



**UTTAM**

25<sup>th</sup>  
25<sup>th</sup>  
**Annual Report**  
**2009 - 2010**

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**UTTAM GALVA STEELS LIMITED**

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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**

- |                       |   |
|-----------------------|---|
| <b>Integrity</b>      | : Honouring all commitments                           |
| <b>Value for Time</b> | : Business at supersonic speed                        |
| <b>Ethics</b>         | : Ethical business practices with<br>all stakeholders |

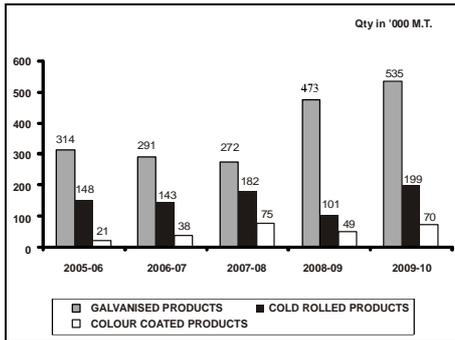
## FINANCIAL HIGHLIGHTS

PARTICULARS	2009-10	2008-09	2007-08	2006-07	2005-06
<b>Rs. in Crores</b>					
<b>SALES &amp; EARNINGS</b>					
LOCAL SALES	3259	2164	1706	1224	843
EXPORT SALES	1415	2346	1583	1456	1054
<b>GROSS SALES</b>	<b>4674</b>	<b>4510</b>	<b>3289</b>	<b>2680</b>	<b>1897</b>
OTHER INCOME	1	0	2	4	10
TOTAL INCOME	4675	4510	3291	2684	1907
LESS : CENTRAL EXCISE DUTY	178	138	133	105	109
LESS : SELLING & DISTRIBUTION EXPENSES	162	198	150	136	106
<b>SALES AND OTHER INCOME ( EFFECTIVE )</b>	<b>4335</b>	<b>4174</b>	<b>3008</b>	<b>2443</b>	<b>1692</b>
MATERIAL COST (INCL. STOCK VARIATION)	3579	3541	2506	2011	1366
OTHER EXPENDITURE	305	274	199	161	129
<b>PBIDT</b>	<b>451</b>	<b>359</b>	<b>303</b>	<b>271</b>	<b>197</b>
INTEREST	186	166	114	109	77
<b>PROFIT BEFORE DEPRECIATION &amp; TAX (PBDT)</b>	<b>265</b>	<b>193</b>	<b>189</b>	<b>162</b>	<b>120</b>
DEPRECIATION	113	92	65	49	38
PROFIT BEFORE TAX	152	101	124	113	82
<b>PROFIT AFTER TAX</b>	<b>102</b>	<b>100</b>	<b>124</b>	<b>113</b>	<b>74</b>
CASH/ACCRUALS	215	192	189	162	112
<b>ASSETS &amp; LIABILITIES</b>					
FIXED ASSETS : GROSS	3100	2681	1989	1555	1113
: NET	2505	2198	1598	1229	836
TOTAL ASSETS : NET	3013	2241	1718	1532	1201
<b>REPRESENTED BY</b>					
<b>NET WORTH</b>	<b>898</b>	<b>830</b>	<b>711</b>	<b>549</b>	<b>344</b>
SHARE CAPITAL - EQUITY	122	120	114	105	83
- PREFERENCE	0	0	2	3	5
RESERVES	776	710	595	441	256
BORROWINGS	2043	1411	1007	983	857
<b>LONG TERM - SECURED</b>	<b>1548</b>	<b>1073</b>	<b>784</b>	<b>683</b>	<b>448</b>
LONG TERM - UNSECURED	290	333	177	220	197
SHORT TERM	205	5	46	80	212
DEFERRED TAX	72	0	0	0	0
TOTAL FUNDS	3013	2241	1718	1532	1201
<b>RATIOS</b>					
EARNING PER EQUITY SHARE Rs.	8.48	8.36	11.63	13.52	9.13
BOOK VALUE PER EQUITY SHARE Rs.	73.43	69.24	62.21	51.90	40.65
DEBT: EQUITY RATIO	1.60:1	1.29:1	1.10:1	1.24:1	1.30:1

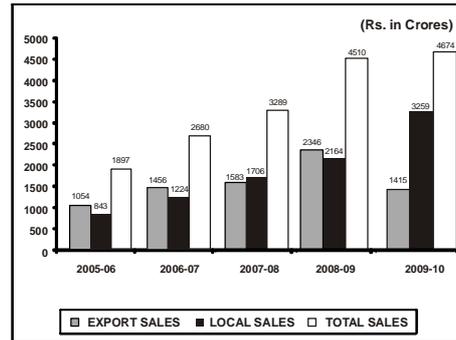


## FINANCIAL HIGHLIGHTS

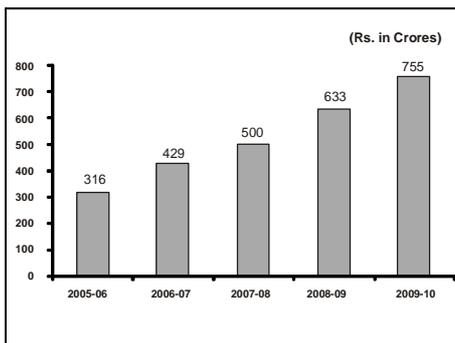
### SALEABLE PRODUCTION



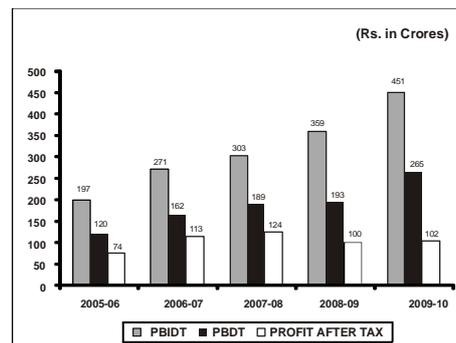
### TOTAL SALES



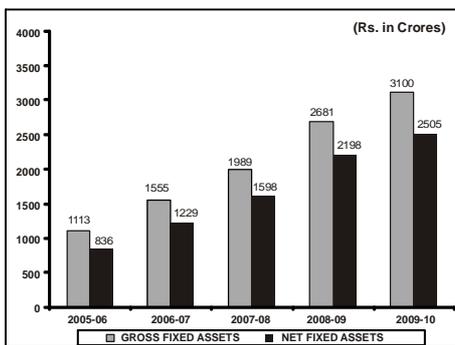
### VALUE ADDITION



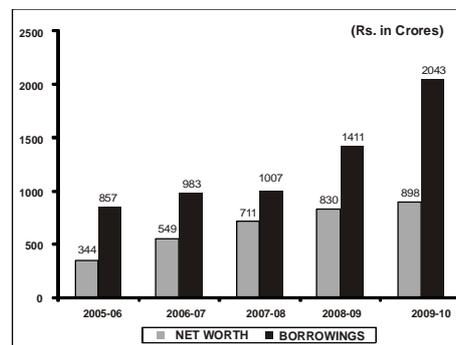
### PBIDT/PBDT/PROFIT BEFORE TAX



### FIXED ASSETS



### NETWORTH AND BORROWINGS



NOTICE

**NOTICE** is hereby given that the 25<sup>th</sup> ANNUAL GENERAL MEETING of the Members of the Company will be held at 11:00 a.m. on Saturday, the 18<sup>th</sup> September, 2010 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 31<sup>st</sup> March, 2010 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 P G Kakodkar, 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 appoint a Director in place of Dr. N S Datar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. Prakash Muni & Associates, Chartered Accountants, (Registration No. 111792W) as the Statutory Auditor for the Financial Year 2010-11, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 26<sup>th</sup> 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 pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including statutory modifications or re-enactments thereof, for the time being in force) and the relevant provisions of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the re-appointment of Shri Rajinder Miglani as Chairman & Managing Director of the Company for the further period of 3 years with effect from 31<sup>st</sup> December, 2009 (Re-designated as Executive Chairman w.e.f. 28<sup>th</sup> July, 2010 on the same terms and conditions):

**(a) Remuneration :-**

Rs. 10,00,000/- per month by way of Salary, Dearness Allowance, Perquisites and other allowances.

**(b) Benefits :-**

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (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 loss or inadequacy of profit in any financial year during his tenure as the Chairman & Managing Director (Re-designated as Executive Chairman w.e.f. 28<sup>th</sup> July, 2010 on the same terms and conditions), the aforesaid remuneration will be treated as minimum remuneration subject to the approval of the Central Government.

**(d)** Company shall pay to or reimburse the Chairman & Managing Director (Re-designated as Executive Chairman w.e.f. 28<sup>th</sup> July, 2010 on the same terms and conditions) 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 authorized to vary, alter or modify the different components of the above stated remuneration in accordance with provisions of Schedule XIII of 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, 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 modifications or re-enactments thereof, for the time being in force) and the relevant provisions of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the re-appointment of Shri Anuj Miglani as Dy. Managing Director of the Company for the further period of 3 years with effect from 10<sup>th</sup> November, 2009 (Re-designated as Managing Director w.e.f. 28<sup>th</sup> July, 2010 on the same terms and conditions):

**a) Remuneration:-**

Rs. 10,00,000/- per month by way of Salary, Dearness Allowance, Perquisites and other allowances.

**b) Benefits:-**

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (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 loss or inadequacy of profit in any financial year during his tenure as the Dy. Managing Director (Re-designated as Managing Director w.e.f. 28<sup>th</sup> July, 2010

on the same terms and conditions), the aforesaid remuneration will be treated as minimum remuneration subject to the approval of the Central Government.

- d)** Company shall pay or reimburse to the Dy. Managing Director (Re-designated as Managing Director w.e.f. 28<sup>th</sup> July, 2010 on the same terms and conditions) 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 vary, alter or modify the different components of the above stated remuneration in accordance with provisions of Schedule XIII of the Companies Act, 1956 as may be agreed to by the Board of Directors and Shri Anuj 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 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including statutory modifications or re-enactments thereof, for the time being in force) and the relevant provisions of the Articles of Association of the Company, the approval of the Company be and is hereby accorded to redesignate Shri Ankit Miglani as the Dy. Managing Director of the Company with effect from 28<sup>th</sup> July, 2010 and that all other terms and conditions of his appointment as approved by the Members of the Company in the Annual General Meeting held on 26<sup>th</sup> September, 2009 will remain unaltered.”

9. **Re-classification of the Authorized Share Capital of the Company.**

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





**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 under Section 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 13<sup>th</sup> September, 2010 to 18<sup>th</sup> September, 2010 (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 at the Registered Office of the Company, so as to reach him at least 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. Details of the Directors appointed/re-appointed during the year is provided herewith as a part of Corporate Governance Report as required by Clause 49 of the Listing Agreement.
9. 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 Rajinder Miglani was appointed as the Chairman and Managing Director of the Company for the period of three years, which expired on 30<sup>th</sup> December, 2009. The Board of Directors of the Company, at their Meeting held on 28<sup>th</sup> January, 2010, resolved to re-appoint Shri Rajinder Miglani as the Chairman and Managing Director for the further period of three years, commencing from 31<sup>st</sup> December, 2009 to 30<sup>th</sup> December, 2012 on terms and conditions as set out in the Ordinary Resolution at Item No. 6. Subsequently the Board of Directors of the Company in their Meeting held on the 28<sup>th</sup> July, 2010 re-designated Shri Rajinder Miglani as the Executive Chairman of the Company w.e.f. 28<sup>th</sup> July, 2010.

The terms of re-appointment of Shri Rajinder 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 Rajinder Miglani is interested or concerned in this Resolution. Shri Praveen Miglani, Shri Anuj 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. 6 for the approval of the Members.

**Item No.7**

Shri Anuj Miglani was appointed as the Dy. Managing Director of the Company for the period of three years, which expired on 9<sup>th</sup> November, 2009. The Board of Directors of the Company, at their Meeting held on 28<sup>th</sup> January, 2010, resolved to re-appoint Shri Anuj Miglani as the Dy. Managing Director for the further period of three years, commencing from 10<sup>th</sup> November, 2009 to 9<sup>th</sup> November, 2012 on terms and conditions as set out in the Ordinary Resolution at Item No. 7. Subsequently the Board of Directors of the Company in their Meeting held on the 28<sup>th</sup> July, 2010 re-designated Shri Anuj Miglani as the Managing Director of the Company w.e.f. 28<sup>th</sup> July, 2010.

The terms of re-appointment of Shri Anuj Miglani, as set out in the Ordinary Resolution at Item No 7, should





## DIRECTORS' REPORT

To,  
The Members

Your Directors have pleasure in presenting the Twenty Fifth Report on the business and operations of the Company, along with the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2010.

### 1. FINANCIAL RESULTS (Stand Alone Basis):

PARTICULARS	Year ended 31 <sup>st</sup> March, 2010 (Rs. in Crores)	Year ended 31 <sup>st</sup> March, 2009 (Rs. in Crores)
Gross Sales	4673.87	4509.75
Gross Profit before Depreciation and Interest	450.56	359.36
Less: Interest & Financial Charges	185.39	165.63
Cash Profit	265.17	193.73
Less: Depreciation	112.70	92.37
Profit before Tax	152.47	101.36
Less: Provision for Tax	57.98	12.04
Add: MAT Credit Entitlement	7.98	10.85
Profit after tax	102.47	100.17
Balance Carried to Balance Sheet	566.80	522.17

### 2. OPERATIONS:

Your Company has achieved a turnover of Rs. 4673.87 Crores as against Rs. 4509.75 Crores in the previous year. Your Company has recorded Profit before Tax of Rs. 152.47 Crores as against Rs. 101.36 Crores in the previous year.

Owing to expansions and importance of timely execution of projects, your Board is of the opinion that cash flow should be conserved and hence has decided to plough back earnings for the time being & not to recommend dividend payout.

### 3. EXPORTS:

Your Company has exported to 142 countries across the Globe and continues to expand its reach. This year, your Company has serviced 330 export customers across the World, of which 78 are new recipients of Uttam products.

The Global Economic crisis has adversely affected the International business showing negative growth to the tune of 23%. Even in these odd times it is the great achievement of your Company to maintain the share of 14% out of total Indian Exports. More emphasis has been given to export of value added products and

segments like white goods, building & construction segments, Pre-Engineering Buildings.

Your Company has been awarded for 13<sup>th</sup> consecutive year by EEPC for its outstanding exports performance.

### 4. DOMESTIC MARKET:

In the domestic market the volume increase in sales has been 111% compared to sales in the same period last year. The growth in OEM segment is 110% and sale to trade has also grown by 112%.

Your Company has been fully successful with the white goods industry during the year and is now the regular supplier to Value Industries (Videocon), Whirlpool, LG Electronics, Voltas, Haier Appliances, Western Refrigeration etc and the vendors to customers like GE Appliances, Bajaj Electricals, LG etc. Your Company also continues to supply the vendors of TATA Motors, General Motors, Piaggio, Volkswagen, Fiat, Suzuki, etc.

During the year, your Company successfully continued supply of Galvanised roofing sheets and thicker gauge GI coils to all segments including Construction segment in Structural Grade, Panel Grade and Auto Grade Galvanized Steel.

### 5. MANAGEMENT DISCUSSION AND ANALYSIS:

Pursuant to Clause 49 (IV) (B) & (F) of the Listing Agreement your Directors wish to report as follows:

#### a) Industry Structure & Development

The steel demand in India is predicted to grow at 13.5% per Annum keeping the pace with vibrant GDP growth & strong demand from the construction & automotive sector. Thus your Company's overall sales have shown growth of 35% contrary to World wide reduction in Steel consumption by 6.7% in 2009.

#### b) Opportunities & Threats

Your Company has shown remarkable growth in sales in Domestic market inspite

of recession across the world. We are optimistic that the revival of the Global Economy coupled with improvement in size & market mix will result in enhancement of bottom line in coming years.

However, with more capacity back on stream, which had been shut due to low demand of steel mainly due to economic crisis, poses a threat for price rise. Also the volatility in Raw Material prices in range of 30-40% band is a matter of concern.

**c) Segment – wise Performance**

Since your Company operates only in one Segment, segment-wise or product wise analysis or performance is not applicable.

**d) Outlook**

The industry outlook is promising with revival of economy due to stimulus packages offered by various governments to overcome the economic crisis. Indian steel consumption is expected to grow @ 13.9% in 2010 & 13.7% in 2011. As per World Steel Association apparent steel use will increase by 10.7% in year 2010. This will lead to more optimistic future outlook for your Company.

Your Company will concentrate more on Domestic Marketing opportunities with enhanced capacity, without reducing its presence in International markets.

**e. Risks and Concerns**

Your Directors has put in place critical risk management framework across the Company. Your Company is continuously evolving and improving systems and measures to take care of all the risk exigencies involved in the business.

**f. Internal Control Systems and their adequacy**

Effective internal operational control systems and regular internal audit mechanisms to monitor and review the same under the overall control and supervision of the Audit Committee of Directors are in place and functioning well. Efforts for continued improvements are being consistently made in this regard.

**g. Discussion on Financial Performance with respect to Operational Performance**

The financial performance with respect to the operational performance during the year under review was good due to which your Company has been able to achieve good financial results.

**h. Material Development in Human Resources / Industrial Relations Front, including Number of People Employed**

Implementation of healthy HRD practices for overall development of human resources and induction of professionally qualified and skilled manpower including internal and external training programmes are constant features of your Company. Presently, your Company employs 1600 employees. Your Company is proud of its healthy Industrial Relations record.

**i. Material Financial and Commercial Transactions with related parties**

There are no materially significant financial and commercial transactions with the related parties conflicting with the interest of the Company during the financial year under review.

