



UTTAM

28th
28th

Annual Report

2012 - 2013

UTTAM GALVA STEELS LIMITED

**BOARD OF DIRECTORS**

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

DIRECTOR (FINANCE) & GROUP CFO

GURSHARAN S SAWHNEY

**SR. VICE PRESIDENT
& COMPANY SECRETARY**

R AGRAWAL

WORKING CAPITAL BANKERS

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

STATUTORY AUDITORS

M/S. PRAKKASH MUNI & ASSOCIATES
 CHARTERED ACCOUNTANTS
 MUMBAI

INTERNAL AUDITORS

M/S. K S AIYAR & CO.
 CHARTERED ACCOUNTANTS
 MUMBAI

REGISTERED OFFICE

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

OTHER OFFICES / BRANCHES

- KEONJHAR, ODISHA
- PUNE
- NEW DELHI
- BANGALORE
- CHENNAI
- HYDERABAD
- AHMEDABAD
- INDORE

WORKS

KHOPOLI – PEN ROAD, DONVAT
 DIST : RAIGAD – MAHARASHTRA
 KHOPOLI – PALI ROAD, DAHIVALI
 DIST : RAIGAD – MAHARASHTRA
 TALOJA – 12, MIDC
 DIST : RAIGAD – MAHARASHTRA

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VISION, MISSION AND VALUES

VISION

Become the world's favoured
flat steel products brand

MISSION

To consistently provide quality steel
products ensuring customer delight

VALUES

Integrity : Honouring all commitments

Value for Time : Business at supersonic speed

Ethics : Ethical business practices with all stakeholders

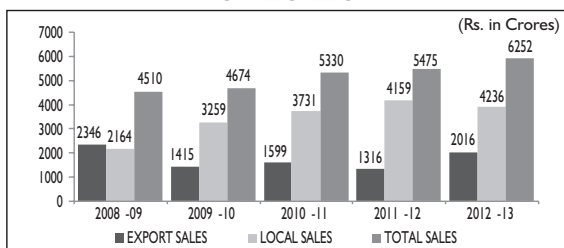


FINANCIAL HIGHLIGHTS

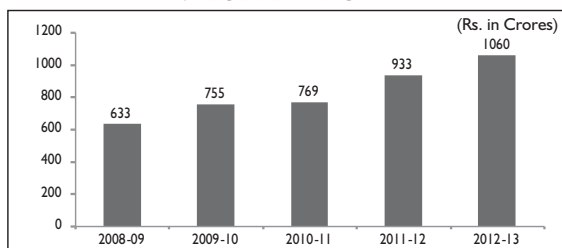
Rs. in Crores

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

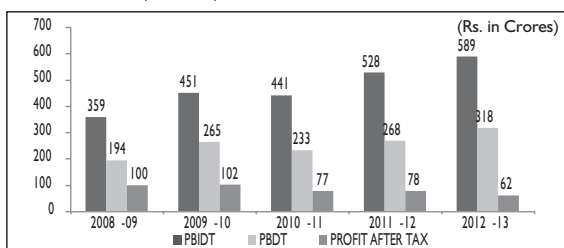
TOTAL SALES



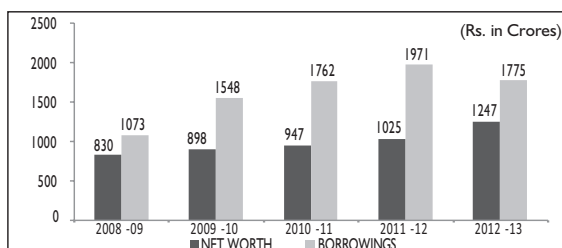
VALUE ADDITION



PBDT/PBDT/PROFIT BEFORE TAX



NETWORTH AND BORROWINGS



NOTICE

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

ORDINARY BUSINESS:

1. To consider and adopt the Statement of Profit & Loss for the Financial Year ended 31st March, 2013 and the Balance Sheet as at that date and Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri S P Talwar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri S T Parikh, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Prakkash Muni & Associates, Chartered Accountants, (Registration No. 111792W) as the Statutory Auditor for the Financial Year 2013-2014, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 29th Annual General Meeting and to authorize the Board of Directors to decide their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force); Articles 23, 24 and 25 of the Articles of Association of the Company; Shri Rajinder Miglani be and is hereby re-appointed as the Executive Chairman of the Company for a period of three years effective from 31st December, 2012 to 30th December, 2015 on the following terms and conditions:-

- a) Remuneration
 - (i) Rs.10,00,000/- per month by way of salary, perquisites and other allowances.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the above-stated remuneration in accordance with provision of Schedule XIII to the Companies Act, 1956 as may be agreed to by the Board of Directors and Shri Rajinder Miglani.

