



UTTAM

28th
28th

Annual Report

2012 - 2013

UTTAM GALVA STEELS LIMITED

**BOARD OF DIRECTORS**

RAJINDER MIGLANI	:	CHAIRMAN
S P TALWAR	:	DIRECTOR
O P GAHROTRA	:	DIRECTOR
D L RAWAL	:	ADDITIONAL DIRECTOR
P G KAKODKAR	:	DIRECTOR
S T PARIKH	:	DIRECTOR
SWARNA PRABHA SUKUMAR	:	DIRECTOR (NOMINEE – LIC)
ANUJ R MIGLANI	:	MANAGING DIRECTOR
ANKIT MIGLANI	:	DY. MANAGING DIRECTOR
S G TUDEKAR	:	DIRECTOR (WORKS)

DIRECTOR (FINANCE) & GROUP CFO

GURSHARAN S SAWHNEY

SR. VICE PRESIDENT

R AGRAWAL

& COMPANY SECRETARY**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

- 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

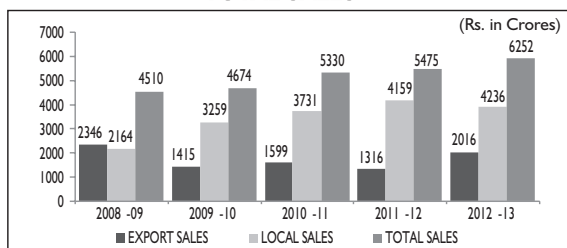


FINANCIAL HIGHLIGHTS

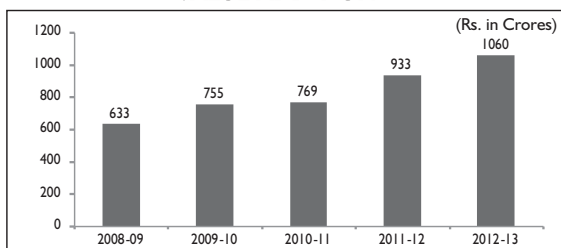
Rs. in Crores

PARTICULARS	2012-13	2011-12	2010-11	2009-10	2008-09
<u>SALES & EARNINGS</u>					
LOCAL TURNOVER	4236	4159	3731	3259	2164
EXPORT TURNOVER	2016	1316	1599	1415	2346
GROSS REVENUE FROM OPERATION	6252	5475	5330	4674	4510
Earning before Interest, Tax, Depreciation and Amortisation (EBITDA)	589	528	441	451	359
Finance Cost	305	267	212	186	166
PROFIT BEFORE DEPRECIATION & TAX (PBDT)	318	268	233	265	194
DEPRECIATION	183	127	119	113	92
PROFIT BEFORE TAX (PBT)	135	141	114	152	101
PROFIT AFTER TAX (PAT)	62	78	77	102	100
<u>ASSETS & LIABILITIES</u>					
Non - Current Assets	3898	3401	2886	2513	2206
Current Assets	2935	2435	2516	1669	1588
Total Assets	6833	5836	5402	4182	3794
<u>REPRESENTED BY</u>					
Shareholders' Fund	1247	1025	947	898	830
Long Term Borrowings	1775	1971	1762	1548	1073
Non - Current Liabilities	505	481	98	567	338
Current Liabilities	3306	2359	2595	1169	1553
Total Funds	6833	5836	5402	4182	3794
<u>RATIOS</u>					
EARNING PER EQUITY SHARE RS.....	5.03	6.38	6.28	8.48	8.36
BOOK VALUE PER EQUITY SHARE RS	87.63	83.84	77.46	73.43	69.24
DEBT: EQUITY RATIO @	1.70:1	2.08:1	1.98:1	1.60:1	1.29:1

