



UTTAM

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24th Annual Report 2008 - 2009

UTTAM GALVA STEELS LIMITED

**BOARD OF DIRECTORS**

RAJINDER MIGLANI	:	CHAIRMAN & MANAGING DIRECTOR
PRAVEEN MIGLANI	:	DIRECTOR
S. P. TALWAR	:	ADDITIONAL DIRECTOR
P. G. KAKODKAR	:	DIRECTOR
S. T. PARIKH	:	DIRECTOR
DR. N. S. DATAR	:	DIRECTOR
V. D. SHINDE	:	DIRECTOR (NOMINEE - IDBI)
S. R. KRISHNASWAMY	:	DIRECTOR (NOMINEE - LIC)
ANUJ MIGLANI	:	DY. MANAGING DIRECTOR
ANKIT MIGLANI	:	DIRECTOR (COMMERCIAL)
A. K. MAHENDRU	:	DIRECTOR (SALES & MARKETING)
S. G. TUDEKAR	:	DIRECTOR (WORKS)

EXECUTIVE DIRECTOR (FINANCE) & CFO

GURSHARAN S SAWHNEY

**SR. VICE PRESIDENT
& COMPANY SECRETARY**

R. K. AGRAWAL

BANKERS

STATE BANK OF INDIA
CANARA BANK
PUNJAB NATIONAL BANK
IDBI BANK LTD.
BANK OF BARODA
INDIAN OVERSEAS BANK
ICICI BANK LTD.
PUNJAB & MAHARASHTRA CO-OP BANK LTD.

STATUTORY AUDITORS

M/S. PRAKKASH MUNI & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

INTERNAL AUDITORS

KPMG
MUMBAI

REGISTERED OFFICE

UTTAM HOUSE,
69, P. D'MELLO ROAD,
MUMBAI - 400 009
E-MAIL: info@uttamgalva.com
WEBSITE: www.uttamgalva.com

BRANCHES

NEW DELHI
PUNE
CHENNAI

WORKS

KHOPOLI - PEN ROAD, DONVAT
DIST: RAIGAD - MAHARASHTRA
KHOPOLI - PALI ROAD, DAHIVALI
DIST: RAIGAD - MAHARASHTRA

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Uttam Galva Steels Limited

VISION, MISSION AND VALUES

VISION

Become the world's favoured
flat steel products brand

MISSION

To consistently provide quality steel
products ensuring customer delight

VALUES

- Integrity** : Honouring all commitments
- Value for Time** : Business at supersonic speed
- Ethics** : Ethical business practices with
all stakeholders

