



UTTAM

27th
27th
Annual Report
Annual Report
2011 - 2012
2011 - 2012

UTTAM GALVA STEELS LIMITED



BOARD OF DIRECTORS	RAJINDER MIGLANI : CHAIRMAN S P TALWAR : DIRECTOR P G KAKODKAR : DIRECTOR S T PARIKH : DIRECTOR O P GAHROTRA : ADDITIONAL DIRECTOR SWARNA PRABHA SUKUMAR : DIRECTOR (NOMINEE – LIC) ANUJ R MIGLANI : MANAGING DIRECTOR ANKIT MIGLANI : DY. MANAGING DIRECTOR A K MAHENDRU : DIRECTOR (COMMERCIAL) S G TUDEKAR : DIRECTOR (WORKS)
DIRECTOR (FINANCE) & GROUP CFO	GURSHARAN S SAWHNEY
SR. VICE PRESIDENT & COMPANY SECRETARY	R AGRAWAL
WORKING CAPITAL BANKERS	STATE BANK OF INDIA CANARA BANK PUNJAB NATIONAL BANK UNION BANK OF INDIA IDBI BANK LIMITED BANK OF BARODA INDIAN OVERSEAS BANK ICICI BANK LIMITED PUNJAB & MAHARASHTRA CO-OP BANK LIMITED
STATUTORY AUDITORS	M/S. PRAKKASH MUNI & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI
INTERNAL AUDITORS	M/S. K S AIYAR & CO. CHARTERED ACCOUNTANTS MUMBAI
REGISTERED OFFICE	UTTAM HOUSE, 69, P. D'MELLO ROAD, MUMBAI : 400 009 E-MAIL : shares@uttamgalva.com WEBSITE: www.uttamgalva.com
OTHER OFFICES / BRANCHES	<ul style="list-style-type: none">• KEONJHAR, ODISHA• PUNE• NEW DELHI• BANGALORE• CHENNAI• HYDERABAD• AHMEDABAD• INDORE
WORKS	KHOPOLI – PEN ROAD, DONVAT DIST : RAIGAD – MAHARASHTRA KHOPOLI – PALI ROAD, DAHIVALI DIST : RAIGAD – MAHARASHTRA TALOJA – 12, MIDC DIST : RAIGAD – MAHARASHTRA

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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

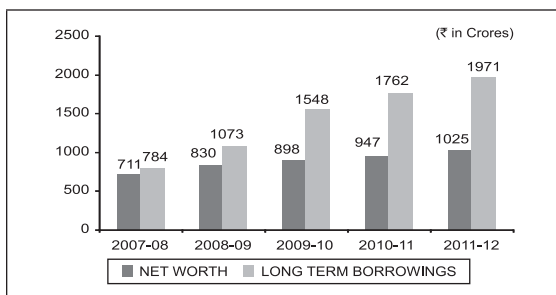


FINANCIAL HIGHLIGHTS

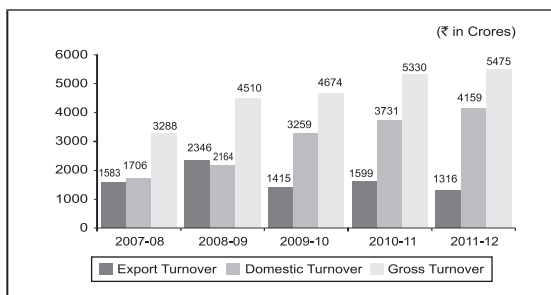
(₹ in Crores)

PARTICULARS	2011-12	2010-11	2009-10	2008-09	2007-08
SALES & EARNINGS					
Domestic Turnover	4159	3731	3259	2164	1706
Export Turnover	1316	1599	1415	2346	1583
GROSS REVENUE FROM OPERATION	5475	5330	4674	4510	3289
Earning before Interest, Tax, Depreciation and Amortisation (EBITDA)	506	441	451	359	303
Finance Cost	245	212	186	166	114
Profit Before Depreciation & Tax (PBDT)	268	233	265	194	189
Depreciation	127	119	113	92	65
Profit Before Tax (PBT)	141	114	152	101	124
Profit After Tax (PAT)	78	77	102	100	124
ASSETS & LIABILITIES					
Non - Current Assets	3401	2886	2513	2206	1649
Current Assets	2435	2516	1668	1588	1559
Total Assets	5836	5402	4182	3794	3209
REPRESENTED BY					
Shareholders' Fund	1025	947	898	830	711
Long Term Borrowings	1971	1762	1548	1073	784
Non - Current Liabilities	481	98	567	338	265
Current Liabilities	2359	2594	1168	1553	1450
Total Funds	5836	5402	4182	3794	3209
RATIOS					
EARNING PER EQUITY SHARE ₹	6.38	6.28	8.48	8.36	11.63
BOOK VALUE PER EQUITY SHARE ₹	83.84	77.46	73.43	69.24	62.21
DEBT: EQUITY RATIO	2.08:1	1.98:1	1.60:1	1.29:1	1.10:1