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

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII



and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force); Articles 23, 24 and 25 of the Articles of Association of the Company; Shri Anuj R Miglani be and is hereby re-appointed as Managing Director for a period of three years effective from 10th November, 2012 to 9th November, 2015 on the following terms and conditions:-

- a) Remuneration
 - (i) Rs.10,00,000/- per month by way of salary, perquisites and other allowances.
- b) Benefits
 - (i) Contribution to Provident Fund and Superannuation Fund as per rules of the Company.
 - (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
 - (iii) Leave and encashment of leave as per the rules of the Company.
 - (iv) Free use of car with driver and free telephone facility at residence for the business of the Company.
 - (v) Such other benefits and amenities as may be provided by the Company to other senior officers from time to time.
- c) The Company shall pay to or reimburse to the Managing Director all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.
- d) In the event of the loss or inadequacy of profit in any financial year during his tenure as the Managing Director, the aforesaid remuneration will be treated as minimum remuneration subject to approval of Central Government, if any, as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the above-stated remuneration in accordance with provision of Schedule XIII to the Companies Act, 1956 as may be agreed to by the Board of Directors and Shri Anuj R Miglani.

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

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

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

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

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

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

Clause V:

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

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

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

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

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

Article 3:

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

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

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

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

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

“**RESOLVED THAT** pursuant to the provisions of Section 293(1)(d) and any other applicable provisions, if any, of the Companies Act, 1956 and in supersession of the resolution passed at the 23rd Annual General Meeting of the Company held on 26th July 2008, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow any sum(s) of monies, which together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves (i.e. Reserves not set apart for any specific purpose) provided the aggregate of the monies borrowed and to be borrowed and outstanding at any one time shall not exceed Rs. 10,000 crores (Rupees Ten Thousand Crores only).”

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

R Agrawal
Sr. Vice President & Company Secretary

Registered Office:
Uttam House,
69, P.D'Mello Road,
Mumbai – 400 009.
Date: 24th May, 2013



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. Register of Members and Share Transfer Books of the Company shall remain closed from 13th August, 2013, to 17th August, 2013 (both days inclusive).
3. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, so as to reach him at least seven days before the date of Meeting.
4. Members/Proxies attending the Meeting are requested to bring their Attendance Slip, sent herewith, duly filled in and also their copies of the Annual Report.
5. The Company's Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited, Mumbai (NSE) and all applicable Listing Fees have been paid upto date.
6. The transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 205C of the Companies Act, 1956, during the current Financial Year is not applicable.
7. Details of the Directors Appointed / Re-appointed during the Year is provided herewith as a part of the Corporate Governance Report as required by Clause 49 of the Listing Agreement.
8. As per the green initiative of MCA, members are requested to provide their E-mail addresses to the Registrar Share Transfer Agent of the Company namely **Universal Capital Securities Private Limited**, in order to receive the various Notices and other Notifications from the Company, in electronic form.
9. E-mail address of the Company is shares@uttamgalva.com
10. All queries relating to Share Transfer and allied subjects should be addressed to:
Universal Capital Securities Private Limited (Earlier Known as Mondkar Computers Private Limited), (Unit : UGSL)
21, Shakil Niwas,
Mahakali Caves Road,
Andheri (East),
Mumbai 400 093
Tele No.: 022-28207203/05
E-mail: info@unisec.in

EXPLANATORY STATEMENT

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

Item No.5

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

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

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

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

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

Item No. 6

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

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

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

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

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

Item No. 7, 8 and 9:

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

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

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

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

Item no. 10

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



The Company has received a notice under Section 257 of the Companies Act, 1956 along with a deposit of Rs. 500/- from a Member of the Company proposing the candidate for the office of Director.

None of the others Directors except Shri D L Rawal is in any way concerned or interested in this resolution.

