

Racing Ahead Above & Beyond



Ushdev International Ltd.

Annual Report 2010-11

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Ushdev International Ltd.

SEVENTEENTH ANNUAL REPORT 2010-2011

Board Of Directors

Ms. Suman Gupta	Chairperson
Mr. Prateek Gupta	Managaing Director
Mr. Narayan Hegde	Non Executive Independent Director
Mr. Vinay Kamat	Non Executive Independent Director
Mr. Suresh Lakhiani	Non Executive Independent Director

Bankers

ICICI Bank Ltd
IDBI Bank Ltd
Indian Overseas Bank
Oriental Bank of Commerce
State Bank of India
State Bank of Mysore
State Bank of Bikaner & Jaipur
State Bank of Travancore
Federal Bank Limited

Auditors

M. P. Chitale & Co.
Chartered Accountants,
Hamam House, Ambalal Doshi Marg,
Fort, Mumbai 400001.

Registrar & Transfer Agent

Sharex Dynamic(India) Private Limited,
Unit-1, Luthra Ind. Premises,
1st Flr, 44-E, M Vasanti Marg,
Andheri - Kurla Rd., Safed Pool,
Andheri (E), Mumbai 400072
Tel No. : +91 22 2851 5606 / 5644
Fax No. : +91 22 2851 2885
E-mail : sharexindia@vsnl.com
URL : www.sharexindia.com

Registered Office

New Harileela House,
6th Floor, Mint Road, Fort,
Mumbai 400001

Corporate Office

Apeejay House, 6th Floor,
130, Mumbai Samachar Marg,
Fort, Mumbai - 400 001.
Tel No. : 6194 8888, 6636 8888
Fax No. : 2282 1416, 2282 1098
E-mail : ushdev@vsnl.com
Website : www.ushdev.com



Notice

Notice is hereby given that the Seventeenth Annual General Meeting of the Shareholders of **USHDEV INTERNATIONAL LIMITED** will be held on Saturday, 3rd September, 2011 at 10.30 a.m at M. C. Ghia, Hall, Kala Ghoda, Mumbai: 400 023, to transact the following business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, Audited Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
- 2) To Declare Dividend on equity shares.
- 3) To appoint a Director in place of Mr. Vinay G Kamat who retires by rotation and being eligible offers himself for re-appointment.
- 4) To re-appoint Statutory Auditors of the Company 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 in supersession of the ordinary resolution passed by the members of the Company at the Extra Ordinary General Meeting of the Company held on 5th May, 2006, the Board of Directors of the Company be and is hereby authorized in accordance with the provisions of Section 293 (1) (d) and all other applicable provisions, if any, of the Companies Act, 1956, to borrow periodically from, including without limitation, any Banks and / or public financial institutions as defined under Section 4A of the Companies Act, 1956 and / or any foreign financial institution(s) and / or any entity / entities or authority / authorities and / or through suppliers credit securities instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and / or through credit from official agencies and / or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 3,000 Crores (Rupees Three Thousand Crores only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves (Reserves not set apart for any specific purpose)".

- 6) 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 Section 293 (1) (a) and all other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board') to create / mortgages / charges / hypothecations, in addition to the mortgages / charges / hypothecations created by the Company on the immovable / movable properties, both present and future, of the Company, in respect of all or any one or more of the undertakings of the Company, on such terms and conditions and at such times and in such form and manner, as the Board may deem fit, for an amount not exceeding Rs. 3,000 (Rupees Three Thousand Crores Only) in favour of Indian / Foreign Financial Institutions, Indian / Foreign Finance Companies, Nationalised / Indian / Foreign Banks, Indian / Foreign Corporate Bodies, Indian / Foreign Mutual Funds, Indian / Foreign Insurance Companies, Indian / Foreign Pension Funds, to secure Rupee Loan / Foreign Currency Loan / Debentures or Bonds, whether fully or partly convertible or non convertible and / or securities linked with the equity shares of the Company and / or rupee / foreign currency convertible or non convertible bonds with share warrants attached or for any other facilities granted in favour of the Company collectively referred to as 'the Loans', as Security for 'the Loans' or for any other facilities granted in favour of the Company or for the Security of any other loan / term loans raised from time to time, together with interest thereon, further interest, if any, remuneration of Trustees, costs, charges, expenses and all other moneys payable to the Trustees in terms of agreement to be entered between the Company and the Trustees.

Notice

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorized to prepare, fianlise and execute with the Trustees / lending institutions, such documents, deeds, writings and agreements, as may be necessary for creating mortgages and / or charges as aforesaid and to do all such acts, deeds matters and things as may be necessary and / or expedient for giving effect to this resolution".