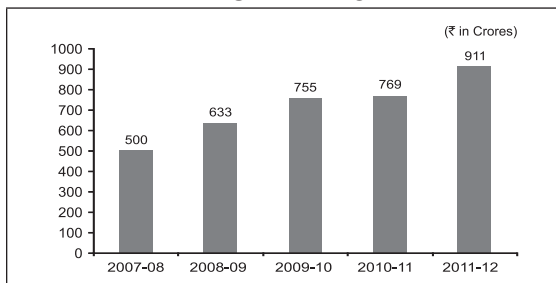
NETWORTH AND LONG TERM BORROWINGS



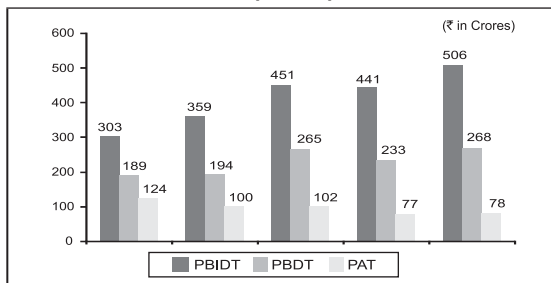
TOTAL SALES



VALUE ADDITION



PBDT/PBDT/PAT



NOTICE

NOTICE is hereby given that the **27th ANNUAL GENERAL MEETING** of the Members of the Company will be held at 11:00 a.m. on Saturday, the 21st July, 2012 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, 2012 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 P.G. Kakodkar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Prakkash Muni & Associates, Chartered Accountants, (Registration No. 111792W) as the Statutory Auditor for the Financial Year 2012-13, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 28th Annual General Meeting and to authorize the Board of Directors to decide their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT Shri O P Gahrotra who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 with effect from the Board Meeting held on 21st January, 2012 and who vacates his office at the conclusion of the 27th Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying his intention to propose Shri O P Gahrotra as a candidate for the office of Director of the Company be and is hereby appointed as the Director of the Company.”

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

“RESOLVED THAT subject to the provisions of Sections 198, 269, 309 read with Schedule XIII

and other applicable provisions of the Companies Act, 1956; Articles 23, 24 and 25 of the Articles of Association of the Company, approval of the Company be and is hereby accorded for the re-appointment of Shri Ankit Miglani as a Dy. Managing Director of the Company for the period of 3 years from 29th July, 2011 to 28th July, 2014 on the following terms and conditions:-

- a) Remuneration
 - (i) ₹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 and free telephone facility at Residence for the business of the Company.
 - (v) Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.
- c) The Company shall pay to or reimburse to the Dy. Managing Director 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.
- d) In the event of the loss or inadequacy of profit in any financial year during his tenure as the Dy. Managing Director, the aforesaid remuneration will be treated as minimum Remuneration subject to the approval of Central Government, if any, as may be required.

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 provision 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”.

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 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including statutory modification or re-enactment thereof, for the time being in force) and pursuant to Articles 23, 24 and 25 of the Articles of Association of the Company, approval of the Company be and is hereby accorded for the re-appointment of Shri A K Mahendru as a Director (Commercial) for a period of three years effective from 28th October, 2011 to 27th October, 2014 on the following terms and conditions: -

- (a) Remuneration:
 - (i) ₹ 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 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 and free telephone facility at Residence for the business of the Company.
 - (v) Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.
- (c) 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 in behalf of the Company.
- (d) 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 any, as may be required.

- (e) The above appointment may be terminated at any time by giving 60 day's 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 provision 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”.