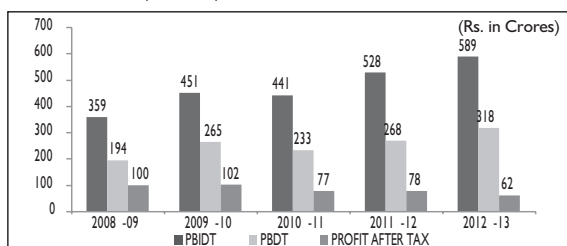
TOTAL SALES



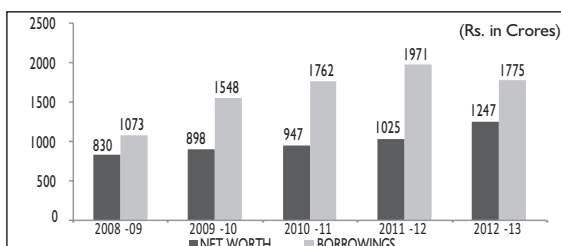
VALUE ADDITION



PBDT/PBDT/PROFIT BEFORE TAX



NETWORTH AND BORROWINGS



NOTICE

NOTICE is hereby given that the **28th ANNUAL GENERAL MEETING** of the Members of the Company will be held at 11.00 a.m. on Saturday, the 17th Day of August, 2013 at M. C. Ghia Hall, 18/20, K. Dubhash Marg, Mumbai- 400 001 to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the Statement of Profit & Loss for the Financial Year ended 31st March, 2013 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 S P Talwar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S T Parikh, 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 2013-2014, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 29th 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 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); Articles 23, 24 and 25 of the Articles of Association of the Company; Shri Rajinder Miglani be and is hereby re-appointed as the Executive Chairman of the Company for a period of three years effective from 31st December, 2012 to 30th December, 2015 on the following terms and conditions:-

a) Remuneration

- (i) 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 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 Chairman 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 Executive Chairman, the aforesaid remuneration will be treated as minimum Remuneration subject to 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 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 Rajinder Miglani.

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.”

6. 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); Articles 23, 24 and 25 of the Articles of Association of the Company; Shri Anuj R Miglani be and is hereby re-appointed as Managing Director for a period of three years effective from 10th November, 2012 to 9th November, 2015 on the following terms and conditions:-

- a) Remuneration
 - (i) 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 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 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 Managing Director, the aforesaid remuneration will be treated as minimum remuneration subject to 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 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 Anuj R Miglani.

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.”

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 Section 94 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs. 175,00,00,000 (Rupees One Hundred and Seventy Five Crores only) divided into 17,50,00,000/- (Seventeen Crores Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 500,00,00,000/- (Rupees Five Hundred Crores only) divided into 50,00,00,000 (Fifty Crores) Equity shares of Rs. 10/- (Rupees Ten only) each, ranking pari passu with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to file necessary Forms/Returns with the Registrar of Companies, Maharashtra and to take all such steps, action 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**:

“RESLOVED THAT pursuant to Section 16 and any other applicable provisions, if any, of the Companies Act, 1956, the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted by the following Clause V:

Clause V:

- V. The Authorized Share Capital of the Company is Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only), divided into 50,00,00,000 (Fifty Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each, with power to increase or reduce the Share Capital with the rights, privileges and conditions, attaching thereto, as are provided by the Articles of Association of the Company for the time being into such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the

time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or such statutory modifications thereof or provided by the Articles of Association of the Company for the time being.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to file necessary Forms/Returns with the Registrar of Companies, Maharashtra and to take all such steps, action as may be necessary, proper and expedient to give effect to this resolution.”

9. To considered an if thought fit, to pass, with or without modification(s) the following resolution as **Special Resolution:**

“**RESOLVED THAT** pursuant to Section 31 and any other applicable provisions, if any, of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and substituted by the following Article 3.

Article 3:

The Authorized Capital of the Company is Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only), divided into 50,00,00,000 (Fifty Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each with power to increase or reduce the Share Capital with the rights, privileges and conditions, attaching thereto, as are provided by the Articles of Association of the Company for the time being into such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956 or such statutory modifications thereof or provided by the Articles of Association of the Company for the time being.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to file necessary Forms/Returns with the Registrar of Companies, Maharashtra and to take all such steps, actions as may be necessary, proper and expedient to give effect to this resolution.”