- 7) To consider, and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956 (the Act) and other provisions, as applicable, of the Act the Company hereby approves that the Register of Directors, Register of Directors Shareholding, Register of Contracts, Register of Disclosure of Interest, Register of Charges and all other statutory registers and related documents / certificates / records (except the Register of Members which shall continue to be maintained at the office of the Company's Registrar and Share Transfer Agent, M/s. Sharex Dynamic (India) Private Limited) be kept at the corporate office of the Company situated at Apeejay House, 6th Floor, Bombay Samachar Marg, Fort, Mumbai: 400 023."

By order of the Board of Directors
For USHDEV INTERNATIONAL LIMITED

sd/-
Suman Gupta
Chairperson

Place : Mumbai
Date : 22nd July 2011

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. Proxy form is enclosed along with this notice.
2. The Proxy Form, 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. For the convenience of the shareholders, Attendance Slip is annexed to this notice. Shareholders/ Proxy Holders are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue.
4. Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 in respect of item no. 5 to 7 of the notice is annexed.
5. The Register of Members and Share Transfer Register of the Company will remain closed from Monday, 29th August, 2011 to Saturday, 3rd September, 2011 (both the days inclusive).
6. Corporate Members intending to send their authorized representatives at the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

Notice

8. Dividend on equity shares, if declared at the Meeting, will be paid to those shareholders whose names shall appear on the Company's Register of Members as on 3rd September, 2011; in respect of shares held in dematerialized form, the dividend will be paid to those shareholders whose names are furnished by Central Depository Services (India) Limited and National Securities Depository Limited as beneficial owners as on that date.
9. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their depositories to the company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
10. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Share Transfer Agent i.e. M/s. Sharex Dynamic (India) Private Limited.
11. Members are requested to immediately notify any change of address to their Depository Participants (DPs) in respect of their holdings in electronic form and to the Secretarial department at the Registered Office of the company or to the Registrar and Transfer Agents in respect of their holding in physical form.
12. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report.
13. Pursuant to provisions of Section 205A and Section 205C of the Companies Act, 1956, dividend for the financial year March 31, 1999 and dividend declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act, 1956.

Financial Year	Date of Declaration of Dividend	Last date of claiming Unpaid Dividend
Final Dividend for the year 2004 - 2005	30 th September, 2005	4 th November, 2012
Final Dividend for the year 2005 - 2006	30 th December, 2006	3 rd February, 2014
Final Dividend for the year 2006 - 2007	25 th September, 2007	30 th October, 2014
Final Dividend for the year 2007 - 2008	2 nd September, 2008	7 th October, 2015
Final Dividend for the year 2008 - 2009	5 th September, 2009	10 th October, 2016
Final Dividend for the year 2009 - 2010	4 th September, 2010	9 th October, 2017

14. All the shareholders are requested to register their E-Mail id with the Sharex Dynamic (India) Private Limited for the purpose of service of documents under Section 53 of the Companies Act, 1956 by E-mode instead of under posting certificate (UPC) in view of Circular No. 17/95/2011 CL - V.

Notice

Annexure to the Notice

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956.

Item No.5

Section 293 (1) (d) of the Companies Act, 1956 read with Article 174 (vi) of the Articles of Association of the Company, provides that the Board of Directors cannot, except with the consent of the Company in General Meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid – up capital and free reserves of the Company, that is to say reserves not set apart for any specific purpose.

At the Extra Ordinary General Meeting of the Company held on 5th May, 2006, the members under Section 293(1)(d) of the Companies Act, 1956 had authorized the Board of Directors to borrow monies for the purpose of business of the Company for an amount, not exceeding Rs. 1,500 crores (Rupees One Thousand Five Hundred Crores Only) in aggregate. The increasing business operations and future growth plan of the Company and increase in working capital requirements would require further borrowings which may exceed the limit of Rs. 1,500 crores. Hence it is proposed to increase the borrowing limits from Rs. 1,500 crores to Rs. 3,000 crores. This will enable the Board of Directors to borrow from time to time upto Rs. 3,000 crores.

It is necessary for the shareholders of the Company to grant their consent by passing a resolution at their meeting under Section 293(1)(d) of the Companies Act, 1956 authorising the Board of Directors of the Company to borrow monies in excess of the paid up capital and free reserves of the Company upto Rs. 3,000 crores.

The Board recommends the resolution for approval of the Members.

None of the Directors of the Company are concerned or interested in this resolution except to the extent of their shareholding in the Company.

Item No. 6

At the Extra Ordinary General Meeting of the Company held on 5th May, 2006, the members under Section 293(1)(a) of the Companies Act, 1956 accorded its consent to the creation by the Board of Directors of the Company of such mortgages and charges in addition of the existing mortgages and charges and hypothecations, created by the Company as the Board may direct on all immoveable properties and moveable properties of the Company, both present and future aggregating to Rs. 1,500 crores in favour of lending Financial Institutions / Corporate Body(s) / person(s) / Corporation(s) / Government / lender(s) / Bank(s) (together with interest) for monies borrowed or to be borrowed.