8. 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 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including statutory modification or re-enactment thereof, for the time being in force) and pursuant to Articles 23, 24 and 25 of the Articles of Association of the Company, approval of the Company be and is hereby accorded for the re-appointment of Shri S G Tudekar as a Director (Works) for a period of three years effective from 28th October, 2011 to 27th October, 2014 on the following terms and conditions: -

- (a) Remuneration:
 - (i) ₹ 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 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 and free telephone facility at Residence for the business of the Company.
 - (v) Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.

- (c) 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 in behalf of the Company.
- (d) 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 any, as may be required.
- (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 provision 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, action as may be necessary, proper and expedient to give effect to this Resolution”.

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

R Agrawal
Sr. Vice President & Company Secretary

Registered Office:

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

Date: 9th May, 2012

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 THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**

2. Register of Members and Share Transfer Books of the Company shall remain closed from 17th July, 2012 to 21st July, 2012 (both days inclusive).
3. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, so as to reach him at least seven days before the date of Meeting.
4. 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.
5. The Company's Shares are listed on Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited, Mumbai (NSE) and all applicable listing fees have been paid upto date.
6. 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.
7. Details of the Directors Appointed/Re-appointed during the Year is provided herewith as a part of the Corporate Governance Report as required by Clause 49 of the Listing Agreement.
8. As per the green initiative of MCA, members are requested to provide their **E-mail addresses** to the Registrar And Share Transfer Agent of the Company namely **Universal Capital Securities Private Limited**, in order to receive the various Notices and other Notifications from the Company, in electronic form.
9. E-mail address of the Company is shares@uttamgalva.com
10. All queries relating to Share Transfer and allied subjects should be addressed to:

Universal Capital Securities Private Limited
(Earlier Known as Mondkar Computers Private Limited)
(Unit : UGSL)
21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East),
Mumbai – 400 093
Tele No.: 28207203 / 05
E-mail: info@unisec.in



EXPLANATORY STATEMENT

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

Item No. 5

Shri O P Gahrotra has joined the Board with effect from 21st January, 2012 as an Additional Director of the Company. In accordance with the provisions of Section 260 of the Companies Act, 1956, he holds the office up to the date of 27th Annual General Meeting.

Shri O P Gahrotra is having more than 40 years of experience in Financial Sector. He is a member of the Indian Administrative Service (IAS). He belongs to the 1969 batch of Maharashtra Cadre of Service. He retired as an Additional Chief Secretary to the Government of Maharashtra. He has worked as Senior Executive Director of Securities and Exchange Board of India (SEBI) and was a SEBI Nominee on the Board of Directors of the NSE.

None of the other Directors except Shri O P Gahrotra is in any way concerned or interested in this Resolution.

The Board accordingly recommends the resolution set out in Item No. 5 for the approval of the Members.

Item No. 6

Shri Ankit Miglani was re – appointed as the Dy. Managing Director of the Company by the Board of Directors at its Meeting held on 30th July, 2011 for the further period of three years, commencing from 29th July, 2011 to 28th July, 2014 on terms and conditions as set out in the Ordinary Resolution at Item No 6.

Shri Ankit Miglani joined the Board on 29th July, 2005. 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.

The terms of re-appointment of Shri Ankit Miglani, as set out in the Ordinary Resolution at Item No 6, should also be treated as the abstract under Section 302 of the Companies Act, 1956.

Shri Ankit Miglani is interested or concerned in this Resolution. Shri Rajinder Miglani and Shri Anuj R 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.

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

Item No. 7

Shri A K Mahendru was re-appointed as the Director (Commercial) for the further period of three years,

commencing from 28th October, 2011 to 27th October, 2014 on terms and conditions as set out in the Ordinary Resolution at Item No.7.

Shri A K Mahendru is having more than 45 years of experience in Steel Industry. He is B.Tech, FIE & MIMA and joined the Company in 1995 and was elevated to as an Executive Director of the Company w.e.f. 1st April, 1999.

The terms of re-appointment of Shri A K Mahendru, as set out in the Ordinary Resolution at Item No 7, should also be treated as the abstract under Section 302 of the Companies Act, 1956.

None of the other Directors except Shri A K Mahendru is in any way concerned or interested in this Resolution.

The Board accordingly recommends the resolution set out in Item No. 7 for the approval of the Members.

Item No. 8

Shri S G Tudekar was re-appointed as the Director (Works) for the further period of three years, commencing from 28th October, 2011 to 27th October, 2014 on terms and conditions as set out in the Special Resolution at Item No 8. Since he has completed 70 years of age, hence special resolution is proposed in terms of the provisions of Schedule XIII to the Companies Act, 1956.

