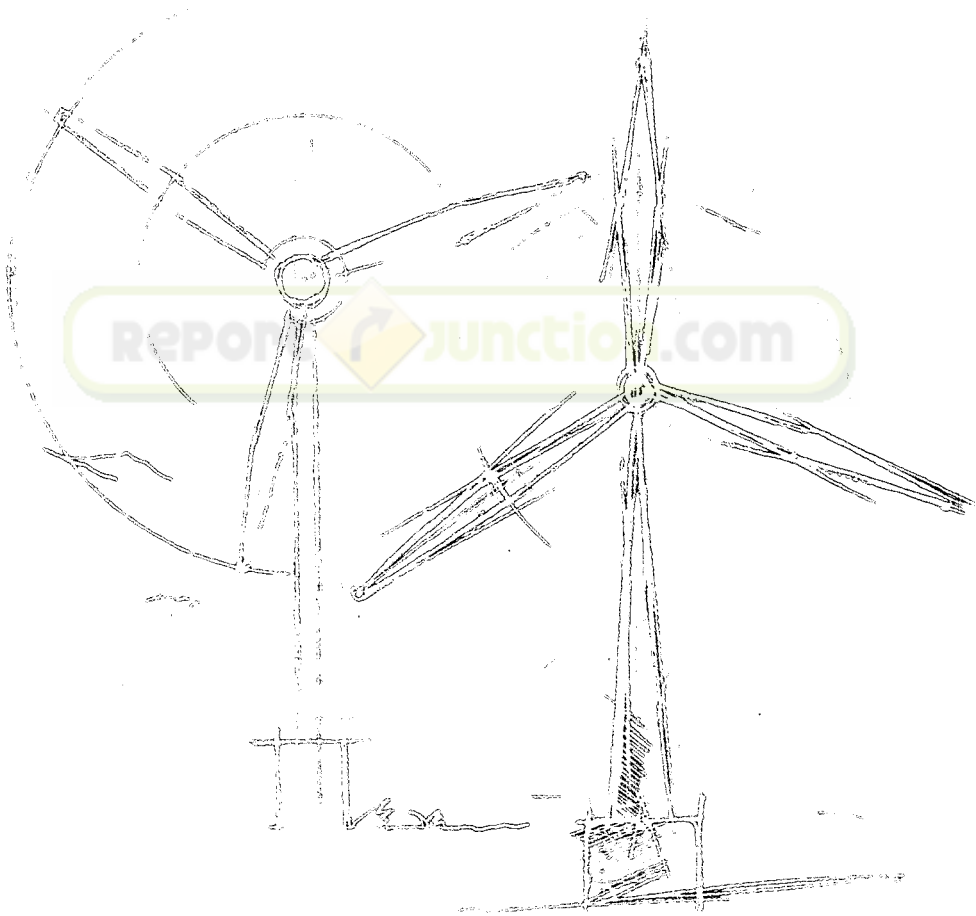




USHDEV INTERNATIONAL LIMITED



13th Annual Report 2006-2007





USHDEV INTERNATIONAL LIMITED

THIRTEENTH 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. 29th April, 2006 & appointed as
additional Director w.e.f. 29th April, 2006)

Mr. Vinay Kamat (appointed w.e.f. 8th December, 2005)

Mr. Suresh Lakhiani (appointed w.e.f. 31st January, 2006)

BANKERS

ABN Amro Bank N.V.
Development Credit Bank Limited
Dombivali Nagari Sahakari Bank Limited.
Indian Overseas Bank, Mumbai
Indian Overseas Bank, Udumalpet
Kapol Co-Operative Bank Limited
Shamrao Vithal Co-Operative 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, 2nd Floor,
Horniman Circle, Fort Mumbai – 400 001.
Tel.No.22702485, 22641376 Fax No.22 641 49
E-mail : sharexindia@vsnl.com

REGISTERED OFFICE

New Harileela House,
6th Floor, Mint Road, Fort, Mumbai - 400 001.
Ph :- 22672450/60
E - Mail : - ushdev@vsnl.com