**6. CORPORATE GOVERNANCE:**

Your Company has implemented all the mandatory requirements pursuant to Clause 49 (as amended) of the Listing Agreement. A detailed report on Corporate Governance along with a certificate from the Auditors confirming the compliance is annexed hereto and forms part of the Directors' Report as Annexure-III.

**7. DIRECTORS:**

During the year under review Shri Rajinder Miglani was re-appointed as the Chairman & Managing Director of the Company for the period of 3 years from 31<sup>st</sup> December, 2009 to 30<sup>th</sup> December, 2012. Subsequently the Board of Directors of the Company in their Meeting held on 28<sup>th</sup> July, 2010 re-designated Shri Rajinder Miglani as the Executive Chairman of the Company with effect from 28<sup>th</sup> July, 2010 on the same terms and conditions.

Shri Anuj Miglani was re-appointed as Dy. Managing Director of the Company for the period of 3 years from 10<sup>th</sup> November, 2009 to 9<sup>th</sup>



November, 2012. Subsequently the Board of Directors of the Company in their Meeting held on 28<sup>th</sup> July, 2010 re-designated Shri Anuj Miglani as the Managing Director of the Company with effect from 28<sup>th</sup> July, 2010 on the same terms and conditions.

Shri Ankit Miglani was appointed as the Director (Commercial) with effect from 29<sup>th</sup> July, 2008 for a period of three years, which was approved by the Members of the Company in the Annual General Meeting held on 26<sup>th</sup> September, 2009. The Board of Directors of the Company, at their Meeting held on 28<sup>th</sup> July, 2010, re-designated Shri Ankit Miglani as the Dy. Managing Director of the Company. All other terms and conditions of his appointment remain unaltered.

Shri P G Kakodkar, Shri S T Parikh and Dr. N S Datar retire by rotation and being eligible have offered themselves for re-appointment. The Board of Directors recommends their re-appointment.

Smt. Swarna Prabha Sukumar was appointed as a Nominee Director of Life Insurance Corporation of India (LIC) on 22<sup>nd</sup> September, 2009 in place of Shri S R Krishnaswamy and Smt. Lalita Sharma was appointed as a Nominee Director of IDBI Bank Limited on 29<sup>th</sup> September, 2009 in place of Shri V D Shinde.

Your Directors wish to take this opportunity to place on record their sincere appreciations and thanks to Shri S R Krishnaswamy and Shri V D Shinde for their valuable guidance and services rendered to the Company during their tenure as Director.

**8. PARTICULARS OF EMPLOYEES U/S 217 (2A) OF THE COMPANIES ACT, 1956:**

Information required for particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 is enclosed herewith as Annexure – II.

**9. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) Appropriate Accounting Policies have been selected and applied consistently. Judgments and estimates that are reasonable and prudent so as to give a true and fair view of

the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and of the Profit and Loss Account for the Financial Year 2009-2010 have been made.

- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- iv) The Annual Accounts have been prepared on a going concern basis.
- v) Proper systems are in place to ensure compliance of all laws applicable to the Company.

**10. AUDITOR'S REPORT:**

Notes to the Accounts as referred in the Auditor's Report are self explanatory and therefore, do not call for any further comments or explanations.

**11. AUDITOR:**

M/s. Prakkash Muni & Associates, Chartered Accountants, the retiring Auditor is eligible for re-appointment. The Company has received necessary Certificates from the Auditor pursuant to Section 224(1B) of the Companies Act, 1956, regarding their eligibility for re-appointment. Accordingly, the approval of the Shareholders for the appointment of M/s. Prakkash Muni & Associates, Chartered Accountants as Auditors of the Company is being sought at the ensuing Annual General Meeting.

**12. FIXED DEPOSITS:**

Your Company has not accepted Deposits from Public u/s. 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975.

**13. INSURANCE:**

Your Company has taken adequate insurance cover for all its Assets.

**14. LISTING OF SECURITIES:**

The Company's Equity Shares are Listed on the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE) and the Delhi Stock Exchange. The Company's Foreign Currency Convertible Bonds (FCCB's) are Listed on the Singapore Stock Exchange.

During the year under review the Company issued 58,74,760 Equity Shares of Rs. 10/- each to the





ANNEXURE TO THE DIRECTOR'S REPORT  
ANNEXURE - I

Information pursuant to Section 217(1)(e) of the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31<sup>st</sup> March, 2010.

PARTICULARS	Year Ended 31 <sup>st</sup> March, 2010	Year Ended 31 <sup>st</sup> March, 2009
<b>A. POWER &amp; FUEL CONSUMPTION</b>		
<b>1A. Electricity (Purchased)</b>		
a. CGL Unit : Unit(KWH)	56724810	51384811
Total amount(Rs. in Crores)	30.45	25.29
Rate/Unit (Rs.)	5.37	4.92
b. CRM Unit : Unit(KWH)	115144295	101013656
Total amount(Rs. in Crores)	63.25	50.50
Rate/Unit (Rs.)	5.49	5.00
c. CCL Unit : Unit(KWH)	5481902	4443281
Total amount(Rs. in Crores)	2.99	2.13
Rate/Unit (Rs.)	5.45	4.79
<b>1B. Electricity (D.G. Set)</b>		
Unit(KWH)	49770	82769
Total amount(Rs. in Crores)	0.17	0.26
Rate/Unit (Rs.)	34.40	30.81
<b>2. Coal</b>		
	NIL	NIL
<b>3. Furnace Oil / Heating oil</b>		
Qty (KL)	6809.83	5042.22
Total amount (Rs. in Crores)	16.63	10.94
Avg. Rate (Per KL Rs.)	24419	21691
<b>4. Others</b>		
a. HSD/LDO : Qty (KL)	750.15	1049.96
Total amount (Rs. in Crores)	2.83	3.47
Avg. Rate (Per Litre Rs.)	37.74	33.00
b. LPG / RLNG : Qty (MT)	16309.21	14437.52
Total amount (Rs. in Crores)	39.79	57.04
Avg. Rate (Per MT Rs.)	24.40	39.51
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
<b>Product:</b>		
a. Galvanised Plain/Corrugated : Sheets/Coils(MT)	605814	524751
Electricity(KWH)	93.72	98.08
HSD/LDO(KL)	0.01	0.01
LPG / Propane Gas (MT)	0.03	0.03
b. Cold Rolled : Sheets/Coils(MT)	741588	606982
Electricity(KWH)	155.27	166.42
HSD/LDO(KL)	0.01	0.01
LPG(MT)	0.02	0.02
c. Color Coated : Sheets/Coils(MT)	70497	49490
Electricity(KWH)	77.76	89.78
HSD/LDO(KL)	0.11	0.12
LPG(MT)	0.23	0.29
<b>C. TECHNOLOGY ABSORPTION:</b>		
The Company has fully absorbed the technology.		
<b>D. FOREIGN EXCHANGE EARNINGS &amp; OUTGO:</b>		
Earnings (FOB Value) : Exports	(Rs. in Crores) 1367.48	(Rs. in Crores) 2227.88
Outgo (Cost & CIF Value) : 1. Raw Material Imported	1822.68	1580.05
2. Import of Plant & Machinery	23.57	59.48
3. Import of Stores & Spares	5.78	6.46
4. Interest Cost	51.26	57.80
5. Legal, Professional & Consultancy Fee	0.56	2.79
6. Commission	6.70	15.36
7. International Freight	21.89	51.94
8. Travelling Expenses	0.42	0.49
9. Others.	0.14	0.63

## ANNEXURE - II

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 (As ammended) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2010

Employed for Full Year

Name	Age (Years)	Designation/ Nature of Duties	Remuneration (Rs. in Crore)	Qualifiaction	Experience (Years)	Date of Commencement of Employment	Last Employment/ Last Designation	Number of Shares Held and (%) as on 28 <sup>th</sup> July, 2010
Shri Rajinder Miglani	64 Years	Executive Chairman	1.15	Graduate	44 Years	31.12.1988	N.A	13,91,855 (1.14)
Shri Anuj Miglani	36 Years	Managing Director	1.15	Mechanical Engineer from Imperial College, London	15 Years	01.02.1995	N.A	13,02,094 (1.06)
Shri Ankit Miglani	31 Years	Dy. Managing Director	1.15	Graduate in Economics from Wharton School, U.S.A.	9 Years	29.01.2003	N.A	13,00,000 (1.06)
Shri A K Mahendru	65 Years	Director (Sales & Marketing), Board Member	0.36	B. Tech, FIE, MIMA	41 Years	08.08.1995	Jindal Saw Pipes Ltd. Sr. VP (Commercial)	Nil
Shri S G Tudekar	72 Years	Director (Works), Board Member	0.36	B.E. (Metallurgy)	50 Years	23.11.1998	Remi Metals Limited, President	Nil
Shri G S Sawhney	57 Years	Director (Finance) & CFO	0.36	B. Sc, ACA, ACS, PGDBM	35 Years	18.01.2001	Ispat Industries Limited, President (Finance)	14,234 (0.01)
Shri L C Mehta	60 Years	Director (Operations)	0.33	M. TECH. (MECH), M.B.A. (FINANCE)	31 Years	08.12.2003	Rama Phosphates Limited, President	Nil
Shri R K Mittal	59 Years	Director (Projects)	0.29	M. Sc. (Chem), PGDIT	37 Years	28.01.2009	Jagadia Copper Limited, Managing Director & CEO	Nil

## Notes:

1. The above appointments except Shri G S Sawhney, Shri L C Mehta and Shri R K Mittal are contractual.
2. Remuneration includes salary, bonus, Company's contribution to Provident Fund / Gratuity Fund / Superannuation Fund and value of perquisites on the basis of Income Tax Rules.
3. Shri Rajinder Miglani is the brother of Shri Praveen Miglani - Director and father of Shri Anuj Miglani - Managing Director and Shri Ankit Miglani - Dy. Managing Director of the Company.
4. Shri Anuj Miglani is the son of Shri Rajinder Miglani and brother of Shri Ankit Miglani.
5. Shri Ankit Miglani is the son of Shri Rajinder Miglani and brother of Shri Anuj Miglani.



ANNEXURE – III  
REPORT ON CORPORATE GOVERNANCE

**1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company has incorporated sound Corporate Governance practices. The Company has all along believed in and practiced fair business and corporate practices with all its stakeholders and associates. The Board of Directors has always had adequate competent Independent Directors. For effective discharge of its functions and proper deliberations, Board has constituted various committees.

Given below is the report of Directors on the practices prevalent on Corporate Governance in the Company.

**2. BOARD OF DIRECTORS:**

**i. Composition of the Board and details of Directorship(s) in other Companies:**

Your Company's Board comprises of 12 Directors with considerable experience in their respective fields. Of these 7 are Non-Executive Directors and out of these 6 are Independent Directors. The details of the Directors with regard to their other directorship (excluding Private Limited Companies and Section 25 Companies) and Committee Positions are as follows:

Sr. No.	Name of Directors	Executive / Non-Executive/ Independent	No. of Other Directorship	Chairman of the Board	Board Committee of which he/she is a Member	Chairman of the Committee
1.	Shri Rajinder Miglani	Executive Chairman	8	-	-	-
2.	Shri Praveen Miglani	Non-Executive	1	-	-	-
3.	Shri S P Talwar	Independent	11	-	9	5
4.	Shri P G Kakodkar	Independent	9	1	4	2
5.	Shri S T Parikh	Independent	1	-	-	-
6.	Dr. N S Datar	Independent	4	-	3	-
7.	Smt. Lalita Sharma (Appointed on 29.09.2009)	Independent (Nominee of IDBI)	-	-	-	-
8.	Smt. Swarna Prabha Sukumar (Appointed on 22.09.2009)	Independent (Nominee of LIC)	-	-	-	-
9.	Shri S R Krishnaswamy (Resigned on 22.09.2009)	Independent (Nominee of LIC)	-	-	-	-
10.	Shri V D Shinde (Resigned on 29.09.2009)	Independent (Nominee of IDBI)	-	-	-	-
11.	Shri Anuj Miglani	Managing Director	7	-	-	-
12.	Shri Ankit Miglani	Dy. Managing Director	10	-	-	-
13.	Shri A K Mahendru	Director (Sales & Marketing)	-	-	-	-
14.	Shri S G Tudekar	Director (Works)	-	-	-	-





- iv. During the period 01.04.2009 to 31.03.2010, the Audit Committee met five times and the attendance of the Audit Committee members at the said meetings are detailed below:

Sr. No.	Name of Directors	No. of Meetings attended
1.	Dr. N S Datar	5
2.	Shri P G Kakodkar	2
3.	Shri S T Parikh	4

**4. SUBSIDIARY COMPANIES:**

Your Company does not have any Indian Subsidiary Company.

**5. REMUNERATION COMMITTEE:**

**i. Brief Description of Terms of Reference:-**

Pursuant to the Clause 49 of the Listing Agreement and Schedule XIII to the Companies Act, 1956, the terms of reference of the Remuneration Committee is to determine Company's policy on remuneration to Executive Directors including pension rights and any compensation payments and also to approve payment of remuneration to Managing or Whole-Time Directors.

**ii. Composition, Name of Members & Chairperson:-**

1. Dr. N S Datar
2. Shri S T Parikh
3. Smt. Lalita Sharma

All the members of the Remuneration Committee are Non-Executive Independent Directors and Dr. N S Datar is the Chairman.

**iii. Attendance during the Year: -**

During the period 01.04.2009 to 31.03.2010, the Remuneration Committee met twice on 30<sup>th</sup> October, 2009 and 28<sup>th</sup> January, 2010 and the attendance of the members at the said Meetings are detailed below:

Sr. No.	Name of Directors	No. of Meetings attended
1.	Dr. N S Datar – Chairman	2
2.	Shri S T Parikh	2
3.	Smt. Lalita Sharma	1

**iv. Remuneration Policy:**

The remuneration to the Executive and Non Executive Directors of the Company is approved by the Remuneration Committee as per the Remuneration Policy of the Company.

**v. Details of remuneration to the Directors:**

**a. Non-Executive Directors:**

The Non-Executive Directors are paid sitting fees as remuneration for attending the Meetings of Board of Directors, Audit Committee, Remuneration Committee and Committee of Directors.

Sr.No.	Name of Directors	Sitting Fees (Rs.)	Equity Shares held in the Company
1.	Shri Praveen Miglani	42,000	2001
2.	Shri S P Talwar	25,000	NIL
3.	Shri P G Kakodkar	21,000	NIL
4.	Shri S T Parikh	51,000	53300
5.	Dr. N S Datar	55,000	3600
6.	Smt. Lalita Sharma (Appointed on 29.09.2009)	21,000	NIL
7.	Smt. Swarna Prabha Sukumar (Appointed on 22.09.2009)	20,000	NIL
8.	Shri S R Krishnaswamy (Resigned on 22.09.2009)	20,000	NIL
9.	Shri V D Shinde (Resigned on 29.09.2009)	15,000	NIL

**b. Executive Directors:**

Sr. No.	Name of Directors	Position	All elements of remuneration i.e salary, benefits, allowance, bonus contributions and perquisites (Rs. in Crores)
1.	Shri Rajinder Miglani	Chairman	1.15
2.	Shri Anuj Miglani	Managing Director	1.15
3.	Shri Ankit Miglani	Dy. Managing Director	1.15
4.	Shri A K Mahendru	Director (Sales & Marketing)	0.36
5.	Shri S G Tudekar	Director (Works)	0.36

**vi. Disclosures regarding Directors appointment & re-appointment:****a. Appointment and Resignation of Directors:**

Smt. Swarna Prabha Sukumar was appointed as a Nominee Director of Life Insurance Corporation of India (LIC) on 22<sup>nd</sup> September, 2009 in place of Shri S R Krishnaswamy and Smt. Lalita Sharma was appointed as a Nominee Director of IDBI Bank Limited on 29<sup>th</sup> September, 2009 in place of Shri V D Shinde.

**b. Re-appointment of Directors:**

Shri Rajinder Miglani was re-appointed as the Chairman & Managing Director of the Company for the period of 3 years from 31<sup>st</sup> December, 2009 to 30<sup>th</sup> December, 2012. Subsequently the Board of Directors of the Company in their Meeting held on the 28<sup>th</sup> July, 2010 re-designated Shri Rajinder Miglani as the Executive Chairman of the Company w.e.f. 28<sup>th</sup> July, 2010.

Shri Anuj Miglani was re-appointed as Dy. Managing Director of the Company for the period of 3 years from 10<sup>th</sup> November, 2009 to 9<sup>th</sup> November, 2012. Subsequently the Board of Directors of the Company in their Meeting held on the 28<sup>th</sup> July, 2010 re-designated Shri Anuj Miglani as the Managing Director of the Company w.e.f. 28<sup>th</sup> July, 2010.

Shri Ankit Miglani was appointed as the Director (Commercial) with effect from 29<sup>th</sup> July, 2008 which was approved by the Members of the Company in the Annual General Meeting held on 26<sup>th</sup> September, 2009. The Board of Director of the Company, at their Meeting held on 28<sup>th</sup> July, 2010, redesignated Shri Ankit Miglani as the Dy. Managing Director of the Company. All other terms and conditions of his appointment remain unaltered.

Shri P G Kakodkar, Shri S T Parikh and Dr. N S Datar, retire by rotation and being eligible have offered themselves for re-appointment. The Board of Directors recommends their re-appointment.

