphasis on core competencies has paid off manifold's. Your company has been successful in increasing its market share in the steel sector, thus in turn has been successful in increasing its presences in the steel sector. Thus has resulted in an increase in top line income of 86.50%. Your company plans to concentrate hold heartedly on this sector.

#### 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 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 the most competitive terms.

##### e. Risk 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.



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. Discussions 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.

Mr. Vinay Kamat, Mr. Suresh R. Lakhiani and Mr. Narayan Hegde were appointed as an additional Director under Article 135.

As per Section 260 of the Companies Act, 1956 their terms as Directors expire at the forthcoming Annual General Meeting. The Company has also received notices along with the requisite fee from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Vinay G. Kamat, Mr. Suresh R. Lakhiani and Dr. Narayan Hegde as a Director of the Company liable to retire by rotation. The Directors recommend their appointment in the best interests of the Company and appropriate resolution is incorporated in the Notice convening Annual General Meeting.

Mr. Shailesh V. Haribhakti was appointed as an alternate Director to Mr. Suresh R. Lakhiani on 31<sup>st</sup> January, 2006 and resigned on 19<sup>th</sup> August 2006.

During the year under review Mr. Yogendra P. Trivedi was appointed as an additional Director on 31<sup>st</sup> January, 2006. Mr. Yogendra P. Trivedi resigned on 29<sup>th</sup> April, 2006.



## 6. 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

## 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 31<sup>st</sup> March, 2006, 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 31<sup>st</sup> March, 2006 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