The Board accordingly recommends the resolution set out in Item No. 10 for the approval of the Members.

Item no. 11

At the Annual General Meeting of the Company held on 26th July, 2008, the Members of the Company authorized the Board of Directors to borrow monies not exceeding Rs. 5,000 Crores (Rupees Five Thousands Crore only).

The Board of Directors of the Company envisages requirements of funds in future as the Company is in evaluating the various projects and also anticipating the expansion and the modernization of current projects, accordingly the Company is looking various proposals of

the Banks & Financial Institutions for meeting the fund requirements of the Company. Hence, it is proposed to increase the borrow limit up to Rs. 10,000 Crores (Rupees Ten Crores only).

The Board accordingly recommends the resolution set out in Item No. 11 for the approval of the Members.

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

By Order of the Board
For **Uttam Galva Steels Limited**
R Agrawal
Sr. Vice President & Company Secretary

Registered Office:
Uttam House,
69, PD'Mello Road,
Mumbai 400 009.

Date: 24th May, 2013

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting the 28th Report on the business and operations of the Company, along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2013.

1. FINANCIAL RESULTS (Stand-alone Basis):

(Rs. in Crores)

PARTICULARS	Year ended 31st March, 2013	Year ended 31 st March, 2012
Gross Revenue from Operations	6252.34	5475.38
Earning before Interest, Tax, Depreciation and Amortization (EBIDTA)	588.59	528.05
Finance Cost	304.64	267.32
Depreciation	182.58	127.37
Profit Before Tax (PBT)	135.32	141.00
Provision for Tax	73.77	63.04
Profit After Tax (PAT)	61.55	77.96

2. OPERATIONS:

Your Company has achieved a turnover of Rs. 6252.34 Crores as against Rs. 5475.38 Crores in the previous year and at the same time your Company posted the Profit before Tax of Rs. 135.32 Crores as against Rs. 141.00 Crores in the previous year. The decline in the Profit before Tax was due to combined effect of higher Finance Cost and Depreciation cost incurred during the Year.

Your Company has envisaged the various projects and also looking for the expansion and the modernization of current projects. Consequently in view of the Capex requirement for proposed expansion projects of the Company, the Board of Directors are in opinion that Cash flow should be conserved and hence decided to plough back the entire profit earned by the Company and have not recommended any dividend.

3. EXPORTS:

Your Company has registered growth in exports

volume by 18% and has added 3 more new countries –Martinique, Bahamas and Kyrgyzstan which makes now total list of countries serviced to 148. Your Company has maintained its presence in the International Market in spite of the Global slowdown and currency crises in some of the countries.

The Global Economic situation has shown signs of marginal growth in USA and Russia where your Company's products are well established and recognized as quality supplier. The sales growth in these 2 countries are recorded as 28% and 16% respectively compared to last year. Growth in emerging market and developing economies is also showing double digit and positive trends in line with expectation. This is expected to provide wide base to our international business.

Your Company has been the recipient of 17 EEPIC Awards from the Ministry of Commerce and Industry, Government of India for its outstanding exports performance.

4. DOMESTIC MARKET:

In the Original Equipment Manufacturer (OEM) market, the Company has been focusing on high growth, profitable and niche areas especially in the Home Appliances, Automotive, Construction and Electrical Equipment segments and has thus moved up the value chain in these markets.

Your Company has achieved a volume growth of 21% in the Appliance segment over the last fiscal and has made commendable gains in establishing the product for Refrigerators and Washing Machines components with majors like Whirlpool, Videocon Group, Samsung and Haier. For Vizi coolers and freezers the products are firmly established with Bluestar, Voltas, Frigoglass and Western Refrigeration.

In the Automotive segment, though volume growth has been marginal due to depressed markets in the west, your Company has achieved growth of 36% in value added products in this segment over the last fiscal. This has been achieved through an aggressive product development programme for special grades for automotive and electrical equipment industry.

Your Company has firmly established itself in the two and four wheeler (Passenger and Commercial)

market in Western India and continues to cater to the requirements of Mahindra & Mahindra, Bajaj Auto, Force Motors, Eicher and also vendors of TATA Motors, Bajaj Auto, General Motors, Piaggio, and others.

In the General Engineering segment, the Company continues to be an established supplier to Godrej & Boyce, BHEL, Crompton Greaves and Hematic Motors.