Name of Directors	Brief Resume	Nature of expertise in specific areas	The details of Directorships / Committee Memberships in other Companies (excluding Private Companies and Section 25 Companies)	Equity Shares held in the Company as on 28 <sup>th</sup> July, 2010
Shri Rajinder Miglani	He is an Industrialist and joined the Board as the Promoter Director since incorporation of the Company in 1985. He has more than 44 (forty four) years of experience in the Steel Industry.	Industrialist	<ul style="list-style-type: none"> <li>• Shree Uttam Steel &amp; Power Limited</li> <li>• Uttam Utkal Steels Limited</li> <li>• Golden Greens Golf &amp; Resorts Limited</li> <li>• Uttam Galva Metallics Limited</li> <li>• Uttam Distribution Network Limited</li> <li>• Uttam Galva International Limited</li> <li>• Uttam Galva Holdings Limited</li> <li>• Ferro Zinc International FZE</li> </ul>	1391855



Name of Directors	Brief Resume	Nature of expertise in specific areas	The details of Directorships / Committee Memberships in other Companies (excluding Private Companies and Section 25 Companies)	Equity Shares held in the Company as on 28 <sup>th</sup> July, 2010										
Shri Anuj Miglani	He 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.	Techno Commercial	<ul style="list-style-type: none"> <li>• Shree Uttam Steel &amp; Power Limited</li> <li>• Uttam Utkal Steels Limited</li> <li>• Uttam Galva Metallica Limited</li> <li>• Uttam Distribution Network Limited</li> <li>• Uttam Galva International Limited</li> <li>• Uttam Galva Holdings Limited</li> <li>• Ferro Zinc International FZE</li> </ul>	1302094										
Shri Ankit Miglani	He is a Graduate in Economics with specialization in Finance from Wharton School, University of Pennsylvania, Philadelphia, U.S.A. Presently he is looking after all the major Commercial functions such as Finance & Accounts, International Marketing, Purchase of Critical Raw Materials. He joined the Board on 29 <sup>th</sup> July, 2005.	Finance & Commercial	<ul style="list-style-type: none"> <li>• Shree Uttam Steel &amp; Power Limited</li> <li>• Golden Greens Golf &amp; Resorts Limited</li> <li>• Uttam Galva Metallica Limited</li> <li>• Uttam Distribution Network Limited</li> <li>• Uttam Galva International Limited</li> <li>• Uttam Utkal Steels Limited</li> <li>• Uttam Galva Holdings Limited</li> <li>• Moira Madhujore Coal Limited</li> <li>• Ferro Zinc International FZE</li> <li>• Atlantis International Services Company Limited</li> </ul>	1300000										
Shri P G Kakodkar	He is a M.A. in Economics. He is a retired Chairman of SBI and having experience of more than 47 (forty-seven) years in the Banking Sectors. He joined the Board in September, 1999.	Banking & Finance	<ul style="list-style-type: none"> <li>• Multi Commodity Exchange of India Limited</li> <li>• Goa Carbon Limited</li> <li>• Sesa Industries Limited</li> <li>• Formento Resorts &amp; Hotels Limited</li> <li>• Centrum Capital Limited</li> <li>• Sesa Goa Limited</li> <li>• Financial Technologies (India) Limited</li> <li>• IBS Forex Limited</li> <li>• Anand Rathi Financial Services Limited</li> </ul> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name of the Company</th> <th style="text-align: left;">Committee / Positions</th> </tr> </thead> <tbody> <tr> <td>Sesa Goa Limited</td> <td>Audit (Chairman)</td> </tr> <tr> <td>Sesa Goa Limited</td> <td>Shareholders / Investor Grievance (Chairman)</td> </tr> <tr> <td>Goa Carbon Limited</td> <td>Audit (Member)</td> </tr> <tr> <td>Financial Technologies (I) Limited</td> <td>Audit (Member)</td> </tr> </tbody> </table>	Name of the Company	Committee / Positions	Sesa Goa Limited	Audit (Chairman)	Sesa Goa Limited	Shareholders / Investor Grievance (Chairman)	Goa Carbon Limited	Audit (Member)	Financial Technologies (I) Limited	Audit (Member)	Nil
Name of the Company	Committee / Positions													
Sesa Goa Limited	Audit (Chairman)													
Sesa Goa Limited	Shareholders / Investor Grievance (Chairman)													
Goa Carbon Limited	Audit (Member)													
Financial Technologies (I) Limited	Audit (Member)													
Shri S T Parikh	He is B.E. (Civil). He has professional experience of more than 51 (fifty one) years in the Steel Industry. He joined the Board in the year 1987.	Techno Commercial	<ul style="list-style-type: none"> <li>• Asian Tubes Limited</li> </ul>	53300										

Name of Directors	Brief Resume	Nature of expertise in specific areas	The details of Directorships / Committee Memberships in other Companies (excluding Private Companies and Section 25 Companies)	Equity Shares held in the Company as on 28 <sup>th</sup> July, 2010								
Dr. N S Datar	He is B.Sc. (Met), Dr. Ing (Aachen, Germany) and has more than 44 (forty four) years experience with Steel Authority of India Ltd. ("SAIL"). He attained the position of the Managing Director of SAIL before retirement. He joined the Board of the Company in June, 1985.	Technical	<ul style="list-style-type: none"> <li>• Oil Country Tabular Limited</li> <li>• Cyclo Transmissions Limited</li> <li>• Mittal Corporation Limited</li> <li>• Shiva Cement Limited</li> </ul> <table border="1"> <thead> <tr> <th>Name of the Company</th> <th>Committee / Positions</th> </tr> </thead> <tbody> <tr> <td>Oil Country Tabular Limited</td> <td>Audit (Member)</td> </tr> <tr> <td>Mittal Corporation Limited</td> <td>Audit (Member)</td> </tr> <tr> <td>Mittal Corporation</td> <td>Shareholders / Investor Grievance (Member)</td> </tr> </tbody> </table>	Name of the Company	Committee / Positions	Oil Country Tabular Limited	Audit (Member)	Mittal Corporation Limited	Audit (Member)	Mittal Corporation	Shareholders / Investor Grievance (Member)	3600
Name of the Company	Committee / Positions											
Oil Country Tabular Limited	Audit (Member)											
Mittal Corporation Limited	Audit (Member)											
Mittal Corporation	Shareholders / Investor Grievance (Member)											
Smt. Lalita Sharma	B.A. (Economics) with a Post graduate Diploma in Business Administration. She has an experience of more than 30 (Thirty) years in IDBI. She is currently working as General Manager & Regional Head-SME (West-II) in IDBI.	Banking & Finance	Nil	Nil								
Smt. Swarna Prabha Sukumar	She is B.Sc. and has an experience of more than 32 (Thirty Two) years in LIC. She is currently working as 'Executive Director, U&R Department' in LIC.	Banking & Insurance	Nil	Nil								

## 6. SHAREHOLDERS' COMMITTEE

### i. Name of Non-executive Director Heading the Committee: -

Shri Praveen Miglani, Non-Executive Director is Chairman of the Shareholders' / Investors' Grievance Committee.

The Committee is looking after the Shareholders' / Investors' Grievance and redressal of investors'/ shareholders' complaints related to transfer of shares, non-receipt of balance sheets, non-receipt of declared dividends etc. This Committee consists of the following Non-Executive Directors as its members: -

1. Shri Praveen Miglani
2. Shri S T Parikh

During the Financial Year 2009-2010, the Committee had two meetings i.e. on 30.10.2009 and 28.01.2010.

### ii. Name and Designation of Compliance Officer: -

Shri R Agrawal - Sr. Vice President & Company Secretary is the Compliance Officer.

### iii. Number of Shareholders Complaints received during the Financial Year: -

During the Financial Year 2009-2010, the Company have received 17 complaints.

### iv. Number of complaints not solved to the satisfaction of the shareholders: -

Nil

### v. Number of pending Complaints: -

Two (as per SEBI records):- The proof of resolution of these complaints have been provided to SEBI for removal of the same from their records.



## 7. GENERAL BODY MEETINGS

### i. Location and time when the Last three Annual General Meetings held:-

The details of the Annual General Meeting held in last three years are as under:

Year	Day, Date and Time	Location
2006-2007	22 <sup>nd</sup> AGM held on 22 <sup>nd</sup> September, 2007 at 11:00 a.m.	M C Ghia Hall, 18/20 K Dubhash Marg, Mumbai 400 001.
2007-2008	23 <sup>rd</sup> AGM held on 26 <sup>th</sup> July, 2008 at 11:00 a.m.	M C Ghia Hall, 18/20 K Dubhash Marg, Mumbai 400 001.
2008-2009	24 <sup>th</sup> AGM held on 26 <sup>th</sup> September, 2009 at 11:00 a.m.	M C Ghia Hall, 18/20 K Dubhash Marg, Mumbai 400 001.

### ii. Special Resolution passed in previous three Annual General Meetings: -

Six

### iii. Special Resolution passed last year through Postal Ballot: -

Nil

### iv. Person who conducted the Postal Ballot exercise: -

N.A.

### v. Special Resolution proposed to be conducted through Postal Ballot: -

None

### vi. Procedure for Postal Ballot: -

N.A.

**NOTE:** All the Resolutions set out in the respective Notices for the above Meetings were duly passed by the Shareholders with the requisite majority in each case.

## 8. DISCLOSURES

- There were no materially significant related party transactions during the year having potential conflict with the interest of the Company at large.
- The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any other statutory authority on matters relating to capital markets during last three years.
- It is confirmed that no personnel has been denied access to the Audit Committee.
- It is confirmed that the mandatory requirements are complied with and the non-mandatory provisions are adopted wherever necessary.

## 9. MEANS OF COMMUNICATION

### i. Quarterly Results: -

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

### ii. Newspapers wherein results normally published: -

Un-audited and Audited Financial Results are published in Free Press Journal (English) having all India coverage and Navshakti (Marathi) local newspaper.

### iii. Website: -

Name of the Company's Website where the results are displayed is [www.uttamgalva.com](http://www.uttamgalva.com)

### iv. Official News Releases: -

The Company displays official news releases as and when the situation arises.

### v. Presentations: -

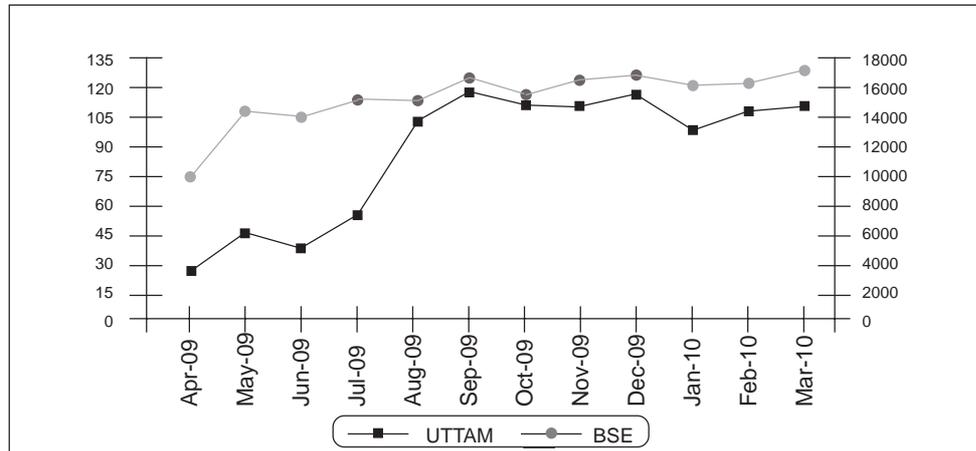
The Company makes presentation to institutional investors or the analysts when found appropriate.

### vi. email id: [info@uttamgalva.com](mailto:info@uttamgalva.com)





viii. Performance in comparison to BSE Sensex.



ix. Registrar and Share Transfer Agent:

**Mondkar Computers Private Limited,  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (East), Mumbai - 400 093.**

Tele No.: 28207203/05

x. Share Transfer System:

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agent in approximately 20 to 25 days of receipt of the documents, provided documents received are found in order. Shares under objections are returned within 15-20 days. The Share Transfer Committee meets generally on fortnightly basis to consider the transfer proposals.

xi. Distribution of Shareholding:

The Shareholding distribution of Equity Shares as on 31<sup>st</sup> March, 2010 is given here below:

Sr.No.	Nominal Value of Shares (Rupees)	No. of Shareholders	No. of Shares	Percentage of Shareholding
1	UPTO - 5,000	34439	5095157	4.18
2	5,001 – 10,000	2450	2058062	1.68
3	10,001 – 20,000	960	1495279	1.22
4	20,001 – 30,000	299	770587	0.63
5	30,001 – 40,000	141	516408	0.42
6	40,001 – 50,000	159	763447	0.62
7	50,001 – 1,00,000	205	1521037	1.25
8	1,00,001 ABOVE	199	110040126	90.00
	<b>TOTAL</b>	<b>38852</b>	<b>122260103</b>	<b>100.00</b>





To,  
The Members of  
Uttam Galva Steels Limited,  
Mumbai

#### DECLARATION

I, Rajinder Miglani, Chairman & Managing Director of Uttam Galva Steels Limited, having its Registered Office at Uttam House, 69, P. D'Mello Road, Mumbai – 400 009, do hereby declare that the Code of Conduct for Directors and Senior Management have been prepared in terms of Clause 49 of Listing Agreement (as amended) and the same have been affirmed by the Board Members and senior Management of the Company. I further declare that the said Code of Conduct have been posted on the website of the Company in accordance with the Clause 49 of the Listing Agreement.

**For Uttam Galva Steels Limited**

**(Rajinder Miglani)**  
Chairman & Managing Director

Place: Mumbai  
Date : 29<sup>th</sup> May, 2010

#### CERTIFICATE

To,  
The Members of  
Uttam Galva Steels Limited,  
Mumbai.

We have examined the compliance of the conditions of Corporate Governance by UTTAM GALVA STEELS LIMITED for the financial year ended 31<sup>st</sup> March, 2010, as stipulated in Clause 49 (as amended) of the Listing Agreement of the said Company, with the Stock Exchanges.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that the Registrars and Share Transfer Agents of the Company have maintained records to show the Investors' Grievances against the Company and have certified that as on March 31<sup>st</sup> 2010, there were no investor grievances remaining unattended / pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Prakash Muni & Associates**  
*Chartered Accountants*  
Firm Registration No.: 111792W

**Prakash R. Muni**  
*Proprietor*  
Membership No.: 30544

Place : Mumbai  
Date : 29<sup>th</sup> May, 2010

AUDITOR'S REPORT

To,  
The Shareholders of  
**Uttam Galva Steels Limited,**  
Mumbai

1. I have audited the attached Balance Sheet of **UTTAM GALVA STEELS LIMITED** as at **31<sup>st</sup> March, 2010** and the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I have conducted my audit in accordance with auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. On the basis of written representations received from the directors, as on 31<sup>st</sup> March, 2010, and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31<sup>st</sup> March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
5. Further to my comments in the Annexure referred to in paragraph 3 & 4 above, I report that:
  - i) I have obtained all the information and explanations, which to the best of my

knowledge and belief were necessary for the purposes of my audit;

- ii) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
- iii) The Balance Sheet and the Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account;
- iv) In my opinion, the Balance Sheet and the Profit and Loss Account and cash flow statement dealt with by this report comply with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v) In my opinion and to the best of my information and according to the explanations given to me, the said accounts read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010;
  - b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.
  - c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

**For Prakkash Muni & Associates**  
*Chartered Accountants*  
Firm Registration No.: 111792W

**Prakkash R. Muni**  
*Proprietor*  
Membership No.: 30544

Place : Mumbai  
Date : 29<sup>th</sup> May, 2010



## ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 of our report of even date)

1. In respect of its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets; site wise/ plant wise. With consideration to significant additions from time to time such records are being updated periodically.
  - b) According to the information and explanations given to me, the Company is formulating/upgrading a programme of verification by which all the assets of the Company shall be verified in a phased manner, which in my opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to me no material discrepancies were noticed on such verification. The company is yet to formulate a verification programme on assets such as furniture, computers etc.
  - c) During the year the Company has not disposed of any part of the plant and machinery, disposal of fixed assets does not constitute a substantial part of the company's fixed assets.
2. In respect of its inventories:
  - a) The inventory has been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
  - b) In my opinion and according to the information and explanations given to me, the procedures of physical verification and inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of my examination of the records of inventory, I am of the opinion that the Company is maintaining proper record of inventory. The discrepancies noticed on verification between physical stocks and book records were not material and the difference found between physical and book records are adjusted appropriately.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956:
  - (a) The Company has given loans to a wholly owned subsidiary of the Company. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 9.35 crore and the year-end balance is Rs. 9.35 crore.
  - (b) In my opinion and according to the information and explanations given to me, the rate of interest, where applicable and other terms and conditions, are not prima facie prejudicial to the interest of the Company.
  - (c) The principal amounts are repayable on demand and there is no repayment schedule. The interest, where applicable, is payable on demand.
  - (d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, where applicable, there are no overdue amounts.
  - (e) The Company has not taken any loan during the year from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.
4. In my opinion and according to the information and explanations given to me, the Company internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the sale of goods and services. During the course of my audit, I have not observed any continuing failure to correct major weakness in internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:





18. According to the information and explanations given to me, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has created securities / charges in respect of secured debentures issued.
20. During the period covered by my audit report, the Company has not raised any money by public issues.
21. To the best of my knowledge and belief and according to the information and explanations

given to me, no material fraud on or by the Company has been noticed or reported during the year.