**NOTICE**

Notice is hereby given that the Thirteenth Annual General Meeting of the Shareholders of **USHDEV INTERNATIONAL LIMITED** will be held on Tuesday, 25th September 2007, at New Harileela House, 6th 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 31st March, 2007 and Audited Profit and Loss Account for the year ended 31st March, 2007 and the Report of the Directors and the Auditors thereon.
- 2) To Declare Dividend
- 3) To appoint a Director in place of Mr. Vinay Kamat who retires by rotation and being eligible offers herself for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

- 5) To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII of the said Act as amended up-to-date, consent and approval be and is hereby accorded to the re-appointment of and the remuneration and perquisites being paid or provided to Mr. Vijay Gupta as the Managing Director of the Company for a period of five years with effect from 1st July, 2007 at a remuneration of Rs. 1,50,000/- per month and other perquisites as per Annexure and with such increase in remuneration and perquisites, if permissible as per the provisions of the Act and as may be decided by the Board of Directors from time to time and on the terms and conditions set out in draft Letter of Appointment a copy whereof initialed by Mr. Vinay Kamat, Director of the Company, for the purpose of identification has been placed before this Meeting, which draft Letter of Appointment is hereby specifically approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including the monetary value thereof as specified in the said draft Letter of Appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Vijay Gupta shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and / or any rules or regulations framed thereunder and the terms of the aforesaid Letter of Appointment between the Company and Mr. Vijay Gupta shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Vijay Gupta's office as Managing Director,



the remuneration and perquisites set out in the aforesaid draft Letter of Appointment be paid or granted to Mr. Vijay Gupta as minimum remuneration provided that the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling provided in Part II Section II of Schedule XIII to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof".

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

Registered Office.

New Harileela House,
6th Floor, Mint Road,
Fort, Mumbai – 400 001.
Date : 28th August, 2007.

**Vijay Gupta
Chairman & Managing Director**

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**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. Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No. 5 is annexed.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Tuesday, 18nd September 2007 to, Monday 24th September 2007 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, 2nd Floor, Hornimani 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.

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

Registered Office.

New Harileela House,
6th Floor, Mint Road,
Fort, Mumbai – 400 001.
Date : 28th August, 2007.

**Vijay Gupta
Chairman & Managing Director**

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956
ITEM NO. 5**

The present terms of appointment of Mr. Vijay Gupta as Managing Director is expiring on 30th June, 2007. Accordingly the Company has decided to re-appoint Mr. Vijay Gupta as Managing Director w.e.f. 1st July, 2007 for a period of 5 years. The terms and conditions of his appointment is given below :

S. No.	Name of Director	Designation	Responsibility
1	Mr. Vijay Gupta	Managing Director	Overall management, administration, finance and sales of the Company.

The remuneration and perquisites payable to Mr. Vijay Gupta is as follows:

The Company proposes to pay following remuneration and perquisites w.e.f. 1st July, 2007,

A. REMUNERATION:

S. No.	Name of Director	Designation	Remuneration
1	Mr. Vijay Gupta	Managing Director	Rs. 1,50,000/- per month

B. PERQUISITES : Non monetary ceiling perquisites

The following perquisites shall be payable to Mr. Vijay Gupta and which shall not be included in the computation of the ceiling of remuneration as per Schedule XIII of the Companies Act, 1956.

i. Provident Fund

The Company's contribution to Provident Fund, as per the rules of the Company. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act, 1961.

ii. Gratuity

Gratuity not exceeding one-half months' salary for each completed year of service.

iii. Superannuation

Superannuation premium as applicable and to the extent it is not taxable under the provisions of the Income Tax Act, 1961.

iv. Leave Encashment

Leave salary as per the rules of the Company and Encashment of Leave shall be at the end of the tenure.