Shri S G Tudekar is having experience of more than 49 years in the Steel Industry. He is Graduate Engineer in "Metallurgy" from Pune University. He joined the Company in 1998 as President (Works-Donvat & PRC) and was elevated to as an Executive Director w.e.f. 1st April, 2000.

The terms of re-appointment of Shri S G Tudekar, as set out in the Special Resolution at Item No. 8, should also be treated as the abstract under Section 302 of the Companies Act, 1956.

None of the other Directors except Shri S G Tudekar is in any way concerned or interested in this Resolution.

The Board accordingly recommends the resolution set out in Item No. 8 for the approval of the Members.

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

R Agrawal
Sr. Vice President & Company Secretary

Registered Office :
Uttam House,
69, P.D'Mello Road,
Mumbai – 400 009.

Date: 9th May, 2012

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the Twenty Seventh Report on the business and operations of the Company, along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2012.

1. FINANCIAL RESULTS (Stand-Alone Basis):

(₹ in Crores)

PARTICULARS	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Gross Revenue from Operations	5475.38	5329.84
Earning before Interest, Tax, Depreciation and Amortisation (EBITDA)	505.94	441.26
Finance Cost	245.21	212.24
Depreciation	127.37	119.41
Profit Before Tax (PBT)	141.00	113.54
Provision for Tax	63.04	36.77
Profit After Tax (PAT)	77.96	76.77

2. OPERATIONS:

Your Company has achieved a turnover of ₹ 5475.38 Crores as against ₹ 5329.84 Crores in the previous year and has recorded Profit before Tax of ₹ 141.00 Crores as against ₹ 113.54 Crores in the previous year.

Your Company has embarked on modernization and an expansion program of the existing facilities and it is also exploring various opportunities in the different business verticals in which it operates. In this endeavor, it is necessary to conserve the resources to meet investment opportunities, which your Board believes would enhance the shareholder's value in the long term. Accordingly, your Board has not recommended any dividend for the Financial Year 2011-2012.

3. CAPTIVE POWER PLANT:

During the year your Company has successfully commissioned its Captive Power Plant (CPP) having 2 x 30 MW capacity. The commercial production commenced w.e.f. 1st March, 2012. The CPP is running at full capacity and the steam and the power generated by CPP is consumed by Uttam Galva Steels Limited (UGSL) to the extent required while the balance power is sold.

4. EXPORTS:

Your Company now exports its products to 145 countries across the globe and continues to expand its reach. Your Company has maintained its presence in the International Market inspite of the Global slowdown. This year, your Company has serviced 240 export customers internationally in 62 countries.

The Global Economic situation has shown signs of revival in USA , Russia , and CIS countries. This has provided a marginal boost to international business. Your company has recorded a sales growth of 6% and has moved up the value chain with 28% growth in Construction and Engineering segments.

Your Company's exclusive marketing and sales arrangements with M/s. ArcelorMittal International for Africa, Middle East, Latin America, Russia and other CIS countries has yielded positive results and the benefits of the same will continue to accrue in the following years.

Your Company has been the recipient of 16 EEPC Awards (15th consecutive year) from the Ministry of Commerce and Industry, Government of India for its outstanding exports performance.

5. DOMESTIC MARKET:

The Company has focused on the Domestic Market for the last 4 years and has achieved leadership position. Domestic turnover has risen to 76% of the total sales volume in 2011-2012.

Continuous effort has been made in establishing the 'Uttam Suraksha' GC (Galvanised Corrugated Roofing Sheets) brand firmly in the Construction segment and increase its penetration in rural and urban areas. It is recognised as one of the major Brands in its segment in Domestic Markets like Maharashtra, Madhya Pradesh, Gujarat, Andhra Pradesh, Karnataka, Chattisgarh etc. Your Company has achieved volume growth of 30% sales in this segment over last fiscal.

In the Original Equipment Manufacturer (OEM) market, the Company has been focusing on high growth and profitable segments such as Automotive and Appliances and has thus moved up the value chain in these markets.

Your Company has achieved volume growth of 9% in the Automotive segment over the last fiscal and firmly established itself in the two and four wheeler (Passenger and Commercial) market in western India. Your Company has been catering to the requirements of Mahindra & Mahindra, Force Motors, Eicher and vendors of TATA Motors, Bajaj Auto, General Motors, Piaggio, Volkswagen and others.