**For Prakash Muni & Associates**

*Chartered Accountants*

Firm Registration No.: 111792W

**Prakash R. Muni**

*Proprietor*

Membership No.: 30544

Place : Mumbai

Date : 29<sup>th</sup> May, 2010

#### ANNEXURE "A" OF THE AUDIT REPORT

Sr. No.	Nature of Duty / Tax	Amount (Rs.)	Period	Forum where dispute is pending
1	Excise Duty	5,52,473	2003-04	High Court
2	Service Tax	95,67,013	2004-05	Central Excise and Service Tax Appellate Tribunal
3	Excise & Service Tax	10,05,475	2005-06	Central Excise and Service Tax Appellate Tribunal
4	Excise Duty	40,00,000	2005-06	Asst. Commissioner of Central Excise
5	Service Tax	28,90,855	2005-06	Central Excise and Service Tax Appellate Tribunal
6	Excise Duty	89,59,377	2005-06	Commissioner – Appeals
7	Excise Duty	2,86,57,168	Dec 06 to Nov 07	Central Excise and Service Tax Appellate Tribunal
8	Excise Duty	1,32,98,369	Dec 06 to Nov 07	Central Excise and Service Tax Appellate Tribunal
9	Excise Duty	74,94,371	Dec 07 to June 08	Central Excise and Service Tax Appellate Tribunal
10	Excise Duty	35,59,514	Dec 07 to June 08	Central Excise and Service Tax Appellate Tribunal





PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2010

(Rs. in Crores)

Schedule	As at 31.03.2010	As at 31.03.2009
<b>INCOME</b>		
<b>Sales :</b>		
Local	3258.80	2164.13
Export	1415.07	2345.62
<b>Gross Sales</b>	<b>4673.87</b>	<b>4509.75</b>
<b>Less: Excise Duty</b>	<b>(178.21)</b>	<b>(138.11)</b>
	<b>4495.66</b>	<b>4371.64</b>
Other Income		
Non Operational	0.72	0.43
	<b>0.72</b>	<b>0.43</b>
<b>TOTAL</b>	<b>4496.38</b>	<b>4372.07</b>
<b>EXPENDITURE</b>		
Materials Cost	J 3599.03	3482.77
(Increase)/Decrease in Stock	J (19.79)	57.78
Other Manufacturing Expenses	K 214.61	196.93
Selling & Distribution Expenses	L 161.85	198.12
Payment to Employees	M 57.55	50.09
Administrative Cost	N 32.57	27.02
	<b>4045.82</b>	<b>4012.71</b>
<b>Profit before Interest &amp; Depreciation (PBIDT)</b>	<b>450.56</b>	<b>359.36</b>
Interest & Financial Charges (Net)	O 185.39	165.63
<b>Profit before Depreciation</b>	<b>265.17</b>	<b>193.73</b>
Depreciation	112.70	92.37
<b>Profit before Tax (PBT)</b>	<b>152.47</b>	<b>101.36</b>
<b>Less : Provision for Tax -MAT</b>	<b>25.91</b>	<b>11.48</b>
<b>Less : Provision Deferred Tax</b>	<b>32.02</b>	<b>-</b>
<b>Less : Provision for Wealth Tax</b>	<b>0.05</b>	<b>-</b>
<b>Add : MAT Credit Entitlements</b>	<b>7.98</b>	<b>10.85</b>
<b>Less : Provision for Fringe Benefit Tax</b>	<b>-</b>	<b>0.56</b>
<b>Profit after Tax (PAT)</b>	<b>102.47</b>	<b>100.17</b>
<b>Add: Balance B/F from Earlier Years</b>	<b>522.17</b>	<b>423.50</b>
<b>Less: Adjustments pertaining to prior years - Taxes</b>	<b>5.61</b>	<b>-</b>
<b>Less: Adjustments pertaining to prior years - Deferred Taxes</b>	<b>39.73</b>	<b>-</b>
<b>Profit Available for Appropriations</b>	<b>579.30</b>	<b>523.67</b>
Appropriated as under:		
(i) Balance Transfered to Capital Redemption Reserve	-	1.50
(ii) Balance Transfered to Debenture Redemption Reserve	12.50	-
<b>Balance Carried to Balance Sheet</b>	<b>566.80</b>	<b>522.17</b>
Basic Earnings Per share (in Rs.)	8.48	8.36
Diluted Earnings Per share (in Rs.)	7.60	7.38
<b>ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	<b>P</b>	

As per my report attached

For and on behalf of the Board

**For Prakkash Muni & Associates**

Chartered Accountants

Firm Registration No.: 111792W

**Prakkash R Muni**

Proprietor

Membership No. : 30544

Place : Mumbai

Dated : 29<sup>th</sup> May, 2010.

**Rajinder Miglani**  
Chairman & Managing Director

**Anuj Miglani**  
Deputy Managing Director

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





**Notes:**

Serial number of Notes correspond to serial numbers of Loans mentioned earlier.

- (1) a) Term Loans availed from ICICI, IDBI, LIC, IFCI, Kotak Mahindra Bank (originally from IIBI), UII, GIC, Canara Bank, IOB, OBC, Corporation Bank, Union Bank, Allahabad Bank, Dena Bank, Syndicate Bank and Axis Bank, ranking pari passu inter-se are secured by mortgage of all immovable properties and hypothecation of all moveable properties including moveable machineries, machinery spares, tools and accessories, both present and future except Packing Machine supplied by PESMEL, Finland and Captive Power Plants Equipments.
- The previous Rupee Term Loan of Rs. 334.31 Crores (Rs. 415.52 Crores) are secured by personal guarantee of two Directors, and Rs. 298.90 Crores (244.47 Crores) are secured by the personal guarantee of one Director.
- The Fresh Rupee Term Loan of Rs. 315 Crores sanctioned and disbursed during the year are secured by personal guarantee of one Director.
- The Power Plant Equipments are exclusively charged to IDBI, IDFC and State Bank of Mysore for Term Loan sanctioned of Rs. 221 Crores and disbursed Rs. 176.42 Crores (Rs. 114.20 Crores).
- The Rupee Term Loan for Captive Power Plant is secured by personal guarantee of one Director.
- b) i) ECB Loan of  
USD 1.25 million (USD 3.75 million) equivalent to Rs. 5.70 Crores (Rs.19.29 Crores) from Bank of India;  
USD 0.937 million (USD 2.1875 million) equivalent to Rs.4.27 Crores (Rs.11.25 Crores) from Syndicate Bank;  
USD 42.50 million (USD 47.50 million) equivalent to Rs.193.71 Crores (Rs.244.39 Crores) syndicated by ICICI Bank, (as Facility Agent) are secured by mortgage of all immovable properties and hypothecation of all movable properties including movable machineries, machinery spares, tools and accessories both present and future except Packing Machine supplied by PESMEL, Finland and Captive Power Plant Equipments.
- The above mentioned ECB Loans are secured by personal guarantee of two Directors.
- ii) ECA of USD 2.501 million (USD 2.9185 million) equivalent to Rs.11.40 Crores (Rs.15.02 Crores) is secured by hypothecation of Packing Machine supplied by PESMEL, Finland.
- (2) During the year 2009-10, the Company has issued 2000, 11.25% Redeemable Non Convertible Debentures of Rs 10 lacs each, secured by first pari passu mortgage & charge on all movable properties including movable machines, machine spares, tools and accessories, both present and future except Packing Machine supplied by PESMEL Finland, and Captive Power Plant Equipments.
- Redemption: 4 Semi Annual Installments of 25% each, starting from Sept-2013. The said Redeemable Non Convertible Debentures are Listed on the Wholesale Debt Market (WDM) Segment of the Bombay Stock Exchange. Axis Trustee Services Ltd has been appointed as Debenture Trustees for the said Debentures.
- (3) Optionally Fully Convertible / Redeemable Bonds (OFCRB) are Debt Instruments convertible into Equity /Preference Shares in the event non payment, at the option of the holder at a future date and are secured by:
- (a) first mortgage and charge on the movable & immovable assets present and futures ranking Pari-passu subject to the prior charges on specific movables created/ to be created in favour of company's bankers for working capital borrowings.
- (b) Personal Unconditional Irrevocable Guarantee of two directors.
- Redemption: Redemption is at predetermined premium of Rs. 8.88 crores in five annual installments commencing from 15<sup>th</sup> June, 2010 to 15<sup>th</sup> June, 2014.
- (4) Loans from banks on cash credit accounts are secured by hypothecation of all tangible, moveable properties such as raw material, Work-in-Progress, finished goods, stock in transit and book debts etc. and the second charge on fixed assets of the company except Packing machine supplied by PESMEL, Finland and Captive Power Plant Equipments.
- (5) 25,02,700 equity shares (2,12,24,700) held by the promoters are pledged by them against term loan of Rs.41.04 Crores (Rs.42.24 Crores) availed by the company.

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE D : UNSECURED LOANS</b>		
1. a) Short Term Loans	200.10	219.26
b) SICOM Loan	2.77	3.63
2. Foreign Currency Convertible Bonds	68.37	90.04
Premium Accrued But not Due	19.65	20.30
<b>TOTAL UNSECURED LOAN</b>	<b>290.89</b>	<b>333.23</b>

- (1) Short Term Loans are from IDBI, BOB and Balaji Infrastructure Limited.
- (2) The company has issued Series 'A' US \$ 24 Million and Series 'B' US \$ 20 Million 2 percent Convertible Bonds of face value of US \$ 1000 aggregating to US \$ 44 Million.
- (i) As per the terms of the issue, the bonds are convertible at any time on or after September 18, 2005 and upto the close of business on July 31, 2010 into newly issued, ordinary shares at an initial conversion price of Rs.45.12 per Share with a fixed rate of exchange on conversion of Rs.43.53 = US \$ 1. The conversion price will be subject to certain adjustment in certain circumstances. Out of this, bonds worth USD 9 Million (USD 2.5 Million from Series B and USD 6.5 Million from Series A) have been converted into equity shares in the year 2007-08, and bonds worth USD 2.50 have been converted into equity shares during the year 2009-10.
- (ii) Further, the bonds may subject to certain conditions be redeemed in whole at the option of the Company at any time on or after August 10, 2008 at their Early Redemption Amount.
- (iii) The Series B bonds worth USD 17.50 Million redeemed at the option of a Bondholder on August 9, 2008 at 117.25 per cent of their principal amount. The premium paid on redemption has been charged to Securities Premium Account.
- (iv) Unless previously converted, redeemed or repurchased and cancelled, the bonds will be redeemed on August 10, 2010 at 130.97 per cent of their principal amount.
- (v) FCCB 'A' Series:- The Company has opted to treat FCCB as a debt and consequential exchange difference is accounted as additional cost for fixed assets acquired against the same. The assets being in the preoperative stage, exchange difference will be duly amortised over the life span of the asset. In case the said FCCBs are converted into shares at a later date, the same will be reversed appropriately.
- (vi) The Premium accrued on FCCB Series 'A', to the tune of 15.00 Millions, has been provided up to 31<sup>st</sup> March, 2010.
- (vii) These bonds are listed on Singapore Stock Exchange.

**SCHEDULE E : FIXED ASSETS**

(Rs. in Crores)

	RATE SLM %	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		COST 01-Apr-09	ADDITIONS	DEDUC- TION	COST 31-Mar-10	UP TO 1-Apr-09	YEAR ENDED 31-Mar-10	DEDUC- TION	TOTAL	AS AT 31-Mar-10	AS AT 31-Mar-09
Land		41.13	0.88	-	42.01	-	-	-	-	42.01	41.13
Building & Site Development	3.34	412.61	64.33	-	476.94	49.95	14.31	-	64.26	412.68	362.66
Flats/Office Premises.	1.63	2.96	-	-	2.96	0.13	0.05	-	0.18	2.78	2.83
Plant & Machinery	5.28	1781.68	103.02	-	1884.70	419.03	95.79	-	514.82	1369.88	1362.65
Furniture & Fixtures	6.33	8.01	5.80	-	13.81	4.92	0.55	-	5.47	8.34	3.09
Office Equipments	13.91	3.12	4.00	-	7.12	2.64	0.34	-	2.98	4.14	0.48
Computer	16.21	8.14	1.19	-	9.33	3.71	1.07	-	4.78	4.55	4.43
Vehicles	9.50	5.72	1.85	-	7.57	1.52	0.52	-	2.04	5.53	4.20
Housing Complex	1.63	3.99	17.79	-	21.78	0.94	0.07	-	1.01	20.77	3.05
<b>TOTAL</b>		<b>2267.36</b>	<b>198.86</b>	<b>-</b>	<b>2466.22</b>	<b>482.84</b>	<b>112.70</b>	<b>-</b>	<b>595.54</b>	<b>1870.68</b>	<b>1784.52</b>
<b>PREVIOUS YEAR</b>		<b>1710.37</b>	<b>557.46</b>	<b>0.47</b>	<b>2267.36</b>	<b>390.64</b>	<b>92.37</b>	<b>0.17</b>	<b>482.84</b>	<b>1784.52</b>	



(Rs. in Crores)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE F: INVESTMENTS</b>		
<b>Unquoted investments</b>		
<b>a) Subsidiary Company</b>		
i) 5,000 Equity Shares of \$ 10/- each of Atlantis International Services Company Limited fully paid.	0.22	-
ii) 10,000 Equity Shares of UAE Dirham 100/- each, of Uttam Galva Holdings Limited	1.20	1.20
	<u>1.42</u>	<u>1.20</u>
<b>b) Associate / Joint Venture</b>		
i) 9,994 Equity Shares of Rs. 10/- each of Uttam Utkal Steels Limited fully paid.	0.01	0.01
ii) 30,20,000 Equity Shares of Rs 10/- each of Texturing Technology Private Limited fully paid	3.02	3.02
	<u>3.03</u>	<u>3.03</u>
<b>c) Others</b>		
i) National Saving Certificate VIII Issue	0.01	0.01
ii) 20,000 Equity Shares of Rs. 25/- each of Punjab & Maharashtra Co-operative Bank Limited	0.05	0.05
iii) 300,000 Unsecured Optionally Fully Convertible Debentures of Rs.100/- each in Shree Bhavani Power Projects Private Limited	3.00	3.00
iv) 515,000 Equity Shares of Rs.10/- each in Ansal Hi-Tech Township Limited fully Paid.	0.51	0.52
	<u>3.57</u>	<u>3.58</u>
	<u>8.02</u>	<u>7.81</u>
<b>SCHEDULE G : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>(A) CURRENT ASSETS</b>		
<b>(a) Inventories (As valued &amp; Certified by the Management)</b>		
Raw Materials	291.62	250.43
Raw Materials-in-transit	119.62	3.69
Finished goods	89.52	69.00
Work-in-Progress	89.17	88.76
Arisings	7.17	8.30
Packing Material	2.11	1.40
Stores, Spares, Consumables etc.	50.18	72.41
	<u>649.39</u>	<u>493.99</u>
<b>(b) Sundry Debtors</b>		
(Unsecured, considered good)		
Debts outstanding for the period exceeding six months	6.40	12.21
Other Debts	387.61	353.92
<b>Less:</b> Provision for Bad & Doubtful Debts	2.08	0.40
	<u>391.93</u>	<u>365.73</u>
<b>(c) Cash &amp; Bank Balances</b>		
Cash on Hand	0.08	0.42
Balance in Current Accounts with Scheduled Banks	140.82	61.38
Short Term Deposit / Margin Money Deposit	15.33	91.20
	<u>156.23</u>	<u>153.00</u>
<b>SUB TOTAL (A)</b>	<u>1197.55</u>	<u>1012.72</u>

	As at 31.03.2010	As at 31.03.2009
<b>(B) LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Loans & Advances to Subsidiary	9.35	0.16
Advances recoverable in cash or kind or for value to be received	140.95	130.80
Advances to Suppliers	152.33	231.71
Deposits with Government & Semi Govt.Bodies	53.97	98.71
Deposits with Others	18.51	36.89
Prepaid Expenses	24.80	19.36
Advance Tax	24.01	13.28
MAT Credit Entitlements	47.37	44.66
Sales Tax	–	0.01
<b>SUB TOTAL (B)</b>	<b>471.29</b>	<b>575.58</b>
<b>TOTAL (A) + (B)</b>	<b>1668.84</b>	<b>1588.30</b>
<b>SCHEDULE H : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>(a) Current Liabilities</b>		
Sundry Creditors:		
i) Micro, Small and Medium Enterprises	0.36	0.23
ii) Subsidiary Companies	166.93	–
iii) Other Creditors	121.56	125.87
Advance from Customers	636.73	1022.48
Bills Payable acceptance	184.99	350.41
Other Liabilities	31.92	42.22
	<b>1142.49</b>	<b>1541.21</b>
<b>(b) Provisions</b>		
Provision for Tax (MAT)	25.91	11.48
Provision for Fringe Benefit Tax	–	0.56
Provision for Wealth Tax	0.05	–
	<b>25.96</b>	<b>12.04</b>
<b>TOTAL (a) + (b)</b>	<b>1168.45</b>	<b>1553.25</b>
<b>SCHEDULE I : SALES &amp; OTHER INCOME</b>		
<b>A) SALES</b>		
<b>i) LOCAL SALES</b>		
Sales Local Prime	2167.09	1148.83
Sales Local Arisings	185.44	207.09
Sales Local Service Centre	743.62	614.07
Sales Local Trading	162.65	194.14
<b>Local Sales (I)</b>	<b>3258.80</b>	<b>2164.13</b>
<b>ii) Export Sales</b>		
Sales Export & Export Incentives	1192.11	2077.87
Foreign Exchange Fluctuation on Exports	(21.59)	(43.29)
Sales Merchandice Export	244.55	311.04
<b>Export Sales (II)</b>	<b>1415.07</b>	<b>2345.62</b>
<b>TOTAL SALES (I+II)</b>	<b>4673.87</b>	<b>4509.75</b>
<b>B) OTHER INCOME</b>		
Other Income	0.72	0.43
<b>TOTAL OTHER INCOME</b>	<b>0.72</b>	<b>0.43</b>
<b>TOTAL SALES &amp; OTHER INCOME</b>	<b>4674.59</b>	<b>4510.18</b>