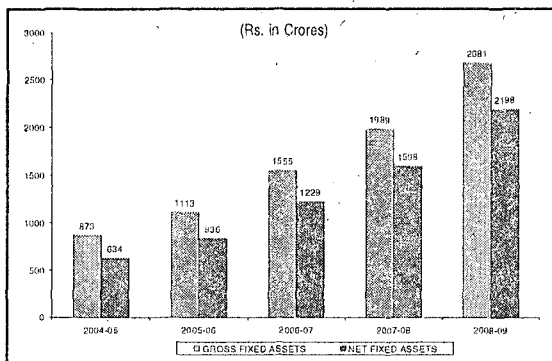


5 YEARS' HIGHLIGHTS

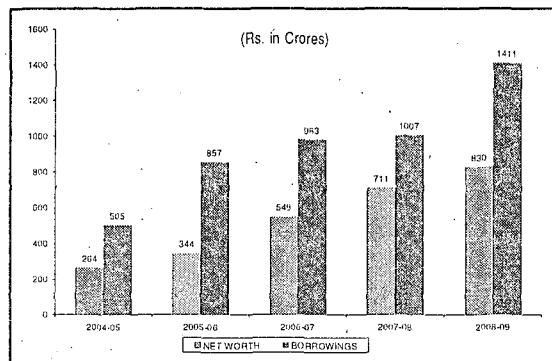
PARTICULARS	2008-09	2007-08	2006-07	2005-06	2004-05
SALES & EARNINGS					
	Rs. in Crores				
LOCAL SALES	2164	1706	1224	843	714
EXPORT SALES	2346	1583	1456	1054	1442
GROSS SALES	4510	3289	2680	1897	2156
OTHER INCOME	0	2	4	10	5
TOTAL INCOME	4510	3291	2684	1907	2161
LESS: CENTRAL EXCISE DUTY	138	133	105	109	64
LESS: SELLING & DISTRIBUTION EXPENSES	198	150	136	106	131
SALES AND OTHER INCOME (EFFECTIVE)	4174	3008	2443	1692	1966
MATERIAL COST (INCL. STOCK VARIATION)	3541	2506	2011	1366	1651
OTHER EXPENDITURE	274	199	161	129	116
PBIDT	359	303	271	197	199
INTEREST	166	114	109	77	64
PROFIT BEFORE DEPRECIATION & TAX (PBDT)	194	189	162	120	135
DEPRECIATION	92	65	49	38	32
PROFIT BEFORE TAX	101	124	113	82	103
PROFIT AFTER TAX	100	124	113	74	95
CASH ACCRUALS	192	189	162	112	127
ASSETS & LIABILITIES					
FIXED ASSETS : GROSS	2681	1989	1555	1113	873
: NET	2198	1598	1229	836	634
TOTAL ASSETS : NET	2241	1718	1532	1201	769
REPRESENTED BY					
NET WORTH	830	711	549	344	264
SHARE CAPITAL - EQUITY	114	114	105	83	80
- PREFERENCE	0	2	3	5	5
EQUITY SHARE CAPITAL SUSPENSE ACCOUNT/ SHARE APPLICATION MONEY	6	0	0	0	1
RESERVES	710	595	441	256	178
BORROWINGS	1411	1007	983	857	505
LONG TERM - SECURED	1073	784	683	448	388
- UNSECURED	333	177	220	197	7
SHORT TERM	5	46	80	212	110
TOTAL FUNDS	2241	1718	1532	1201	769
RATIOS					
EARNING PER EQUITY SHARE RS.	8.36	11.63	13.52	9.13	12.57
BOOK VALUE PER EQUITY SHARE RS	69.24	62.21	51.90	40.65	32.33
DEBT: EQUITY RATIO @	1.29:1	1.10:1	1.24:1	1.30:1	1.47:1

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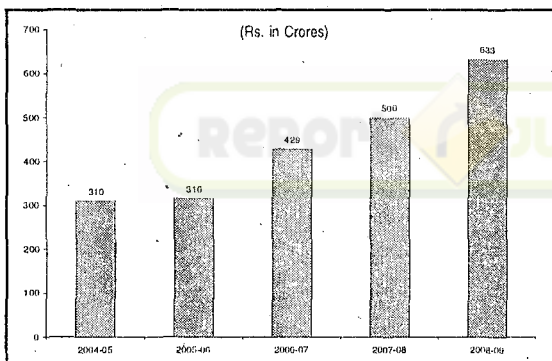
FINANCIAL HIGHLIGHTS