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

Your Company has launched the 5 Feet wide GC which is the Widest Width for Roofing and Cladding for the first time in India in December 2012. The profile provides more value and substantial savings to the consumer.

With high lending rates, slowdown in consumption, the industrial growth in the near future is expected to be sluggish. However, the Company's special focus on niche areas and products will set the trend for high growth.

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

Though slowdown is expected in demand for Capital Goods, Automotive and Construction, durables are estimated to pick up marginally. Positive signs are expected with increase in spend by the Government in the power and infrastructure which is likely to fuel segmental growth. Also with decline in inflation and interest rates demand for consumer goods will slightly increase.

b) Opportunities & Threats

Your Company will continue to maintain & grow its presence in the Export Markets while retaining its focus on value added products in Domestic Market. Your Company is ready to cater to customer's stringent specifications and demands which will ultimately improve the bottom-line. The overall

presence in the Conventional, Construction & Infrastructure Segments will continue.

c) Segment – wise Performance

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

d) Outlook

The domestic flat steel consumption in the relevant business segments is estimated to grow at 6%-8%. The need, however, for value added and niche products are likely to surge and have been identified as major focus area for the Company.

Global steel consumption is expected to rise by 1.3%. Non-tariff barriers (like Anti-Dumping Duty on low priced, low quality suppliers) introduced recently by some of the emerging economies is expected to open additional markets and opportunities for your Company to increase its market share in international business.

e) Risks and Concerns

Your Directors have 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.

During the financial year, your Company has migrated its ERP System from MFG-PRO to SAP w.e.f. 1st January, 2013 to standardize its business processes across all its manufacturing units and sales offices and to create a robust, scalable and integrated IT platform to act as an enabler for business growth. Your Company has successfully implemented all major SAP modules such as Sales & Distribution (SD), Materials Management (MM), Production Planning (PP), Finance & Controlling (FICO), Advanced Planner and Optimizer (APO) and Human Capital Management (HCM).

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.

All the certificates under ISO: 9001-2008, ISO: 14001-2004, ISO/TS 16949:2009 and OHSAS 18001-2007 for Quality Management, Environment Management, Technical specifications and Occupational Health and Safety Management respectively, are being maintained by the Company after periodical surveillance audits.

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 satisfactory inspite of sluggish and bearish market conditions.

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 more than 1500 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. The Promoters and the Directors are not dealing in the Equity Shares of the Company.

6. CORPORATE GOVERNANCE:

Your Company is committed to principles of good governance, and it firmly believes that good corporate governance is the adoption of best practices. The Board of Directors ensure that the Company is in compliances with all the applicable provisions of the Clause 49 (as amended) of the Listing Agreement pertaining to the Corporate Governance. 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. CORPORATE SOCIAL RESPONSIBILITY:

Your Company is socially committed not only in compliances of all the statutory laws and regulations but also actively participates in the improvement of quality of life of the people in the society. Your Company has a strong sense of community responsibility.

Your Company follows the policy which is more and more beneficial to the society at large by promoting and encouraging economic, social and educational development and also giving active support to local initiatives around it through upliftment in different areas.

Your Company has retained collective focus on the various areas of corporate sustainability that impact people, environment and the society at large. Founded on the philosophy that society is not just another stakeholder in its business, but the prime purpose of it, the Company, across its various operations is committed to making a positive contribution.

8. DIRECTORS:

Pursuant to the Companies Act, 1956 and as per the Articles of Association of the Company, Shri S P Talwar and Shri S T Parikh retire by rotation and being eligible have offered themselves for re-appointment. The Board of Directors recommends their re-appointment.

Shri A K Mahendru has resigned from the Board as a Whole time Director with effect from 24th May, 2013. The Board placed on record its sincere appreciation for his invaluable & immense contribution rendered during his tenure as Director on the Board of the Company.

Shri D L Rawal has joined the Board of your Company with effect from 24th May, 2013 as an Additional Director of the Company. In terms of Section 260 of the Companies Act, 1956, Shri D L Rawal would hold office only upto the forthcoming Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 along with the requisite fees proposing appointment of Shri D L Rawal as a Director of the Company at the said Annual General Meeting.