(Rs. in Crores)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE J : RAW MATERIALS, FINISHED GOODS &amp; SEMI-FINISHED GOODS</b>		
<b>A) MATERIALS COST</b>		
(1) Raw Materials Consumed		
Opening Stock	116.87	206.38
<b>Add: Purchases *</b>	<b>2607.48</b>	<b>2232.66</b>
	<b>2724.35</b>	<b>2439.04</b>
<b>Less: Closing Stock *</b>	<b>189.20</b>	<b>116.87</b>
Materials Consumed	<b>2535.15</b>	<b>2322.17</b>
(2) Consumption of Raw Material at Service Centre	655.17	640.51
(3) Consumption of Trading Materials	408.71	520.09
<b>TOTAL (A)</b>	<b>3599.03</b>	<b>3482.77</b>
* Includes Rs 119.62 Crores (Previous Year Rs.3.69 Crores) on Raw Materials in Transit as on 31.3.2010.		
<b>B) VARIATION IN STOCK-FINISHED GOODS &amp; WORK-IN-PROCESS</b>		
Closing Stock - Finished Goods	86.22	67.17
Stock-in-transit	3.31	1.83
Arisings	7.17	8.30
Work-in-Progress	89.17	88.76
	<b>185.87</b>	<b>166.06</b>
<b>Less: Opening Stock - Finished Goods</b>	<b>67.17</b>	<b>110.17</b>
Stock-in-transit	1.83	15.98
Arisings	8.30	14.49
Work-in-Progress	88.76	83.20
	<b>166.06</b>	<b>223.84</b>
(Increase)/Decrease in Stock <b>(B)</b>	<b>(19.81)</b>	<b>57.78</b>
<b>RAW MATERIALS, FINISHED GOODS &amp; SEMI-FINISHED GOODS (A) + (B)</b>	<b>3579.22</b>	<b>3540.55</b>
<b>SCHEDULE K : OTHER MANUFACTURING EXPENSES</b>		
Power Consumption	96.68	77.90
Fuel Consumption	60.04	72.51
Stores & Spares Consumed	37.54	29.66
Repairs & Maintenance to Plant	9.47	9.20
Processing Charges	10.88	7.66
<b>TOTAL</b>	<b>214.61</b>	<b>196.93</b>
<b>SCHEDULE L : SELLING &amp; DISTRIBUTION EXPENSES</b>		
International Freight	47.58	96.86
F.O.B. Expenses	20.32	28.54
Local Freight	33.40	15.45
Brokerage & Commission	10.77	16.55
Packing Material Consumed	43.48	39.32
Other expenses	6.30	1.40
<b>TOTAL</b>	<b>161.85</b>	<b>198.12</b>
<b>SCHEDULE M : PAYMENT TO EMPLOYEES</b>		
Salaries & Wages	49.17	41.13
Contribution to PF/Gratuity and Other funds	3.91	5.09
Staff welfare	4.47	3.87
	<b>57.55</b>	<b>50.09</b>

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE N : ADMINISTRATIVE COST</b>		
Insurance	3.81	3.71
Travelling & Conveyance	5.06	4.70
Rent, Rates & Taxes	2.36	1.32
Legal , Professional & Consultancy Charges	3.22	3.48
Repairs & Maintenance to Building	2.53	1.89
Repairs & Maintenance to others	1.43	1.23
Security Charges	1.42	1.34
Other Expenses	12.34	8.89
Payment to Auditors - Audit Fees	0.30	0.30
- Taxation Matters	0.05	-
- Exepenses Reimbursed	0.05	0.04
Loss on Sale of Fixed Assets	-	0.12
<b>TOTAL</b>	<b>32.57</b>	<b>27.02</b>
<b>SCHEDULE O : INTEREST &amp; FINANCIAL CHARGES</b>		
On Long term debts	140.35	148.40
Interest & Financial Charges Capitalised	(55.55)	(99.82)
On Working Capital Limits & Others	102.05	133.87
Interest Received (Gain) *	(6.06)	(3.51)
(Gain)/Loss on Forward / Hedged / Derivative Contracts	4.60	(13.31)
<b>TOTAL</b>	<b>185.39</b>	<b>165.63</b>

\* Includes Rs. 0.23 Crores interest from subsidiary.

## SCHEDULE P: ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1.01 (a) Basis of Accounting:

The financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles, on going concern basis, and in line with accounting standards issued by the Institute of Chartered Accountants of India, as applicable, and the provisions of the Companies Act, 1956.

#### (b) Use of Estimates:

The Preparation of financial statements in conformity GAAP requires that the Management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the assumptions relating to contingent liabilities as on the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligation in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

#### (c) Revenue Recognition:

The Company recognizes revenue on the sale of products when the products are despatched to the customer or when delivered to the ocean carrier for export sales, which is when risks and rewards of ownership are passed to the customer.



**1.02 Foreign Currency Loans/Transactions:**

- (a) Import Transactions:
- (i) Material imports are accounted at the custom exchange rates prevailing at the time of receipts. In case foreign exchange is covered, the exchange rate contracted is recognized as a part of purchase cost. Exchange Fluctuations, if any, at the time of retirement, are appropriately accounted as a part of material (purchase) cost. Similarly Bills Payable (balances) at year end are accounted at exchange rate prevailing at year end (as per revised AS - 11).
  - (ii) Import contracts covered by 'foreign exchange cover' with banks are booked at contracted rates. Income / Expenditure incurred in cancellation of forward cover contracts, mainly due to variation in the bank involved/ date of execution are treated as part of purchase cost.
- (b) Export Transactions:
- (i) Export transactions are accounted at the custom exchange rates prevailing at the time of shipments.  
Exchange fluctuations, if any, at the time of realisation are appropriately accounted.
  - (ii) Exports, contracts covered by foreign exchange 'cover' with banks, are booked at contracted rates. Income / expenditure incurred in case of cancellation of forward cover contracts, mainly due to variation in bank involved/date of execution are treated as export realisation.
  - (iii) In case receipt of Export Advances, exchange rates prevailing on date of receipts (of advances) is treated as relevant exchange rate (for exports).
- (c) (i) Foreign Currency Term Loan Contracts, covered by Foreign Exchange Swaps are booked at contracted rates.
- (ii) Other Foreign Currency Term Loans (balances) are accounted at Exchange Rate prevailing at the year end; and such gain / loss is considered as finance cost.
- (d) Such gain/loss in transactions referred in para (c) above, and other foreign currency contracts and/or derivative contracts and relevant exchange gain/loss there to, are considered as finance cost.

**1.03 Interest on Term Loans, Premium on redemption of Debentures / Debts:**

- (i) Pursuant to the Reschedule / Realignment Scheme, interest payable during 2000-2009 financial years is lower than the average interest rate during 2000-2014 financial years. The company is treating interest payable (yearly rate) as interest accrued.
- (ii) On reschedulement and realignment of term debts, financial cost incurred is treated as accrued on date of realignment of realigned term debts and provided in the relevant financial year.

**1.04 Employee Benefits:**

- A. Short Term Employee Benefits  
All employee benefits payable/available within 12 months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, bonus etc, are recognized in the P&L account in the period in which the employee renders the related services.
- B. Long Term Employee Benefits
- (i) The Company has taken Group Gratuity Policy with the Life Insurance Corporation of India (LIC) for future payment of Gratuities.  
Any deficit in Plan Assets managed by LIC and as compared to the Actuarial Liability is recognized as a liability immediately.
  - (ii) Leave Encashment benefit shall be accrued at the year end.





- (b) (i) Raw-materials include stock-in-transit and goods lying in Bonded Warehouses.
- (ii) Finished goods include stock-in-transit at Docks awaiting Shipment and stocks with consignees.
- (iii) Inventory includes goods lying with third party / job workers / consignees.

#### **1.09 Provision for Taxation**

Income tax expense is the aggregate amount of Current tax, Wealth Tax & Deferred Tax. Current year taxes are determined in accordance with the provisions of Income Tax Act, 1961 and Wealth Tax Act.

Deferred tax charged or credit reflects the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charged or credit and the corresponding deferred tax liability or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet dates.

#### **1.10 Earning per Share:**

The Company reports basic and diluted earning per share in accordance with AS-20 'Earning per Share' issued by the ICAI. Basic earning per share is computed by dividing the net profit after tax by the weighted average number of shares outstanding for the year.

#### **1.11 Accounting for Provisions, Contingent liabilities and Contingent Assets**

- (a) In conformity with AS-29, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the Institute of Chartered Accountants of India. The Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.
- (b) No provision is recognised for:
- (i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; *or*
- (ii) Any present obligation that arises from past events but is not recognised because:
- (1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; *or*
- (2) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

- (iii) Contingent Assets are not recognised in the financial statements as this may result in the recognition of income that may never be realised.





## B. NOTES ON ACCOUNTS

2.0 Previous Year's figures are regrouped and rearranged wherever necessary.

3.1 Contingent Liabilities not provided for in respect of:

	(Rs. in Crores)	
	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
(a) Letters of Credit outstanding	1346.31	600.56
(b) Bank Guarantees	19.17	47.25
(c) Estimated amount of contracts remaining to be executed on capital account and not provided for	54.00	115.00

3.2 The Company had given a corporate guarantee of Rs.91.94 Crores to Commissioner of Customs against export obligation of Uttam Galva Metallics Limited.

3.3 The company has given a corporate guarantee of USD 40 million to Standard Chartered Bank against credit facility availed by Atlantis International Service Company Ltd., Sundry Creditors under the head current liability includes Rs.166.93 Crores towards the liability payable to subsidiary company.

4.0 (a) The Income Tax Assessment is completed up to 31<sup>st</sup> March, 2006. ie. Assessment Year 2006-07.

(b) The Sales Tax Assessments are completed up to 31<sup>st</sup> March, 2009.

(c) The Company does not expect any liability on remaining assessments / appeals.

5.0 Pursuant to revision of Accounting Standard 11 (AS 11), exchange fluctuation Gain of Rs. 31.29 Crores on Foreign Currency Loans is adjusted against cost of relevant fixed assets.

### 6.0 Taxation.

6.1 The Company has taxable income as per the provisions of the Income Tax Act, 1961.

6.2 The company has provided for deferred tax liability to the tune of Rs. 32.02 Crores (Previous Year Rs. 39.73 Crores) arising on account of timing difference between the book and tax profit of the period. The same is net of tax incentive available at a future date and deferred tax payable at future date.

6.3 During the year the Company has recognised 'MAT Credit Entitlement' to the sum of Rs.7.98 Crores (Previous Year Rs.10.85 Crores) pertaining to MAT payment for the current year.

7.0 During the year, the Company decided to prepay Value added tax (VAT) payable under Deferral Sales Tax scheme, against the Deferral Sales Tax liability of Rs.79.31 Crores (Previous Year Rs. 61.24 Crores) for period upto March '10. The Company has prepaid Rs. 22.21 Crores (Previous Year Rs.19.72 Crores) at net present value as prescribed, and consequential balance of Rs. 57.10 Crores (Previous Year Rs.41.52 Crores) is treated as sales. This credit has accrued and arisen during the Financial Year 2009-10.

8.0 Total expenditure includes cost of sales, Rs.-NIL, (Previous Year 957.48 Crores) related to goods produced during trial run. Excess of expenditure over sale realisation is capitalised.

9.0 The Company has provided for Unclaimed Leave Encashment Benefits as at 31<sup>st</sup> March, 2010 to the tune of Rs. 4.66 Crores.





#### 11.0 Earning Per Share (EPS)

	2009-10	2008-09
<b>a) Earning Per Share (EPS) Basic.</b>		
Profit for the Year	102.47	100.17
Weighted average No. of ordinary shares of Rs.10 Each for Basic EPS	120859219	119848203
Earning per share (EPS) Basic (Rupees)	8.48	8.36
<b>b) Earning Per Share (EPS) Diluted.</b>		
Profit for the Year	102.47	100.17
Interest on FCCB (Net of Tax Effect)	1.42	0.72
<b>Total</b>	<b>103.89</b>	<b>100.89</b>
Weighted average no. of ordinary shares of Rs.10 Each for Basic EPS	120859219	119848203
Add: Adjustment for Conversion of FCCBs in to Equity Shares	15872294	16883311
<b>Total Weighted average no of ordinary shares for Diluted EPS</b>	<b>136731513</b>	<b>136731514</b>
Earning per share (EPS) Diluted (Rupees)	7.60	7.38

#### 12.0 Capital Work-in-progress:

Expenses incurred towards On-going Projects under various heads of capital assets including advances paid to suppliers are as under:

	2009-10	2008-09
(1) Land, Buildings Site development expenses	215.66	103.47
(2) Plant & Machinery	276.89	118.30
(3) Consultant fees	8.33	5.22
(4) Other Fixed Assets	1.39	1.94
(5) Preoperative expense	77.75	63.20
(6) Advances to Suppliers	64.42	130.12
(7) Sundry Creditors	(10.49)	(8.95)
<b>TOTAL</b>	<b>633.95</b>	<b>413.30</b>

**Note:-** CWIP includes Rs.144.52 Crores of assets being built on plots yet to be transferred in the name of the Company.

13.0 During the year, Atlantis International Service Company Limited a wholly owned subsidiary has been incorporated on 8<sup>th</sup> Day of June 2009 in British Virgin Island (BVI).

14.0(a) **List of Related Parties As per Accounting Standard 18 (AS.18) with whom the Company have entered into transactions during the year in the ordinary course of business:**

(i) **Key Managerial Personnel:**

Rajinder Miglani  
Praveen Miglani  
Anuj Miglani  
Ankit Miglani





(b) No commission is being paid to Directors. Hence, the computation of net profit under Section 349 of the Companies Act, 1956 is not given.

**17.0** Additional information pursuant to paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956.

**(a) Capacity and Production**

	Installed Capacity (M.T)		Production (M.T)	
	31.03.2010	31.03.2009	2009-10	2008-09
i) Galvanised Coils / Sheets/ Slit Coils (Ref Note .1)	750000	750000	605814	524751
ii) Colour Coated Coils/Sheets/Slit Coils (Ref. note.2)	90000	90000	70497	49490
iii) Cold Rolled Coils/Sheets/ Slit Coils (Ref note 3 )	960000	900000	741588	606982
iv) Less: Captive Consumption (CR)			542562	506203
Less: Captive Consumption (GP)			71080	51604
<b>TOTAL SALEABLE STEEL (i + ii + iii - iv)</b>			<b>804257</b>	<b>623416</b>

**(b) Finished Goods and Sales**

		Opening		Closing		Sales	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Galvanised Products	Rs.Crores	54.55	44.07	67.25	54.55	2036.43	2236.07
	M.T.	16323	10934	16322	16323	534734	468224
Colour Coated Products	Rs.Crores	4.95	23.36	4.67	4.95	321.51	305.83
	M.T.	1126	5192	964	1126	70152	53303
C.R. Coils	Rs.Crores	9.50	58.73	17.60	9.50	710.13	515.53
	M.T.	3118	16376	4878	3118	197266	114292
Arisings, H.R. Coil rejects, Service Centre & Others	Rs.Crores	8.30	14.49	7.17	8.30	1605.79	1452.32
	M.T.	2803	4660	2398	2803	551693	383636
<b>Total</b>	Rs.Crores	<b>77.30</b>	<b>140.65</b>	<b>96.69</b>	<b>77.30</b>	<b>4673.86</b>	<b>4509.75</b>

- Notes:** (1) Galvanised Production does not include Nil GP Coils purchased, processed to GC and sold. (Previous Year 465 MT)
- (2) Colour Coating Line production includes 507 MT CC Sheets consumed for Capital Projects. (Previous Year 253 MT)
- (3) Production of 4297 MT CR Baby coil is not included in the aforesaid production. (Previous Year 10251 MT)
- (4) Previous Year figures have been regrouped and reclassified to make them comparable with figures of Current Year.

**(c) Raw Materials Consumed**

	For the Year 2009-10		For the Year 2008-09	
	Qty. MT	Rs. in Crores	Qty. MT	Rs. in Crores
H.R & CR Coils	939424	2260.40	700851	2106.00
Zinc, Metals & Paints	27417	297.15	24838	241.37
	<b>966841</b>	<b>2557.55</b>	<b>725689</b>	<b>2347.37</b>
Less: Used for packing / Capitalised	7827	22.40	7584	25.20
<b>Total Raw Material Consumed</b>	<b>959014</b>	<b>2535.15</b>	<b>718105</b>	<b>2322.17</b>





- 19.1 In compliance with Accounting Standard 27 on Financial Reporting of Interest in Joint Ventures, following disclosures are made in respect of jointly controlled entities in which the Company is a joint venturer:

Particulars	Texturing Technologies Private Limited
Country of Incorporation	India
Percentage of Share in Joint Venture	50%
	<b>Rs. in Crores</b>
Assets	10.28
Liabilities	7.23
Income	0.02
Expenditure	0.02
Capital Commitments	NIL
Contingent Liabilities	NIL

- 19.2 During the year the company has entered into financial derivative transactions to hedge its exposure to foreign currency transactions. The outstanding position as on 31<sup>st</sup> March, 2010 in respect of forward covers related to imports/exports is Rs.79.34 Crores.

**20.0 Foreign Currency Expenditure & Earnings:**

(Rs. in Crores)

	2009-10	2008-09
<b>(a) Expenditure in Foreign Currency</b>		
(i) Interest	51.26	57.80
(ii) Legal, Professional & Consultation fee	0.56	2.79
(iii) Commission	6.70	15.36
(iv) International Freight	21.89	51.94
(v) Travelling Expenses	0.42	0.49
(vi) Others	0.14	0.63
<b>(b) Earnings in Foreign Currency:</b>		
(i) Exports on F.O.B. value	1367.48	2227.88
(ii) Interest	0.23	–

**Signatures to Schedules A to P**

As per my report attached

**For Prakash Muni & Associates**  
Chartered Accountants  
Firm Registration No.: 111792W

**Prakash R Muni**  
Proprietor

Membership No.: 30544

Place : Mumbai

Dated : 29<sup>th</sup> May, 2010.