C. INCREMENTS:

The Board of Directors shall decide the increments payable to Mr. Vijay Gupta at the end of March, every year within the overall ceiling laid down in the Schedule XIII so that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the ceiling provided in Part II Section II of Schedule XIII to the said Act based on the effective capital for the respective financial year or such



other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

D. MINIMUM REMUNERATION

1. The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the audited balance sheet as on 31st March, 2007 and has been fixed as provided in Part II Section II of Schedule XIII to the said Act based on the effective capital for the respective financial year or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof and shall be considered as minimum remuneration.
2. During the tenure of their appointments, if the Company earns profits in excess of the limits prescribed under Schedule XIII or if the profits are adequate in any financial year, as per the provisions of Section 198, 309 and any other applicable provisions of the Companies Act, 1956, then the remuneration and commission, if any, of Mr. Vijay Gupta shall be paid as per the profits earned by the Company in that particular financial year.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement of concern or interest under Section 302 of the Companies Act, 1956.

The Resolution is recommended for approval of the Members.

None of the Directors except Mr. Vijay Gupta and Mrs. Suman Gupta are concerned or interested to the extent remuneration payable to him.

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

Registered Office.

New Harileela House,
6th Floor, Mint Road,
Fort, Mumbai – 400 001.
Date : 28th August, 2007.

**Vijay Gupta
Chairman & Managing Director**



DIRECTORS' REPORT

To
The Members,

Your Directors present herewith the Thirteenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2007.

1. FINANCIAL RESULTS (RS. IN THOUSAND)

	Year Ended 31/03/2007	Year Ended 31/03/2007
Gross Revenue	54,68,910	15,23,358
Gross Profit (before interest, depreciation, tax and writing off of preliminary expenses)	1,55,974	66,450
Interest	70,122	25,636
Depreciation	23,039	12,719
Provision for taxation	5,985	2,201
Preliminary expenses and share issue expenses written off	-	22
Net Profit / (Loss)	56,828	25,872
Deferred Tax Liability	(28,302)	10,497
Profit after Tax	85,130	15,375
Balance in Profit & Loss A/c c/f from last year	26,071	18,268
Amount available for appropriation	111,201	33,643
Appropriations		
Proposed dividend on Equity Shares	10,337	6,044
Transfer to General Reserves	6,302	769
Tax on Dividend	1,619	678
Prior period expenses	-	81
Balance carried to Balance Sheet	92,943	26,071

2. DIVIDEND

In view of the strong growth, your Director's have recommended stepping-up dividend to 18% from 15% 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. 8 Crores in the Gujarat state.



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.
30/3/2007	Gujarat	2	1.60 MW	Rs.8 Crores.
TOTAL		20	9.73 MW	49.80 Crores

As one can see above, our presence is already there in 4 states, whereas very shortly are even going to add Maharashtra to our list, thus leading to 5 states in the country

Carbon Credits: With the current scenario of global warming becoming an increasing concern, the concept of (CDM) Clean Development Mechanism is gaining importance, wherein carbon becomes a tradable commodity, and thus wind power project like that of Ushdev's are entitled to 'sell such carbon credits based on number of units generated as per prevailing market rates. Our projects in Rajasthan have already got the approval, to be eligible to attain carbon credits

Capex: Our Phase I will be an Investment of 160 crores in the states of Gujarat, Tamil Nadu & Maharashtra

(ii) STEEL SECTOR

Your Company's emphasis on core competencies has paid of multifold'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 261%. Your company plans to concentrate even more intensely in this sector.

4. ISSUE OF FURTHER SHARES

During the year under review, the Company has issued and allotted 17,13,500 Equity Shares of Rs. 10/- each at a premium of Rs. 105/- per share on preferential basis to individual investors in terms of Guidelines for Preferential Issue contained in Chapter XIII of SEBI (DIP) Guidelines, 2000.

5. RIGHTS ISSUE

The Company at its Board Meeting held on 17th April, 2007 has decided to issue Right Shares to existing equity shareholders. The issue price and ratio will be decided in due course of time in consultation with Merchant Bankers.

6. 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.