None of the Directors of your Company is disqualified under Section 274(1)(g) of the Companies Act, 1956. As required by law, this position is also reflected in the Auditors' Report.

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

The Information required under Section 217(2A) of the Companies Act, 1956 and the Rules there under, in respect of the employees of the Company, is provided in the Annexure – II.

10. 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 31st March, 2013 and of the Profit and Loss Account for the Financial Year 2012-2013 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.

11. AUDITORS' REPORT:

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

12. STATUTORY AUDITOR:

M/s. Prakash 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 re-appointment of M/s. Prakash Muni & Associates, Chartered Accountants as Auditors of the Company is being sought at the ensuing Annual General Meeting. Your Board recommends the appointment of M/s. Prakash Muni & Associates, Chartered Accountants as Auditors of the Company.

13. COST AUDITOR:

M/s. S. K. Agarwal & Associates, Cost Accountants (Membership No. 7880) has been re-appointed as Cost Auditors of the Company to audit the cost accounts for the year ended 31st March, 2013. Cost accounting records for the year ended 31st March, 2013 were maintained as per the Companies (Cost Audit Report) Rules, 2011. The Cost Auditor shall submit the report along with their observations and suggestions, and Annexure to the Central Government within stipulated time period.

14. FIXED DEPOSITS:

Your Company has not accepted deposits from Public under Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975.

15. INSURANCE:

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

16. ISSUE OF SHARES TO QUALIFIED INSTITUTIONAL BUYERS:

During the year, your Company has issued and allotted 2,00,00,000 Equity Shares of Rs. 10/- each at Rs. 80/- each aggregating to Rs. 160 Crores to the Qualified Institutional Buyers through Qualified Institutional Placement after obtaining the requisite approvals from the Members, Reserve Bank of India, Stock Exchanges and Registrar of Companies, Maharashtra.

Your Company has complied with all the necessary compliances of Stock Exchanges, Reserve Bank of India and Registrar of Companies to give effect to the aforesaid issue of Shares and obtained all the necessary permissions.

17. LISTING OF SECURITIES:

The Company's Equity Shares are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company's Secured, Redeemable, Non-Convertible Debentures are listed on the Wholesale Debt Market (WDM) segment of the BSE.

The Company has paid the applicable listing fees for the Financial Year 2013-2014 to BSE and NSE.

18. DEMAT OF SECURITIES:

Nearly 84.81% of total Equity Share Capital is held in dematerialized form with NSDL/CDSL. While the Secured, Redeemable, Non-Convertible Debentures are entirely held in dematerialized form.

19. SUBSIDIARY & JOINT VENTURE COMPANY:

There are six wholly-owned subsidiary companies of the Company namely (I) Uttam Galva Holdings Limited in Dubai, (II) Atlantis International Services Limited in British Virgin Islands, (III) Uttam Galva Steels Netherlands B.V. in Netherland, (IV) Neelraj International Trade Limited in British Virgin Islands and (V) Uttam Galva Steels BVI Limited in British Virgin Islands (VI) Uttam Galva Steels FZE in Ras Al Khaimah. Further, Uttam Galva Holdings Limited has incorporated a downstream wholly owned Subsidiary Company namely Ferro Zinc International FZE in Jebel Ali Free Zone in United Arab Emirates.

As per the terms of the General Circular no. 2/2011, a statement containing brief financials information for the financial year ended 31st March, 2013 of the aforesaid Subsidiaries are included in the Annual Report. Also the accounts of all the aforesaid companies are kept for inspection by any shareholders at the registered office of your Company. Your Company further undertakes that the Annual Accounts of the Subsidiary Companies and the related detailed information shall be made available to shareholders of the Company on demand.

Apart from the aforesaid subsidiaries, your Company also has two joint venture companies namely, Texturing Technology Private Limited and Moira Madhujore Coal Limited.

The Consolidated Audited Annual Accounts of your Company together with its subsidiaries and joint venture companies for the Financial Year 2012-2013 are being published pursuant to Clause 32 of the Listing Agreement.

20. DISCLOSURES:

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be given pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto (Annexure – I) and forms part of this report.

21. ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation to the Central, State & Local Governments, Authorities, Regulatory Bodies, Financial Institutions, Banks, Customers and the Shareholders of the Company for their continued support and co-operation.