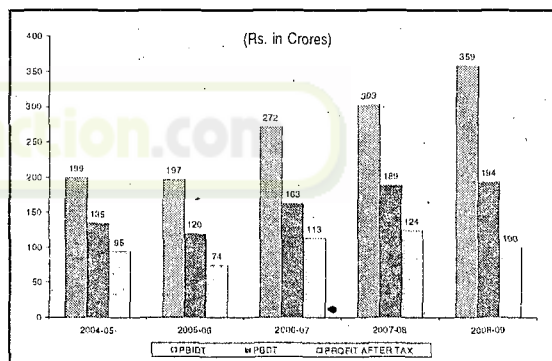
FIXED ASSETS



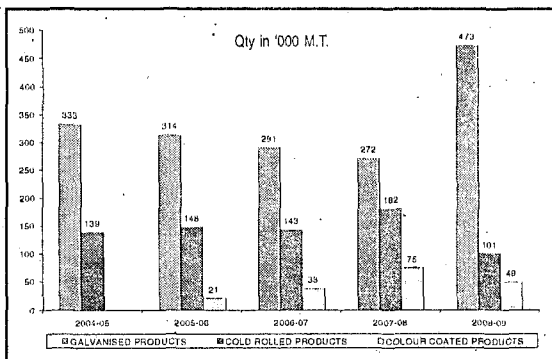
NETWORTH AND BORROWINGS



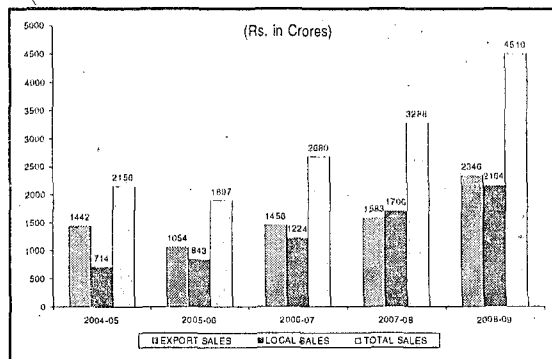
VALUE ADDITION



PBDT/PBDT/PROFIT AFTER TAX



SALEABLE PRODUCTION



TOTAL SALES



NOTICE

NOTICE is hereby given that the **24th ANNUAL GENERAL MEETING** of the Members of the Company will be held at 11:00 a.m. on Saturday, the 26th September, 2009 at M. C. Ghia Hall, 18/20, K. Dubhash Marg, Mumbai – 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To adopt the Profit & Loss Account for the Financial Year ended 31st March, 2009 and the Balance Sheet as at that date and Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Rajinder Miglani, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri A. K. Mahendru, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S. G. Tudekar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. Prakkash Muni & Associates, Chartered Accountants as the Statutory Auditor for the Financial Year 2009-10, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 25th Annual General Meeting and to authorize the Board of Directors to decide his remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT Shri S. P. Talwar who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 with effect from conclusion of the meeting of the Board of Directors held on 9th May, 2009 and who holds office as such up to the date of 24th Annual General Meeting and in respect of whom notice u/s 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri S. P. Talwar as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles 23, 24 and 25 of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the re-appointment of Shri Ankit Miglani as Director (Commercial) of the Company for the further period of 3 years with effect from 29th July, 2008:

a) Remuneration:-

Rs. 10,00,000/- per month by way of salary, perquisites and other allowances.

b) Benefits:-

- i. Contribution to Provident Fund and Superannuation Fund as per rules of the Company.
 - ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - iii. Leave and Encashment of leave as per the rules of the Company.
 - iv. Free use of Car with driver for the business of the Company and free telephone facility at Residence.
 - v. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.
- c) In the event of the loss or inadequacy of profit in any financial year during his tenure as the Director (Commercial), the aforesaid remuneration will be treated as minimum remuneration subject to approval of Central Government, if required.
 - d) Company shall pay to or reimburse the Director (Commercial) all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to

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vary, alter or modify the different components of the above stated remuneration in accordance with provisions of Schedule XIII to the Companies Act, 1956 as may be agreed to by the Board of Directors and Shri Ankit Miglani.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps, actions as may be necessary, proper and expedient to give effect to this Resolution"

8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles 23, 24 and 25 of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the re-appointment of Shri A. K. Mahendru as Director (Sales & Marketing) of the Company for the further period of 3 years with effect from 28th October, 2008:

(a) Remuneration:-

Rs. 3,00,000/- per month by way of salary, perquisites and other allowances.

(b) Benefits:-

- i. Contribution to Provident Fund and Superannuation Fund as per the rules of the Company.
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii. Leave and Encashment of leave as per the rules of the Company.
- iv. Free use of Car with driver for the business of the Company and free telephone facility at Residence.
- v. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.

- (c) In the event of the loss or inadequacy of profit in any financial year during his tenure as the Director (Sales & Marketing), the aforesaid remuneration will be treated as minimum remuneration subject to approval of Central Government, if required.

- (d) Company shall pay to or reimburse the Director (Sales & Marketing) all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

- (e) The above appointment may be terminated at any time by giving 60 days notice by either party.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the different components of the above stated remuneration in accordance with provisions of Schedule XIII to the Companies Act, 1956 as may be agreed to by the Board of Directors and Shri A. K. Mahendru.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps, actions as may be necessary, proper and expedient to give effect to this Resolution."

9. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles 23, 24 and 25 of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the re-appointment of Shri S. G. Tudekar as Director (Works) of the Company for the further period of 3 years with effect from 28th October, 2008:

(a) Remuneration:-

Rs. 3,00,000/- per month by way of salary, perquisites and other allowances.

(b) Benefits:-

- i. Contribution to Provident Fund and Superannuation Fund as per the rules of the Company.
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii. Leave and Encashment of leave as per the rules of the Company.



- iv. Free use of Car with driver for the business of the Company and free telephone facility at Residence.
 - v. Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.
- (c) In the event of the loss or inadequacy of profit in any financial year during his tenure as the Director (Works), the aforesaid remuneration will be treated as minimum remuneration subject to approval of Central Government, if required.
- (d) Company shall pay to or reimburse the Director (Works) all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.
- (e) The above appointment may be terminated at any time by giving 60 days notice by either party.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the different components of the above stated remuneration in accordance with provisions of Schedule XIII to the Companies Act, 1956 as may be agreed to by the Board of Directors and Shri S. G. Tudekar.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take all such steps, actions as may be necessary, proper and expedient to give effect of this Resolution."

10. Alteration of Articles of Association in respect of "Remuneration to Directors by way of Sitting Fees".

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) the existing Article 21 of the Articles of Association of the Company be and is hereby deleted and substituted by the following Article 21."

Article 21

REMUNERATION TO THE DIRECTORS

Each Director other than a Managing Director and Whole time Directors shall be entitled to receive out of the funds of the Company for his services in

attending meetings of the Board or a Committee thereof, such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 310 of the Act. In addition to this the Directors may subject to the Act, allow and pay to any Director who is not a resident of the place where the Registered Office of the Company is situated or where the meeting of the Board is ordinarily held and who shall come to such place for the purpose of attending a meeting of the Board or a Committee thereof, such sum as Directors may consider reasonable for travelling, hotel and other expenses.

11. Alteration of Articles of Association in respect of "Nominee Directors".

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) the existing Article 29 of the Articles of Association of the Company be and is hereby deleted and substituted by the following Article 29."

Article 29

NOMINEE DIRECTOR

- a) Notwithstanding anything to the contrary contained in these Articles, so long as any monies remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit & Investment Corporation of India Limited (ICICI Bank), The Industrial Reconstruction Bank of India Limited (IRBI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NICK), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UII), Infrastructure Development Finance Company Limited (IDFC) or State Financial Corporation or any Bank, Financial Institution or NBFC (each of the above is hereinafter in this article referred to as "The Lenders") out of any loans / debentures assistance granted by them to the Company or so long as the Lenders holds or

Uttam Galva Steels Limited

continues to hold Debenture / Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Lenders on behalf of the Company remains outstanding, the Lenders shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non-whole time (which Director as Directors, is / are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place(s).

- b) The Board of Directors of the Company shall have no power to remove them from office of the Nominee Director(s). At the option of the Lenders such Nominee Director(s) shall not be required to hold any share qualification in the Company. Also at the option of the Lenders such Nominee Director shall not be entitled to retire by rotation of Directors. The Company agrees that if the Board of Directors of the Company has constituted or propose to constitute any Management Committee or other Committee(s) it shall if so required by the Lenders, include the Nominee Directors as a member of such Management Committee or other Committee(s). Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to same obligations as any other Director of the Company.
- c) The Nominee Director(s) so appointed shall hold the said office only so long as any monies remain owing by the Company to the Lenders or so long as the Lenders holds or continues to hold Debenture/Shares in the Company as a result of undersubscribing or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall ipso facto vacate such office immediately the monies owing by the Company to the Lenders are paid off or on the Lenders ceasing to hold Debentures / Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Lenders.
- d) The Nominee Director(s) appointed under this Article shall be entitled to receive all Notices of

and attend all General Meeting, Board Meetings and of the Meetings of the Committee of which the Nominee Director(s) is / are member(s) as also the minutes of such Meetings. The Lenders shall also be entitled to receive all such Notices and minutes.