For and on behalf of the Board

**Rajinder Miglani**  
Chairman & Managing Director

**Anuj Miglani**  
Deputy Managing Director

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

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2010

(Rs. in Crores)

PARTICULARS	2009-10	2008-09
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax and Extraordinary Items	152.47	101.36
Provision for Doubtful Debts	1.68	0.00
Adjustments for Depreciation	112.70	92.37
(Profit) / Loss on Sale of Assets	0.00	0.12
Interest & Financial Charges	185.39	165.63
<b>Operating Profit Before Working Capital Changes</b>	<b>452.23</b>	<b>359.48</b>
Adjustments for :		
(Increase)/Decrease in Trade and other Receivables	84.24	(253.19)
(Increase)/Decrease in Inventories	(155.40)	353.99
Increase/(Decrease) in Trade Payables	(198.91)	23.11
Cash Generated from Operations	182.15	483.39
Direct Taxes Paid (Net of Refunds)	(23.10)	(12.68)
Prior Period Expenses (Net)	5.61	
<b>Cash Flow from Operating Activities</b>	<b>164.66</b>	<b>470.71</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(419.51)	(692.19)
Sale of Fixed Assets	0.00	0.47
Purchase of Investments / Investments in Subsidiaries	(0.21)	(4.73)
Sale of Investments	0.00	48.04
Interest/Dividend Received	6.06	3.51
<b>Net Cash Used in Investing Activities</b>	<b>(413.66)</b>	<b>(644.90)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Application /Call Money on Share Capital	2.42	5.88
Securities Premium received	8.47	14.20
Redemption of Preference Shares	0.00	(1.50)
Redemption / Conversion of FCCB	(22.31)	(42.02)
Proceeds from Long Term Borrowings	643.93	358.67
Repayments of Long Term Borrowings	(168.81)	(69.65)
Interest & Financial Charges Paid	(186.84)	(182.45)
Gain / (Loss) on Forward Contracts	(4.60)	13.31
Proceeds/(Repayments) of Deferred Sales Tax Loan/ICD/Unsecured Loans	(20.02)	198.87
<b>Net Cash Generated from Financing Activities</b>	<b>252.23</b>	<b>295.31</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>3.23</b>	<b>121.12</b>
Cash & Cash Equivalents (Opening)	153.00	31.88
Cash & Cash Equivalents (Closing)	156.23	153.00

- Notes :**
- Cash Flow Statement has been prepared following the indirect method except in case of interest paid / received, dividend paid / received, purchase and sale of Investments which have been considered on the basis of actual movements of cash with necessary adjustments in the corresponding assets and liabilities.
  - Purchase of Fixed Assets includes movement of Capital Work in Progress between the beginning and end of the year and net of Creditors for Capital Expenditure.
  - Cash and Cash Equivalents represent Cash & Bank balances and bank deposits only.

As per my report attached

For and on behalf of the Board

For **Prakash Muni & Associates**

Chartered Accountants

Firm Registration No.: 111792W

**Prakash R Muni**

Proprietor

Membership No.: 30544

Place : Mumbai

Dated : 29<sup>th</sup> May, 2010.

**Rajinder Miglani**  
Chairman & Managing Director

**Anuj Miglani**  
Deputy Managing Director

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



ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV TO THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

**1 Registration Details:**

Registration No.	35806	State Code:	11
Balance Sheet Date:	31/03/2010		

**2 Capital raised during the year (Rs. in Crores):**

Public Issue:	NIL	Rights Issue:	NIL
Bonus Issue:	NIL	Private Placements (GDR)	NIL

**3 Position of mobilisation and deployment of funds (Rs. in Crores):**

Total Liabilities	3013.04	Total Assets	3013.04
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**Sources of Funds**

Paid up Share Capital	122.26
Share Application Money	NIL
Reserves and Surplus	847.29
Secured Loan	1752.60
Unsecured Loans	290.89

**Application of Funds**

Net Fixed Assets	2504.63
Investments	8.02
Net Current Assets	500.39
Miscellaneous Expenses	NIL
Accumulated Losses	NIL

**4 Performance of Company (Rs. in Crores Except Earning Per Share):**

Turnover	4495.66	Total Expenditure	4343.89
Profit/(Loss) before Tax	152.47	Profit/(Loss) After Tax	102.47
Earning Per Share	8.48	Dividend (%)	NIL

**5 Generics Names of Principal Products, Services of the Company:**

Item Code No.:	7209	Product Description:	Colled Rolled Annealed and Unannealed Sheets and Coils
Item Code No.:	7210	Product Description:	Galvanized Plain and Corrugated Sheets

As per my report attached  
**For Prakkash Muni & Associates**  
Chartered Accountants  
Firm Registration No.: 111792W  
**Prakkash R Muni**  
Proprietor  
Membership No.: 30544  
Place : Mumbai  
Dated : 29<sup>th</sup> May, 2010.

For and on behalf of the Board

**Rajinder Miglani**  
Chairman & Managing Director

**Anuj Miglani**  
Deputy Managing Director

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





UTTAM GALVA HOLDINGS LIMITED  
DIRECTORS' REPORT YEAR ENDED  
MARCH 31, 2010

UTTAM GALVA HOLDINGS LIMITED  
INDEPENDENT AUDITOR'S REPORT

The Directors have the pleasure of presenting their report together with the audited financial statements of Uttam Galva Holdings Limited for the year ended March 31, 2010.

**FINANCIAL RESULTS**

	Figures in AED	
	2010 (12 Months)	2009 (13 Months)
Net loss for the year / period	(12,750)	(127,550)

**DIVIDENDS**

The Directors recommend that no dividend be declared for the financial year ended March 31, 2010.

**BOARD OF DIRECTORS**

During the year there were no changes in the composition of the Board of Directors of the Company.

**AUDITORS**

M/s UHY Saxena, Chartered Accountants, will retire at the conclusion of the meeting, have expressed their willingness to continue in office and are eligible for re-appointment.

**OTHER MATTERS**

At the end of this report the Board of Directors are not aware of any circumstances not otherwise dealt with in this report or the accounts, which would render any amount stated in the accounts misleading.

**ACKNOWLEDGEMENT**

The Board of Directors would like to express their gratitude and appreciation to all shareholders, clients, business partners and staff whose continued support has been a source of great strength and encouragement.

**On behalf of the Board of Directors**

Rajinder Miglani  
Director

Dubai  
United Arab Emirates  
May 11, 2010

**The Shareholders,**

**Uttam Galva Holdings Limited**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Uttam Galva Holdings Limited, ("the Company"), which comprise of the Balance Sheet as at March 31, 2010, Statement of Income, Statement of Change in Equity, Statement of Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory notes.

**MANAGEMENT' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Board of Directors are responsible for the preparation of these financial statements in accordance with International Financial Reporting Standards and the Offshore Companies Regulations of 2003 issued by the Jebel Ali Free Zone Authority. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the financial statement based on our audit. We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit so as to obtain all information and explanations which we consider necessary to provide reasonable assurance whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

Uttam Galva Steels Limited

reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**OPINION**

In our opinion, the financial statements, referred to above, present fairly, in all material aspects, the financial position of Uttam Galva Holdings Limited as of March 31, 2010 and of its financial performance and cash flows for the year then ended in conformity with International Financial Reporting Standards.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

We also confirm that in our opinion proper books of

accounts have been kept by the Company and the contents of the report of the Board of Directors and the Company records which relates to these financial statements are in agreement with the books of accounts. We have obtained all the information and explanations we required for the purpose of our audit and to the best of our knowledge and belief, are not aware of any violations of the Offshore Companies Regulations of 2003 issued by the Jebel Ali Free Zone Authority or the articles of association of the Company have occurred during the year which would have had a material effect on the business of the Company or on its financial position.

Dubai  
May 11, 2010

**UHY Saxena**  
Chartered Accountants

UTTAM GALVA HOLDINGS LIMITED  
BALANCE SHEET AS AT MARCH 31, 2010

	Note	2010	2009
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	5	1,000,000	1,000,000
<b>Current assets</b>			
Bank balances and cash	6	5,000	5,000
Total assets		1,005,000	1,005,000
<b>LIABILITIES AND EQUITY</b>			
<b>Equity</b>			
Share capital	7	1,000,000	1,000,000
Retained losses		(140,300)	(127,550)
Shareholders' account	8	138,300	121,050
		998,000	993,500
<b>Current liabilities</b>			
Provisions and accruals	9	7,000	1,500
Total liabilities and equity		1,005,000	1,005,000

These financial statements were approved by the Board of Directors on May 11, 2010 and signed by:

Rajinder Miglani  
Director

Anuj Miglani  
Director

Ankit Miglani  
Director



UTTAM GALVA HOLDINGS LIMITED  
STATEMENT OF INCOME YEAR ENDED MARCH 31, 2010

(Figures in AED)			
	Note	2010 (12 Months)	2009 (13 Months)
<b>Expenses</b>			
General and administration	10	12,750	127,550
		<u>12,750</u>	<u>127,550</u>
<b>Net loss for the year / period</b>		<u>(12,750)</u>	<u>(127,550)</u>

UTTAM GALVA HOLDINGS LIMITED  
STATEMENT OF CHANGE IN EQUITY YEAR ENDED MARCH 31, 2010

(Figures in AED)			
	Share Capital	Retained Losses	Total
Issue during the period	1,000,000	Nil	1,000,000
Net loss for the period	Nil	(127,550)	(127,550)
<b>As at March 31, 2009</b>	1,000,000	(127,550)	872,450
Net loss for the year	Nil	(12,750)	(12,750)
<b>As at March 31, 2010</b>	<u>1,000,000</u>	<u>(140,300)</u>	<u>859,700</u>

UTTAM GALVA HOLDINGS LIMITED  
STATEMENT OF CASH FLOWS YEAR ENDED MARCH 31, 2010

(Figures in AED)		
	2010 (12 Months)	2009 (13 Months)
<b>Cash Flow from Operating Activities</b>		
Net loss for the year / period	(12,750)	(127,550)
<b>Change in Working Capital:</b>		
Change in provisions and accruals	(4,500)	11,500
Net cash used in operating activities	(17,250)	(116,050)
<b>Cash Flow from Investing Activities</b>		
Investment in subsidiary	Nil	(1,000,000)
Net cash used in investing activities	Nil	(1,000,000)
<b>Cash Flow from Financing Activities</b>		
Issue of shares	Nil	1,000,000
Shareholders' account	17,250	121,050
Net cash generated from financing activities	17,250	1,121,050
Net increase in cash and cash equivalents	Nil	5,000
Cash and cash equivalents at beginning of the year	5,000	Nil
Cash and cash equivalents at end of the year	<u>5,000</u>	<u>5,000</u>





stated at cost less impairment losses. These are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. The Company derecognises financial liabilities when they are discharged, cancelled or expired. Financial liabilities are recognised at cost, or where the impact is material at amortised cost using the effective interest method. These are included in current liabilities, except for maturities greater than 12 months after the balance sheet which are classified as non-current liabilities. Non-derivative financial instruments comprise of long-term receivables, investment in marketable securities, trade and other receivables, amounts due from related parties, cash in hand and at bank, trade and other payables, security deposits, amounts due to related parties, short term bank borrowings, long term bank loans and long term payable.

Non-derivative financial instruments are recognised initially at fair value, and instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

*Instrument at fair value through profit or loss*

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair values. Upon initial recognition, attributable transaction costs are recognised in the income statement when incurred. Financial instruments at fair value through the profit or loss are measured at fair value, and changes therein are recognised in the income statement.

*Others*

Other non-derivative financial instruments are measured at amortised cost using the effective interest method less impairment losses, if any.

**Provisions**

Provisions are recognised when the Company has a present obligation as a result of past event and it is probable that the outflow of resources will be required to settle the obligation. Provisions are based on Management's estimate of the expenditure and can be reliably measured.

**Impairment**

**Financial Asset**

A Financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at effective interest rate. Impairment losses, if any are recognized in the statement of income.

**Non-Financial Asset**

The carrying amounts of the Company's non financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses, if any, are recognised in the statement of income.

**Foreign Currencies**

Foreign currency transactions are recorded in Arab Emirates Dirhams at the approximate rate of exchange prevailing at the time of transaction. Foreign currency balances of monetary assets and liabilities are translated to Arab Emirates Dirhams at the rate of exchange prevailing at the date of balance sheet.





historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements, and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as explained in Note 2.

**UTTAM GALVA HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2010**

(Figures in AED)

	2010	2009
<b>5 Investments</b>		
1 Share of AED 10,00,000 in Ferro Zinc International FZE	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>
<b>6 Bank Balances and Cash</b>		
Balance in local currency bank accounts	<u>5,000</u>	<u>5,000</u>
	<u>5,000</u>	<u>5,000</u>
Bank balances are subject to confirmation.		
<b>7 Share Capital</b>		
10,000 shares of AED 100 each	<u>1,000,000</u>	<u>1,000,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>
<b>8 Shareholders' Account</b>		
Uttam Galva Steels Limited	<u>138,300</u>	<u>121,050</u>
	<u>138,300</u>	<u>121,050</u>
<b>9 Provisions and Accruals</b>		
Accrued expenses	<u>7,000</u>	<u>11,500</u>
	<u>7,000</u>	<u>11,500</u>
<b>10 General and Administration Expenses</b>		
Legal and professional	<u>12,750</u>	<u>127,550</u>
	<u>12,750</u>	<u>127,550</u>
<b>11 Contingent Liabilities</b>		

As represented by the management except for the ongoing purchase commitments in the normal course of business against which no loss is expected, there are no other known contingent liabilities existing at the balance sheet date.

**12 Comparative Figures**

Certain of the prior year figures have been regrouped to conform with the presentation of the current year.

**These financial statements were approved by the Board of Directors on May 11, 2010 and signed by:**

**Rajinder Miglani**  
Director

**Anuj Miglani**  
Director

**Ankit Miglani**  
Director





appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **OPINION**

In our opinion the financial statements, referred to above, present fairly, in all material aspects, the financial position of Ferro Zinc International FZE as of March 31, 2010, and of its financial performance and cash flows for the period then ended in conformity with International Financial Reporting Standards.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

We also confirm that in our opinion proper books of accounts have been kept by the Company and the contents of the report of the Directors and the Company records which relates to these financial statements are in agreement with the books of accounts. We have obtained all the information and explanations we required for the purpose of our audit and to the best of our knowledge and belief, are not aware of any violations of the Laws and Implementing Regulations issued by the Jebel Ali Free Zone Authority or the memorandum and articles of association of the Company have occurred during the period which would have had a material effect on the business of the Company or on its financial position.

**UHY Saxena**  
Chartered Accountants

Dubai  
May 11, 2010

### FERRO ZINC INTERNATIONAL FZE BALANCE SHEET AS AT MARCH 31, 2010

	Note	(Figures in AED) 2010
<b>ASSETS</b>		
<b>Current assets</b>		
Bank balances and cash	5	1,000,000
Total assets		<u>1,000,000</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	6	1,000,000
Retained earnings		<u>(36,850)</u>
		<u>963,150</u>
<b>Current liabilities</b>		
Provisions and accruals	7	4,000
Due to Related Party	8	<u>32,850</u>
Total liabilities and equity		<u>1,000,000</u>

These financial statements were approved by the Board of Directors on May 11, 2010 and signed by:

**Rajinder Miglani**  
Director

**Anuj Miglani**  
Director

**Ankit Miglani**  
Director





FERRO ZINC INTERNATIONAL FZE  
NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2010

**1. LEGAL STATUS AND BUSINESS ACTIVITY**

**Legal Status**

Ferro Zinc International FZE is a Free Zone Establishment formed with limited liability pursuant to Law No. 9 of 1992 and the Implementing Regulations issued there under by the Jebel Ali Free Zone Authority of Dubai in the United Arab Emirates under registration number 116269 and operates under trading license number 112588.

**SHAREHOLDERS**

The shareholder of the Company is :

Name	Number of Shares	% of Shares
Uttam Galva Holdings Limited	1	100

**MANAGEMENT**

The Company is managed by its Board of Directors.

**Business Activity**

The Company is engaged in the trading of building metal products, pre-fabricated houses, pipes and fittings, insulation and protection materials, workshop equipment, machinery and spare parts, metal alloys, basic steel products, basic non ferrous metal products, metal drums and barrels, metal cans and containers, cargo containers and metal ores.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB and applicable requirements of UAE laws. Significant accounting policies, adopted and applied consistently in dealing with items that are considered material in relation to these financial statements, are set below.

**Accounting Convention**

The financial statements have been prepared under the historical cost convention basis.

**Financial Instruments**

Financial assets are recognised when the Company becomes a party to the contractual provision of the financial instrument. Financial assets are derecognised when the contractual rights to receive the cash flows expire or substantially all the risks and rewards of ownership have been transferred. These are stated at cost less impairment losses. These are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. The Company derecognises financial liabilities when they are discharged, cancelled or expired. Financial liabilities are recognised at cost, or where the impact is material at amortised cost using the effective interest method. These are included in current liabilities, except for maturities greater than 12 months after the balance sheet which are classified as non-current liabilities.

Non derivative financial instruments comprise of long-term receivables, investment in marketable securities, trade and other receivables, amounts due from related parties, cash in hand and at bank, trade and other payables, security deposits, amounts due to related parties, short term bank borrowings,





### 3 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

#### Financial Risk Management

The Company is exposed to financial risks of markets mainly related to currency risk, interest rate risks, other price risks, credit risks and liquidity risk. The Company's policies and procedures keeps the Management updated on these risks and it takes appropriate measures to control or minimise its adverse effects if any on the financial position and performance of the Company.

#### Market Risks

Market risks is the risk that changes in market prices, such as interest rates, equity prices and currency rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risks exposures within acceptable parameters, while optimising the returns on the risks.