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

“**RESOLVED THAT** Shri D L Rawal who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 with effect from the conclusion of the meeting of the Board of Directors held on 24th May, 2013, holds the office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of a Director; be and is hereby appointed as a Director of the Company liable to retire by rotation.”

11. 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)(d) and any other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the resolution passed at the 23rd Annual General Meeting of the Company held on 26th July 2008, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum(s) of monies, which together with the monies already borrowed by the Company (apart from the 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 (i.e. Reserves not set apart for any specific purpose) provided the aggregate of the monies borrowed and to be borrowed and outstanding at any one time shall not exceed Rs. 10,000 crores (Rupees Ten Thousand Crores only).”

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: 24th May, 2013



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 13th August, 2013, to 17th August, 2013 (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 BSE Limited (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 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.: 022-28207203/05
E-mail: info@unisec.in

EXPLANATORY STATEMENT

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

Item No.5

Shri Rajinder Miglani, aged about 67 years, is an Industrialist and joined the Board as the Promoter Director since the inception of the Company. He is a Science graduate and having more than 47 years of experience in the Steel Industry.

He was re-appointed as the Executive Chairman of the Company by the Board of Directors at its Meeting held on 3rd November, 2012 for the further period of three years, commencing from 31st December, 2012 to 30th December, 2015 on terms and conditions as set out in the Ordinary Resolution at Item No 5.

The terms of re-appointment of Shri Rajinder Miglani, as set out in the Ordinary Resolution at Item No 5, should also be treated as the abstract under Section 302 of the Companies Act, 1956.

Shri Rajinder Miglani is interested or concerned in this resolution. Shri Anuj R Miglani and Shri Ankit Miglani are also concerned or interested in this resolution being the relatives of Shri Rajinder 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. 5 for the approval of the Members.

Item No. 6

Shri Anuj R Miglani, aged about 39 years, has done Mechanical Engineering from the Imperial College of Science & Technology, London. He is managing the overall operations at the works and also playing significant role in overall management of the Company. He joined the Board in November, 2001.

He was re-appointed as the Managing Director of the Company by the Board of Directors at its Meeting held on 3rd November, 2012 for the further period of three years, commencing from 10th November, 2012 to 9th November, 2015 on terms and conditions as set out in the Ordinary Resolution at Item No 6.

The terms of re-appointment of Shri Anuj R 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 Anuj R Miglani is interested or concerned in this resolution. Shri Rajinder Miglani and Shri Ankit Miglani are also concerned or interested in this resolution being the relatives of Shri Anuj R 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, 8 and 9:

The Members were informed that the Company envisages requirements of funds in future as the Company is in evaluating the various projects and also looking for the expansion and the modernization of current projects. Consequently, to meet the requirement of funds, it is necessary to increase the Authorized Share Capital of the Company from the existing Rs.175,00,00,000/- (Rupees One Hundred and Seventy Five Crores only) divided into 17,50,00,000 (Seventeen Crores Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 500,00,00,000/- (Rupees Five Hundred Crores only) divided into 50,00,00,000 (Fifty Crores) Equity Shares of Rs.10/- (Rupees Ten Only) each, ranking pari-passu in all respects with the existing Equity Shares.

The proposed increase in Authorized Share Capital requires approval of Members at a General Meeting. Consequent upon this increase, Company's Memorandum of Association and Article of Association will require alteration, so as to reflect the increase in the Authorized Share Capital. Hence, the resolutions under Section 94, 16 and 31 of the Companies Act, 1956 as set out in Item No. 7, 8 and 9 of the given notice is proposed for your approval.

The Board accordingly recommends the resolutions set out in Item No. 7, 8 & 9 for the approval of the members.

None of the Directors are in any way concerned or interested in the aforesaid resolutions.

Item no. 10

Shri D L Rawal, aged about 62 years, has been appointed on the Board of the Company as an Additional Director with effect from 24th May, 2013. He holds Bachelors degree in Science (Hons.) and C A I I B. He has more than 40 years banking experience spanning wide variety of functions including Board levels. He is a former Chairman and Managing Director of Dena Bank.