- e) The Nominee Director(s) shall be entitled to the same sitting fees, commission, remuneration and expenses as are applicable to other Directors of the Company. The Company shall pay the sitting fees and other expenses to the Nominee Director(s) directly, but the commission, remuneration or other monies and fees to which the Nominee Director(s) is entitled shall accrue to the Lenders and shall accordingly be paid by the Company directly to the Lenders.
- f) Provided that, if any, such Nominee Director(s) is an officer of the Lenders, the sitting fees in relation to such Nominee Director(s) shall also accrue to the Lenders and the same shall accordingly be paid by the Company directly to the Lenders.
- g) Any expenses that may be incurred by the Lenders or such Nominee Director(s) in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Lenders or as the case may be, to such Nominee Director(s).
- h) Provided also that in the event of the Nominee Director(s) being appointed as Whole time Director(s) such Nominee Director(s) shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercise or available to a Whole time Director in the management of the affairs of the Company. Such Whole time Director(s) shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Lenders.

By Order of the Board
For **Uttam Galva Steels Limited**

Registered Office:

Uttam House,
69, P. D'Mello Road,
Mumbai - 400 009.

R. K. Agrawal
Sr. Vice President & Company Secretary

Date: 27th August, 2009

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND, THE PROXY NEED NOT BE A MEMBER OF COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Explanatory Statement u/s 173(2) of the Companies Act, 1956 in respect of item No. 6 to 11 of the Notice is annexed hereto.
3. Register of Members and Share Transfer Books of the Company shall remain closed from 15th September, 2009 to 26th September, 2009 (both days inclusive).
4. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their queries to the Company Secretary, so as to reach him atleast seven days before the date of Meeting.
5. Members/Proxies attending the Meeting are requested to bring their Attendance Slip, sent herewith, duly filled in and also their copies of the Annual Report.
6. The Company's Shares are listed on Stock Exchanges at Mumbai, Delhi, National Stock Exchange of India, Mumbai and at Singapore Stock Exchange.
7. The transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 205C of the Companies Act, 1956, during the current Financial Year is not applicable.
8. All queries relating to Share Transfer and allied subjects should be addressed to:

Mondkar Computers Private Limited,
 (Unit: UGSL)
 21, Shakil Niwas,
 Mahakali Caves Road,
 Andheri (East),
 Mumbai – 400 093.

EXPLANATORY STATEMENT

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

Item No. 6

Shri S. P. Talwar is BA., L.L.B. and Certified Associate of the Indian Institute of Bankers. He has an experience of more than 40 years in operational and policy formulation in Commercial & Central Banking. He has served as the 'Chairman and Managing Director' of renowned Banks such as Bank of Baroda, Union Bank of India and Oriental Bank of Commerce. He has also held the coveted position of Deputy Governor of RBI from 1994 to 2001.

He was appointed as Additional Director with effect from 9th May, 2009, in accordance with provisions of Section 260 of the Companies Act, 1956, and therefore he holds the office upto the Date of 24th Annual General Meeting.

None of the Directors except Shri S. P. Talwar is in any way concerned or interested in this Resolution.

The Board accordingly recommends the resolution set out in Item No. 6 for the approval of the Members.

Item No. 7

Shri Ankit Miglani was appointed as the Director (Commercial) of the Company for the period of three years, which expired on 28th July, 2008. The Board of Directors of the Company, at their meeting held on 31st July, 2008, resolved to re-appoint Shri Ankit Miglani as the Director (Commercial) for the further period of three years, commencing from 29th July, 2008 to 28th July, 2011 on terms and conditions as set out in the Ordinary Resolution at Item No. 7.

He is a Graduate in Economic with specialization in Finance from Wharton School, University of Pennsylvania, Philadelphia, U.S.A. Presently, he is looking after all the main Commercial functions such as Finance & Accounts, International Marketing and Purchase of Critical Raw Materials. He joined the Board on 29th July, 2005.

The terms of re-appointment of Shri Ankit Miglani, as set out in the Ordinary Resolution at Item No. 7, should also be treated as the abstract u/s 302 of the Companies Act, 1956.

Shri Ankit Miglani is interested or concerned in this Resolution. Shri Rajinder Miglani, Shri Praveen Miglani and Shri Anuj Miglani are also concerned or interested in this Resolution being the relatives of Shri Ankit Miglani. None of the other Directors are in any way concerned or interested in this Resolution.