#### Currency Risk

The Company's substantial assets and liabilities are denominated in Arab Emirates Dirhams or in United States Dollars to which the Arab Emirate Dirham is fixed, hence there is no material exchange rate risks.

#### Interest Rates

The Company has no interest rate risk as at the year end under review.

#### Credit Risk

Credit risk is the risk of financial loss to the Company if the customer or counterparty to the financial instrument fails to meet its contractual obligations. The Financial assets which subject the company concentration of credit risk consist of principally cash and bank balance. The Company's bank account are placed with regulated financial institutions.

#### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities and obligations as and when they fall due without having to face any losses which may adversely effect the Company's financial position and reputation.

#### Fair Values

At the balance sheet date, the carrying amounts of the financial assets and financials liabilities represent their fair values.

#### Capital Risk Management

The Company's objectives in maintaining capital are:

- To enable it to continue as a going concern and to maximise the wealth and returns to its shareholders.
- To have sufficient resources for Company's future expansion and development.

The Company manages its capital requirement funds through funding from ultimate holding company.

### 4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of accounting policies that have the most





ATLANTIS INTERNATIONAL  
SERVICES COMPANY LIMITED  
DIRECTORS' REPORT PERIOD  
ENDED MARCH 31, 2010

The Directors hereby present their Report together with the audited financial statements of Atlantis International Services Company Limited for the period ended March 31, 2010.

**FINANCIAL RESULTS**

	Figures in USD Million
	2010 (10 Months)
Turnover	41.64
Net Profit for the year	0.78

During the year the Company was formed and incorporated at British Virgin Islands on 8<sup>th</sup> day of June 2009 under the BVI Business Companies Act 2004. The Company has taken USD 40 Million Invoice Financing Facility from Standard Chartered Bank, Singapore. This facility is secured by way of Corporate Guarantee issued by Uttam Galva Steels Limited (UGSL).

**AUDITORS**

The Company has appointed Kingston Smith LLP, Chartered Accountants, Devonshire House, 60 Goswell Road, London – EC1M 7AD to audit financial statements of the company for the financial year ended March 31, 2010.

Kingston Smith LLP Chartered Accountants will retire at the conclusion of the Annual General Meeting.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

The directors have decided to prepare the financial

statements in accordance with United Kingdom Generally Accepted Accounting Practice (UKGAAP). In Preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

**OTHER MATTERS**

At the end of this Report, the Board of Directors are not aware of any circumstances not otherwise dealt with in this report or the accounts, which would render any amount stated in the account misleading.

**ACKNOWLEDGEMENT**

The Board of Directors would like to express their gratitude and appreciation to all shareholders, clients, business partners and staff whose continued support has been source of great strength and encouragement.

On Behalf of the Board of Directors

Ankit Miglani  
Director

British Virgin Island  
Dated: May 24, 2010.





ATLANTIS INTERNATIONAL SERVICES COMPANY LIMITED  
BALANCE SHEET AS AT MARCH 31, 2010

(Figures in USD Million)

	Note	2010
<b>Assets</b>		
<b>Current Assets</b>		
Receivables (falling due within one year)	5	41.64
Bank Balance & Cash	6	0.94
Prepaid Expenses	7	0.48
Total Assets		<u>43.05</u>
<b>Liabilities &amp; Shareholders' Fund</b>		
<b>Shareholders' Funds</b>		
Equity Share Capital	8	0.05
Retained Profit		0.78
Shareholder's Account	9	2.06
		<u>2.89</u>
<b>Current Liabilities</b>		
Invoice Financing Facility (IFF) from Standard Chartered Bank, Singapore	10	39.99
Provisions & Accruals	11	0.17
		<u>40.16</u>
<b>Total Liabilities &amp; Shareholders' Fund</b>		<u>43.05</u>

These financial statements were approved by the Board of Directors on 24<sup>th</sup> May, 2010 and signed by:

**ANKIT MIGLANI**  
DIRECTOR

**TREVOR CAMPBELL SMITH**  
DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2010

(Figures in USD Million)

	Note	2010
Income		(10 months)
Export Sales		41.64
Total Income		<u>41.64</u>
<b>Expenses</b>		
Material Cost		40.04
General & Administrative Expenses	12	0.11
Interest & Finance Cost		0.71
Total Expenses		<u>40.86</u>
<b>Net Profit for the period</b>		<u>0.78</u>

There are no recognized gains or losses for the period other than those passing through the profit and loss account.





**Shareholders**

The Shareholder of the company is:

Name	Number of Shares	% of Share
Uttam Galva Steels Ltd.	5000	100

**Management**

The Management of the company comprises of:

<b>Board of Directors</b>	<b>Ankit Miglani</b> <b>Trevor Campbell Smith</b>
---------------------------	--

**Business Activities**

Trading in all kinds of steel including mild, high carbon spring, high speed tools alloys, stainless steel metals etc.

2. **Summary of Significant Accounting Policies**

The Financial statements are prepared in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UKGAAP), which have been applied consistently (except as otherwise stated).

Significant accounting policies, adopted & applied consistently in dealing with items that are considered material in relation to these financial statements are set out below:

**Accounting Convention**

The financial statements have been prepared under the historical cost convention basis.

**Turnover**

Turnover represents the net invoiced amount receivable from customers.

**Financial Instruments**

Financial assets are recognised when the Company becomes a party to the contractual provision of the financial instrument. Financial assets are derecognised when the contractual rights to receive the cash flows expire or substantially all the risks and rewards of ownership have been transferred. These are stated at cost less impairment losses. These are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument. The Company derecognises financial liabilities when they are discharged, cancelled or expired. Financial liabilities are recognised at cost, or where the impact is material at amortised cost using the effective interest method. These are included in current liabilities, except for maturities greater than 12 months after the balance sheet which are classified as non-current liabilities.

Non derivative financial instruments comprise of long-term receivables, investment in marketable securities, trade and other receivables, amounts due from related parties, cash in hand and at bank, trade and other payables, security deposits, amounts due to related parties, short term bank borrowings, long term bank loans and long term payable.

Non-derivative financial instruments are recognised initially at fair value, and instruments not at fair value through profit or loss any directly attributable transactions costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

**INSTRUMENT AT FAIR VALUE THROUGH PROFIT OR LOSS**

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair values. Upon initial recognition, attributable transaction costs are recognised in the income statement when incurred. Financial instruments at fair value through the profit or loss are measured at fair value, and changes therein are recognised in the income.

**OTHERS**

Other non-derivative financial instruments are measured at amortised cost using the effective interest method less impairment losses, if any.

**PROVISIONS**

Provisions are recognised when the Company has a present obligation as a result of past event and it is





#### FAIR VALUES

At the balance sheet date, the carrying amounts of the financial assets and financial liabilities represent their fair values.

#### CAPITAL RISK MANAGEMENT

The Company's objectives in maintaining capital are:

- To enable it to continue as a going concern and to maximise the wealth and returns to its shareholders.
- To have sufficient resources for Company's future expansion and development. The Company manages its capital requirement through own sources.

#### 4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments made by the management in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements, and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as explained in **Note 2**.

(Figures in USD Million)

	2010
5. Receivables	
Uttam Galva Steels Limited	36.62
Executive Trading Company Private Limited	<u>5.01</u>
	<u>41.63</u>
6. Bank Balances & Cash	
Balance in Local Currency Bank Account	0.94
7. Prepaid Expenses	
Prepaid Insurance premium	0.48
8. Share Capital	
5000 equity shares of USD 10 each	0.05
9. Shareholder's Account	
Uttam Galva Steels Limited	2.05
10. Current Liabilities	
Invoice Financing Facility from Standard Chartered Bank, Singapore	39.99
11. Provisions & Accruals	
Interest accrued but not due	0.17
Provision for Audit fee	<u>0.01</u>
	<u>0.18</u>





AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF UTTAM GALVA  
STEELS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF  
UTTAM GALVA STEELS LIMITED AND ITS SUBSIDIARIES AND JOINT  
VENTURES.

1. I have audited the attached consolidated Balance Sheet of **UTTAM GALVA GROUP OF COMPANIES** as at March 31, 2010, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. My responsibility is to express an opinion on these financial statements based on my audit.
2. I have conducted my audit in accordance with auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.
3. I did not audit the financial statements of certain subsidiaries, whose financial statements reflect Total Assets (net) of Rs.188.60 Crores as at March 31, 2010, Total Revenues (net) of Rs. 23.29 Crores and Net Cash Inflow amounting to Rs.5.67 Crores for the year ended as considered in the Consolidated Financial Statements. These Financial statements and other financial information have been audited by other auditors, whose reports are furnished to me by the management of the Group, and my opinion is solely based on the reports of other auditors.
4. I report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirement of Accounting Standard (AS) 21, "Consolidated Financial Statements" and Accounting Standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" as notified by Companies (Accounting Standards) Rules, 2006.
5. Based on my audit and on the consideration of reports of other auditor on separate financial statements and on the other financial information of the components, and to the best of my information and according to the explanations given to me, I am of the opinion that the attached Consolidated Financial Statements gives a true and fair view and in conformity with the accounting principles generally accepted in India:
  - a. in case of the Consolidated Balance Sheet, of the state of affairs of the Uttam Galva Steels Limited Group as at March 31, 2010;
  - b. in the case of the Consolidated Profit and loss account, of the profit of the Group for the year ended on that date; and
  - c. in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

**For Prakash Muni & Associates**

*Chartered Accountants*

Firm Registration No: 111792W

**Prakash R. Muni**

*Proprietor*

Membership No.: 30544.

Place : Mumbai

Date : 29<sup>th</sup> May, 2010.





CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2010  
(Rs. in Crores)

	Schedule	31.03.2010	31.03.2009
<b>INCOME</b>			
<b>Sales :</b> Local		3258.80	2164.13
Export		1438.34	2345.62
<b>Gross Sales</b>		4697.14	4509.75
<b>Less:</b> Excise Duty		(178.21)	(138.11)
		4518.93	4371.64
Other Income	I		
Non Operational		0.74	0.43
		0.74	0.43
<b>TOTAL</b>		4519.67	4372.07
<b>EXPENDITURE</b>			
Materials Cost	J	3618.17	3482.77
(Increase)/Decrease in Stock	J	(19.81)	57.78
Other Manufacturing Expenses	K	214.61	196.93
Selling & Distribution Expenses	L	161.86	198.12
Payment to Employees	M	57.55	50.09
Administrative Cost	N	33.14	27.00
		4065.52	4012.69
Profit before Interest & Depreciation		454.15	359.38
Interest & Financial Charges (Net)	O	188.67	165.63
Profit/(Loss) before Depreciation		265.48	193.75
Depreciation		112.70	92.37
Profit / (Loss) before Tax		152.78	101.38
<b>Less :</b> Provision for Tax -MAT		25.91	11.48
<b>Less :</b> Provision Deferred Tax		32.02	-
<b>Less :</b> Provision for Wealth Tax		0.05	-
<b>Add :</b> MAT Credit Entitlements		(7.98)	(10.85)
<b>Less :</b> Provision for Fringe Benefit Tax		-	0.56
Profit / (Loss) after Tax		102.78	100.19
<b>Add: Balance B/F from Earlier Years</b>		522.19	423.50
<b>Less / (Add):</b> Adjustments pertaining to prior years - Taxes		5.61	-
<b>Less / (Add):</b> Adjustments pertaining to prior years - Deferred Taxes		39.73	-
<b>Less / (Add) :</b> Adjustment for prior period items		0.15	-
Profit / (Loss) Available for Appropriations		579.48	523.69
Appropriated as under:			
(i) Balance Transfered to Capital Redemption Reserve		-	1.50
(ii) Balance Transfered to Debenture Redemption Reserve		12.50	-
<b>Balance Carried to Balance Sheet</b>		566.98	522.19
Basic Earnings Per share (in Rs.)		8.50	8.36
Diluted Earnings Per share (in Rs.)		7.62	7.38
<b>ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	P		

As per my report attached

**For Prakash Muni & Associates**  
Chartered Accountants  
Firm Registration No.: 111792W

**Prakash R Muni**  
Proprietor

Membership No.: 30544  
Place : Mumbai  
Dated : 29<sup>th</sup> May, 2010.

For and on behalf of the Board

**Rajinder Miglani**  
Chairman & Managing Director

**Anuj Miglani**  
Deputy Managing Director

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





**Notes:**

Serial number of Notes correspond to serial numbers of Loans mentioned earlier.

- (1) a) Term Loans availed from ICICI, IDBI, LIC, IFCI, Kotak Mahindra Bank (originally from IIBI), UII, GIC, Canara Bank, IOB, OBC, Corporation Bank, Union Bank, Allahabad Bank, Dena Bank, Syndicate Bank and Axis Bank, ranking pari passu inter-se are secured by mortgage of all immoveable properties and hypothecation of all moveable properties including moveable machineries, machinery spares, tools and accessories, both present and future except Packing Machine supplied by PESMEL, Finland and Captive Power Plants Equipments.
- The previous Rupee Term Loan of Rs. 334.31 Crores (Rs. 415.52 Crores) are secured by personal guarantee of two Directors, and Rs. 298.90 Crores (244.47 Crores) are secured by the personal guarantee on one Director.
- The Fresh Rupee Term Loan of Rs. 315 Crores sanctioned and disbursed during the year are secured by personal guarantee of one Director.
- The Power Plant Equipments are exclusively charged to IDBI, IDFC and State Bank of Mysore for Term Loan sanctioned of Rs. 221 Crores and disbursed Rs. 176.42 Crores (114.20 Crores).
- The Rupee Term Loan for Captive Power Plant is secured by personal guarantee of one Director.
- b) i) ECB Loan of
- USD 1.25 million (USD 3.75 million) equivalent to Rs.5.70 Crores (Rs.19.29 Crores) from Bank of India;
- USD 0.937 million (USD 2.1875 million) equivalent to Rs.4.27 Crores (Rs.11.25 Crores) from Syndicate Bank;
- USD 42.50 million (USD 47.50 million) equivalent to Rs.193.71 Crores (Rs.244.39 Crores) syndicated by ICICI Bank, (as Facility Agent) are secured by mortgage of all immovable properties and hypothecation of all movable properties including movable machineries, machinery spares, tools and accessories both present and future except Packing Machine supplied by PESMEL, Finland and Captive Power Plant Equipments.
- The above mentioned ECB Loans are secured by personal guarantee of two Directors.
- ii) ECA of USD 2.501 million (USD 2.9185 million) equivalent to RS. 11.40 Crores (Rs. 15.02 Crores) is secured by hypothecation of Packing Machine supplied by PESMEL, Finland.
- (2) During the year 2009-10, the Company has issued 2000, 11.25% Redeemable, Non Convertible Debentures of Rs 10 lacs each, secured by first pari passu mortgage & charge on all movable properties including movable machines, machine spares, tools and accessories, both present and future except Packing Machine supplied by PESMEL Finland, and Captive Power Plant Equipments.
- Redemption: 4 Semi Annual Installments of 25% each, starting from Sept-2013. The said Redeemable, Non Convertible Debentures are listed on the Wholesale Debt Market (WDM) Segment of Bombay Stock Exchange. Axis Trustee Services has been appointed as Debenture Trustees for the Said Debentures.
- (3) Optionally Fully Convertible / Redeemable Bonds (OFCRB) are Debt Instruments convertible into Equity Shares in the event of non payment on due date, and are secured by :
- (a) first mortgage and charge on the movable & immovable assets present and futures ranking Pari-passu subject to the prior charges on specific movables created/ to be created in favour of company's bankers for working capital borrowings.
- (b) Personal Unconditional Irrevocable Guarantee of two directors.
- Redemption: Redemption is at predetermined premium of Rs.8.88 Crores in five annual installments commencing from 15<sup>th</sup> June, 2010 to 15<sup>th</sup> June, 2014.
- (4) Loans from banks on cash credit accounts are secured by hypothecation of all tangible, moveable properties such as raw material, Work-in-Progress, finished goods, stock in transit and book debts etc. and the second charge on fixed assets of the company except Packing machine supplied by PESMEL, Finland and Captive Power Plant Equipments.
- (5) 25,02,700 equity shares (2,12,24,700) held by the promoters are pledged by them against term loan of Rs.41.04 Crores (Rs.42.24 Crores) availed by the Company.

(Rs. in Crores)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE D : UNSECURED LOANS</b>		
1 a) Short Term Loans	383.18	219.26
b) SICOM Loan	2.77	3.63
	<b>385.95</b>	<b>222.89</b>
2. Foreign Currency Convertible Bonds	68.37	90.04
Premium Accrued But not Due	19.65	20.30
<b>Total Unsecured Loan</b>	<b>473.97</b>	<b>333.23</b>

- (1) Short Term Loans are from IDBI, BOB, Standard Chartered Bank and Balaji Infrastructure Ltd.
- (2) The company has issued Series 'A' US \$ 24 Million and Series 'B' US \$ 20 Million 2 percent Convertible Bonds of face value of US \$ 1000 aggregating to US \$ 44 Million.
- (i) As per the terms of the issue, the bonds are convertible at any time on or after September 18, 2005 and upto the close of business on July 31, 2010 into newly issued, ordinary shares at an initial conversion price of Rs.45.12 per Share with a fixed rate of exchange on conversion of Rs.43.53 = US \$ 1. The conversion price will be subject to certain adjustment in certain circumstances. Out of this, bonds worth USD 9 Million (USD 2.5 Million from Series B and USD 6.5 Million from Series A) have been converted into equity shares in the year 2007-08, and bonds worth USD 2.50 have been converted into equity shares during the year 2009-10.
- (ii) Further, the bonds may subject to certain conditions be redeemed in whole at the option of the Company at any time on or after August 10, 2008 at their Early Redemption Amount.
- (iii) The Series B bonds worth USD 17.50 Million redeemed at the option of a Bondholder on August 9, 2008 at 117.25 per cent of their principal amount. The premium paid on redemption has been charged to Securities Premium Account.
- (iv) Unless previously converted, redeemed or repurchased and cancelled, the bonds will be redeemed on August 10, 2010 at 130.97 per cent of their principal amount.
- (v) FCCB Series 'A':- The Company has opted to treat FCCB as a debt and consequential exchange difference is accounted as additional cost for fixed assets acquired against the same. The assets being in the preoperative stage, exchange difference will be duly amortised over the life span of the asset. In case the said FCCBs are converted into shares at a later date, the same will be reversed appropriately.
- (vi) The Premium accrued on FCCB Series 'A' to the tune of 15.00 Mios, has been provided up to 31<sup>st</sup> March, 2010.
- (vii) These bonds are listed on Singapore Stock Exchange.