To meet the increasing requirements of the funds, the Board of Directors are required to borrow monies from time to time for which mortgages / charges / hypothecations are to be created on the moveable and immoveable properties of the Company and hence it is considered necessary to enhance the said limit to Rs. 3,000 crores (Rupees Three Thousand Crores Only). The resolution has accordingly been proposed for approval of the members pursuant to section 293(1)(a) of the Companies Act, 1956.

The Board recommends the resolution for approval of the Members.

None of the Directors of the Company are concerned or interested in this resolution except to the extent of their shareholding in the Company.

Item No. 7

The statutory registers and related records of the Company are maintained at the registered office of the Company (except the Register of Members which is maintained at the office of the Company's Registrar and Share Transfer Agent i.e. M/s. Sharex Dynamic (India) Private Limited. The registered office of the Company is situated at New Harileela House, 6th Floor, Mint Road, Mumbai – 400 001.

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The majority staff of the Company (including the secretarial department) is operating from corporate office of the Company. The same is situated at Apeejay House, 6th Floor, Bombay Samachar Marg, Fort, Mumbai: 400 023. Hence it is convenient to shift the statutory registers and other related documents to corporate office of the Company. This will smoothen maintenance of the same and handling investor grievances. (The Register of Members shall be continued to be maintained at the office of the Company's Registrar and Share Transfer Agent i.e. M/s. Sharex Dynamic (India) Private Limited.)

Pursuant to the provisions of Section 163 of the Companies Act, 1956 (the Act) the statutory register and other related documents can be kept at any other place other than the registered office of the Company provided that the place is situated within the same city, town or village in which the Registered Office of the Company is situated and further that the act of keeping the same at a place other than the Registered Office has been approved by the shareholders of the Company at a General Meeting through special resolution.

Hence the resolution for the same is proposed at item no. 7 of the notice for the approval of the members.

None of the Directors is concerned with or interested in the said resolution.

By order of the Board of Directors
For **Ushdev International Limited**

sd/-
Suman Gupta
Chairperson

Place : Mumbai

Date : 22nd July 2011

Directors' Report

To
The Members,

Your Directors have pleasure in presenting the Seventeenth Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

1. Financial Results

Your Company operates in two different business sectors – trading in steel and metals (ferrous and non ferrous) and generation of power. The Company's revenue, expenditure and results of operations are presented through consolidated financial statements and the details given below:

Particulars	(Rs. in Lakhs)	
	Year Ended 31st March, 2011	Year Ended 31st March, 2010
Gross Revenue	3,29,035	1,74,945
Gross Profit (before interest, depreciation, tax and writing off of preliminary expenses)	14,789	7,851
Interest	8,625	4,063
Depreciation	762	508
Provision for taxation	1,079	607
Net Profit / (Loss)	4,324	2,674
Deferred Tax Liability/(Assets)	51	19
Profit after Tax	4,375	2,693
Balance in Profit & Loss A/c c/f from last year	5,010	3,310
Amount available for appropriation	9,385	6,003
Appropriations		
Proposed dividend on Equity Shares	618	618
Transfer to General Reserves	414	270
Tax on Dividend	103	105
Balance carried to Balance Sheet	8,250	5,010

2. Dividend

The Board of Directors have recommend dividend of 21% (i.e. Rs. 2.10/- per equity share) for the Financial Year ended 31st March, 2011 (previous year 21% i.e. Rs. 2.10/- per share) amounting to Rs. 6,17,94,180/- (previous year Rs. 6,17,94,180/-) The Dividend tax liability borne by your Company is Rs. 1,02,63,395/- (previous year Rs. 1,05,05,011/-).

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. 173.88 crores in five states i.e. Tamil Nadu, Rajasthan, Karnataka, Gujarat and Maharashtra. We give the details of the Company projects as below :-

Date of Installation	Location	No of WEG's	Installed Capacity	Investments Rs. in Lakhs
27/03/1997	Tamil Nadu 1	11	2.53MW	1,406.35
29/03/2005	Tamil Nadu 2	2	1.60MW	807.47
29/03/2006	Rajasthan	3	2.40MW	1,178.48
29/03/2006	Karnataka	2	1.60MW	785.65
30/03/2007	Gujarat 1	2	1.60MW	740.00
10/07/2007	Gujarat 2	4	3.20MW	1,480.00
26/09/2009	Tamil Nadu3	6	9.9MW	6,090.00
27/11/2010	Maharashtra 1	4	8.0 MW	4,900.00
Total		34	30.83 MW	17,387.94

(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 has been successful in increasing its presence in the this sector. This has resulted in an increase in top line income of 88%.

4. Management Discussion and Analysis

Forward Looking Statements:

This section contains forward-looking statements, which may be identified by their use of words, like 'plans', 'expects', 'wills', 'anticipates', 'believes', 'intends', 'projects', 'estimates', or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. Forward-Looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

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

The 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-Wise or Product-Wise Performance

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