**SCHEDULE E : FIXED ASSETS**

(Rs. in Crores)

	RATE SLM %	GROSS BLOCK			DEPRECIATION				NET BLOCK		
		COST 01-Apr-09	ADDITIONS	DEDUC- TION	COST 31-Mar-10	UP TO 1-Apr-09	YEAR ENDED 31-Mar-10	DEDUC- TION	TOTAL	AS AT 31-Mar-10	AS AT 31-Mar-09
Land		41.13	0.88	-	42.01	-	-	-	-	42.01	41.13
Building & Site Development	3.34	412.61	64.33	-	476.94	49.95	14.31	-	64.26	412.68	362.66
Flats/Office Premises	1.63	2.96	-	-	2.96	0.13	0.05	-	0.18	2.78	2.83
Plant & Machinery	5.28	1781.68	103.02	-	1884.70	419.03	95.79	-	514.82	1369.88	1362.65
Furniture & Fixtures	6.33	8.01	5.81	-	13.82	4.91	0.55	-	5.46	8.36	3.10
Office Equipments	13.91	3.12	4.01	-	7.13	2.64	0.34	-	2.98	4.15	0.48
Computer	16.21	8.14	1.20	-	9.34	3.72	1.07	-	4.79	4.55	4.42
Vehicles	9.50	5.72	1.84	-	7.56	1.52	0.52	-	2.04	5.52	4.20
Housing Complex	1.63	3.99	17.79	-	21.78	0.94	0.07	-	1.01	20.77	3.05
<b>Total</b>		<b>2267.36</b>	<b>198.88</b>	<b>-</b>	<b>2466.24</b>	<b>482.84</b>	<b>112.70</b>	<b>-</b>	<b>595.54</b>	<b>1870.70</b>	<b>1784.52</b>
Previous Year		1710.37	557.45	0.47	2267.36	390.64	92.37	0.17	482.84	1784.52	



(Rs. in Crores)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE F: INVESTMENTS</b>		
Unquoted investments		
a) Government Securities	0.01	0.01
b) Investment in Associates / Subsidiaries/ Joint Ventures	0.01	4.43
c) Other Investments	3.56	3.57
	<u>3.58</u>	<u>8.01</u>
<b>SCHEDULE G : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>(A) CURRENT ASSETS</b>		
(a) Inventories (As valued & Certified by the Management)		
Raw Materials	291.62	250.43
Raw Materials - in transit	116.36	3.69
Finished goods	89.52	69.00
Work-in-Process	89.17	88.76
Arisings	7.17	8.30
Packing Material	2.11	1.40
Stores, Spares, Consumables etc.	50.19	72.41
	<u>646.14</u>	<u>493.99</u>
(b) Sundry Debtors		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months.	6.40	12.21
Other Debts	410.47	353.92
Less: Provision for Bad and Doubtful Debts	(2.08)	(0.40)
	<u>414.79</u>	<u>365.73</u>
(c) Cash & Bank Balances		
Cash on Hand	0.08	0.42
Balance in Current Accounts	146.48	61.39
Short Term Deposit/Margin money deposit	15.35	91.20
	<u>161.91</u>	<u>153.01</u>
Sub Total (A)	<u>1222.84</u>	<u>1012.73</u>
<b>(B) LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	140.95	130.79
Advances to Suppliers	150.76	231.71
Deposits with Government & Semi Govt.Bodies	54.18	98.71
Deposits with Others	18.53	36.89
Prepaid Expenses	26.97	19.36
Advance Tax	24.09	13.28
MAT Credit Entitlements	47.37	44.66
Sales Tax	-	0.01
Sub Total (B)	<u>462.85</u>	<u>575.41</u>
Total (A) + (B)	<u>1685.69</u>	<u>1588.14</u>
<b>SCHEDULE H : CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>(a) Current Liabilities</b>		
Sundry Creditors:		
i) Micro Small and Medium Enterprises	0.36	0.23
ii) Other Creditors	121.83	125.87
Advance from Customers	636.73	1022.48
Bills Payable acceptance	184.99	350.41
Other Liabilities	31.92	42.24
	<u>975.83</u>	<u>1541.23</u>

	As at 31.03.2010	As at 31.03.2009
<b>(b) Provisions</b>		
Provision for Tax (MAT)	25.97	11.48
Provision for Fringe Benefit Tax	—	0.56
Provision for Wealth Tax	0.05	—
<b>TOTAL (a) + (b)</b>	<b>1001.85</b>	<b>1553.27</b>
<b>SCHEDULE I : SALES &amp; OTHER INCOME</b>		
<b>A) SALES</b>		
<b>i) LOCAL SALES</b>		
Sales Local Prime	2167.09	1148.83
Sales Local Arisings	185.44	207.09
Sales Local Service Centre	743.62	614.07
Sales Local Trading	162.65	194.14
<b>LOCAL SALES (I)</b>	<b>3258.80</b>	<b>2164.13</b>
<b>ii) EXPORT SALES</b>		
Sales Export & Export Incentives	1215.38	2077.87
Foreign Exchange Fluctuation on Exports	(21.59)	(43.29)
Sales Merchandice Export	244.55	311.04
<b>EXPORT SALES (II)</b>	<b>1438.34</b>	<b>2345.62</b>
<b>TOTAL SALES (I+II)</b>	<b>4697.14</b>	<b>4509.75</b>
<b>B) OTHER INCOME</b>		
Other Income	0.74	0.43
<b>TOTAL OTHER INCOME</b>	<b>0.74</b>	<b>0.43</b>
<b>TOTAL SALES &amp; OTHER INCOME</b>	<b>4697.88</b>	<b>4510.18</b>
<b>SCHEDULE J : RAW MATERIALS, FINISHED GOODS &amp; SEMI-FINISHED GOODS</b>		
<b>A) MATERIALS COST</b>		
(1) Raw Materials Consumed		
Opening Stock	116.87	206.38
Add: Purchases *	2626.61	2232.66
	2743.48	2439.04
Less: Closing Stock *	189.20	116.87
Materials Consumed	2554.28	2322.17
(2) Consumption of Raw Materials at Service Centre	655.18	640.51
(3) Consumption of Trading Materials	408.71	520.09
<b>TOTAL (A)</b>	<b>3618.17</b>	<b>3482.77</b>
* Includes Rs 119.62 Crores (Previous Year Rs. 3.69 Crores) of Raw Materials in Transit as on 31.3.2010.		
<b>B) VARIATION IN STOCK-FINISHED GOODS &amp; WORK-IN-PROCESS</b>		
Closing Stock - Finished Goods	86.22	67.17
Stock-in-transit	3.31	1.83
Arisings	7.17	8.30
Work-in-Progress	89.17	88.76
	185.87	166.06
Less: Opening Stock- Finished Goods	67.17	110.17
Stock-in-transit	1.83	15.98
Arisings	8.30	14.49
Work-in-Progress	88.76	83.20
	166.06	223.84
(Increase) / Decrease in Stock (B)	(19.81)	57.78
Raw Materials, Finished Goods & Semi-finished Goods (A) + (B)	<b>3598.36</b>	<b>3540.55</b>



(Rs. in Crores)

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE K : OTHER MANUFACTURING EXPENSES</b>		
Power Consumption	96.68	77.90
Fuel Consumption	60.04	72.51
Stores & Spares Consumed	37.53	29.66
Repairs & Maintenance to Plant	9.48	9.20
Processing Charges	10.88	7.66
<b>TOTAL</b>	<b>214.61</b>	<b>196.93</b>
<b>SCHEDULE L : SELLING &amp; DISTRIBUTION EXPENSES</b>		
International Freight	47.58	96.86
F.O.B. Expenses	20.32	28.54
Local Freight	33.40	15.45
Brokerage & Commission	10.77	16.55
Packing Material Consumed	43.49	39.32
Other expenses	6.30	1.40
<b>TOTAL</b>	<b>161.86</b>	<b>198.12</b>
<b>SCHEDULE M : PAYMENT TO EMPLOYEES</b>		
Salaries & Wages	49.17	41.13
Contribution to PF/Gratuity and Other funds	3.91	5.09
Staff welfare	4.47	3.87
<b>TOTAL</b>	<b>57.55</b>	<b>50.09</b>
<b>SCHEDULE N : ADMINISTRATIVE COST</b>		
Insurance	3.82	3.71
Travelling & Conveyance	5.07	4.70
Rent, Rates & Taxes	2.36	1.32
Legal, Professional & Consultancy Charges	3.66	3.64
Repairs & Maintenance to Building	2.53	1.89
Repairs & Maintenance to others	1.43	1.23
Security charges	1.42	1.34
Other Expenses	12.40	8.71
Payment to Auditors - Audit Fees	0.35	0.30
- Taxation Matters	0.05	-
- Expenses Reimbursed	0.05	0.04
Loss on Sale of Fixed Assets	-	0.12
<b>TOTAL</b>	<b>33.14</b>	<b>27.00</b>
<b>SCHEDULE O : INTEREST &amp; FINANCIAL CHARGES</b>		
On Long term debts	140.35	148.40
Interest & Financial Charges Capitalised	(55.55)	(99.82)
On Working Capital Limits & Others	105.10	133.87
Interest Received (Gain) *	(5.83)	(3.51)
(Gain)/Loss on Forward / Hedged / Derivative Contracts	4.60	(13.31)
<b>TOTAL</b>	<b>188.67</b>	<b>165.63</b>





6.1 Contingent Liabilities not provided for in respect of:

(Rs. in Crores)

	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
(a) Letters of Credit outstanding	1346.31	600.56
(b) Bank Guarantees	19.17	47.25
(c) Estimated amount of contracts remaining to be executed on capital account and not provided for	54.00	115.00

6.2 The Company had given a Corporate Guarantee aggregating to Rs.274.26 Crores (Previous Year Rs. 70 Crores), to Banks & Government Authorities on behalf of others.

7.0 Pursuant to revision of Accounting Standard 11 (AS 11), exchange fluctuation Gain of Rs.31.29 Crores (Previous Year Loss Rs. 50.04 Crore) on Foreign Currency Loans is adjusted against cost of relevant fixed assets.

8.0 Taxation.

8.1 The Company has taxable income as per the provisions of the Income Tax Act, 1961.

8.2 The Company has provided for deferred tax liability to the tune of Rs.32.02 Crores (Previous Year Rs. 39.73 Crores) arising on account of timing difference between the book and tax profit of the period. The same is net of tax incentive available at a future date and deferred tax payable at future date.

8.3 During the year the Company has recognised 'MAT Credit Entitlement' to the sum of Rs.7.98 Crores (Previous Year Rs.10.85 Crores) pertaining to MAT payment for the Current Year.

9.0 Earning Per Share (EPS)

	2009-10	2008-09
a) <b>Earning Per Share (EPS) Basic.</b>		
Profit for the Year	102.77	100.19
Weighted average No. of ordinary shares of Rs.10/- each for Basic EPS	120859219	119848203
Earning per share (EPS) Basic (Rupees)	8.50	8.36
b) <b>Earning Per Share (EPS) Diluted.</b>		
Profit for the Year	102.77	100.19
Interest on FCCB (Net of Tax Effect)	1.42	0.72
<b>Total</b>	<b>103.89</b>	<b>100.89</b>
Weighted average no. of ordinary shares of Rs.10/- each for Basic EPS	120859219	119848203
<b>Add: Adjustment for Conversion of FCCBs in to Equity Shares</b>	<b>15872294</b>	<b>16883311</b>
<b>Total Weighted average no of ordinary shares for Diluted EPS</b>	<b>136731513</b>	<b>136731514</b>
Earning per share (EPS) Diluted (Rupees)	7.62	7.38

10.0 In respect of Joint Controlled Entities, the Company's share of Assets, Liabilities, Income and Expenditure of Joint Venture Company is as follows:

(Rs. in Crores)

Particulars	As on 31.03.2010
<b>1. Assets</b>	
a) Fixed Assets (Incl. CWIP)	9.60
b) Current Assets	0.68
<b>2. Liabilities</b>	
a) Secured / Unsecured Loans	5.12
b) Current Liabilities	2.10
<b>3. Income</b>	0.02
<b>4. Expenditure</b>	0.02





CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2010

(Rs. in Crores)

PARTICULARS	2009-10	2008-09
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) Before Tax and Extraordinary Items	152.78	101.38
Provision for Doubtful Debts	1.68	0.00
Adjustments for Depreciation	112.70	92.37
(Profit) / Loss on Sale of Assets	–	0.12
Interest & Financial Charges	188.67	165.63
<b>Operating Profit Before Working Capital Changes</b>	<b>455.83</b>	<b>359.50</b>
Adjustments for :		
(Increase)/Decrease in Trade and other Receivables	69.66	(253.02)
(Increase)/Decrease in Inventories	(152.15)	353.99
Increase/(Decrease) in Trade Payables	(365.59)	23.14
Cash Generated from Operations	7.75	483.61
Direct Taxes Paid (Net of Refunds)	(23.17)	(12.68)
Prior Period Expenses (Net)	5.81	–
<b>Cash Flow from Operating Activities</b>	<b>(9.61)</b>	<b>470.93</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(429.10)	(692.19)
Sale of Fixed Assets	–	0.47
Purchase of Investments / Investments in Subsidiaries	4.39	(4.92)
Sale of Investments	–	48.04
Interest/Dividend Received	5.83	3.51
<b>Net Cash Used in Investing Activities</b>	<b>(418.88)</b>	<b>(645.09)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Application /Call Money on Share Capital	2.42	5.88
Securities Premium received	8.47	14.20
Redemption of Preference Shares	–	(1.50)
Redemption / Conversion of FCCB	(22.31)	(42.01)
Proceeds from Long Term Borrowings	649.06	358.67
Repayments of Long Term Borrowings	(168.81)	(69.65)
Interest & Financial Charges Paid	(189.90)	(182.45)
Gain / (Loss) on Forward Contracts	(4.60)	13.31
Proceeds/(Repayments) of Deferred Sales Tax Loan/ICD/Unsecured Loans	163.06	198.85
<b>Net Cash Generated from Financing Activities</b>	<b>437.39</b>	<b>295.30</b>
Net Increase in Cash & Cash Equivalents (A+B+C)	<b>8.90</b>	<b>121.13</b>
Cash & Cash Equivalents (Opening)	153.01	31.88
Cash & Cash Equivalents (Closing)	161.91	153.01

- Notes :**
- 1 Cash Flow Statement has been prepared following the indirect method except in case of interest paid / received, dividend paid / received, purchase and sale of Investments which have been considered on the basis of actual movements of cash with necessary adjustments in the corresponding assets and liabilities.
  - 2 Purchase of Fixed Assets includes movement of Capital Work in Progress between the beginning and end of the year and net of Creditors for Capital Expenditure.
  - 3 Cash and Cash Equivalents represent Cash & Bank balances and bank deposits only.

As per my report attached

**For Prakkash Muni & Associates**

Chartered Accountants

Firm Registration No.: 111792W

**Prakkash R Muni**

Proprietor

Membership No.: 30544

Place : Mumbai

Dated : 29<sup>th</sup> May, 2010.

For and on behalf of the Board

**Rajinder Miglani**

Chairman & Managing Director

**Anuj Miglani**

Deputy Managing Director

**R Agrawal**

Sr. Vice President & Company Secretary

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# UTTAM GALVA STEELS LIMITED

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

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/  
members of the Company hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ or failing him/her \_\_\_\_\_ of  
\_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the **25<sup>th</sup> Annual  
General Meeting** to be held at **11:00 a.m. on Saturday, 18<sup>th</sup> September, 2010** or adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2010

Signature \_\_\_\_\_

**Note :** The proxy form duly completed must be deposited at the Registered  
Office of the Company not less than 48 hours before the Meeting.

**Affix  
Re. 1.00  
Revenue  
Stamp**

<b>Name of Shareholder(s)</b>	<b>Folio No.</b>
<b>No. of Shares:</b>	<b>Client ID :</b>

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# UTTAM GALVA STEELS LIMITED

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

## ATTENDANCE SLIP

<b>Name and Address of Shareholder(s)</b>	<b>Folio No.</b>
<b>No. of Shares:</b>	<b>Client ID :</b>

I/We hereby record my/our attendance at the **Twenty Fifth Annual General Meeting** at **11:00 a.m. on Saturday, the 18<sup>th</sup> September, 2010** at M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai - 400 001.

Signature of Shareholder or Proxy \_\_\_\_\_

**Note :** Please fill up this attendance slip and had it over at the entrance of the meeting hall.  
Members are requested to bring their copies of the Annual Report to the meeting.

**BOOK - POST**

If undelivered please return to:  
**M/S. MONDKAR COMPUTERS PVT. LTD.,**  
**(UNIT: UGSL)**  
21, SHAKIL NIWAS,  
MAHAKALI CAVES ROAD,  
ANDHERI (EAST),  
MUMBAI - 400 093.

**RIVERA SYSTEMS**  
PH: 22165034 / 22165035