Your Directors also place on record their sincere appreciation for the total commitment, dedication and hard work put in by every member of the Uttam Galva Family.

For and on behalf of the Board

Place : Mumbai
Date: 24th May, 2013

Rajinder Miglani
Chairman



ANNEXURE TO THE DIRECTORS' 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 31st March 2013

PARTICULARS	Year Ended 31 st March 2013	Year Ended 31 st March 2012
A. Power & Fuel Consumption		
IA Electricity (CPP Plus Purchased)		
a. CGL Unit		
Unit(KWH)	37347951	35559046
Total amount (Rs in Crores)	27.03	21.85
Rate/Unit (Rs)	7.24	6.14
b. CRM Unit		
Unit(KWH)	117949802	112611692
Total amount(Rs in Crores)	85.36	63.19
Rate/Unit (Rs)	7.24	5.61
c. CCL Unit		
Unit(KWH)	6749822	6053461
Total amount(Rs in Crores)	4.88	3.72
Rate/Unit (Rs)	7.24	6.15
d. PRC Unit		
Unit(KWH)	17896913	18411253
Total amount(Rs in Crores)	13.26	13.14
Rate/Unit (Rs)	7.41	7.14
IB Electricity (D.G. Set)		
Unit(KWH)	56,285	121389
Total amount(Rs in Crores)	0.11	0.23
Rate/Unit (Rs)	19.80	19.20
2 Others		
a. HSD/LDO		
Qty (KL)		366.29
Total amount (Rs in Crores)		1.61
Avg. Rate (Per Litre Rs.)		44.04
b. RLNG		
Qty (MT)	17855.22	17942.21
Total amount (Rs in Crores)	65.92	45.67
Avg. Rate (Per MT Rs.)	36.92	25.45
B. Consumption per unit of Production		
Product:		
a. Galvanised Plain/Corrugated		
Sheets/Coils(MT)	561009	571953
Electricity(KWH)	98.47	94.36
HSD/LDO(KL)	0.00	0.00
LPG / Propane Gas (MT)	0.03	0.03
b. Cold Rolled		
Sheets/Coils(MT)	644114	613649
Electricity(KWH)	183.12	183.51
HSD/LDO(KL)	0.00	0.00
LPG(MT)	0.03	0.03
c. Color coated		
Sheets/Coils(MT)	76695	70332
Electricity(KWH)	88.01	86.07
HSD/LDO(KL)	0.00	0.01
LPG(MT)	0.23	0.26
C. Technology Absorption:		
The Company has fully absorbed the technology.		
D. Foreign Exchange Earnings & Outgo:	(Rs. in Crores)	(Rs. in Crores)
Earnings(FOB Value)		
Exports	1949.39	1260.79
Outgo(Cost & CIF Value)		
1. Raw Material Imported	2029.93	1924.95
2. Import of Plant & Machinery	41.22	39.01
3. Import of Stores & Spares	10.77	5.63
4. Interest Cost & Upfront Fees	23.95	13.84
5. Expenditure on travelling Expenses	0.39	0.55
6. Legal, Professional & Consultancy Fee	0.93	0.59
7. Commission	1.44	1.60
8. International Freight	39.16	29.25
9. Others	0.17	0.04

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE – II

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 (As amended) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013.

Employed for Full Year

Name	Age (Years)	Designation/ Nature of Duties	Remuneration (Rs. in Crore)	Qualification	Experience (Years)	Date of Commencement of Employment	Last Employment / Last Designation	Number of Shares Held (%)
Shri Rajinder Miglani	67	Executive Chairman	1.09	Science Graduate	47	30.12.1988	N.A	13,91,855 (0.98)
Shri Anuj R Miglani	39	Managing Director	1.15	Mechanical Engineer from Imperial College, London	18	01.02.1995	N.A	13,02,094 (0.92)
Shri Ankit Miglani	34	Dy. Managing Director	1.15	Graduate in Economics from Wharton School, U.S.A.	11	29.01.2003	N.A	13,00,000 (0.91)

Notes:

1. The above appointments 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 father of Shri Anuj R Miglani - Managing Director and Shri Ankit Miglani - Dy. Managing Director of the Company.
4. Shri Anuj R 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 R Miglani.



ANNEXURE – III REPORT ON CORPORATE GOVERNANCE

I. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's Philosophy is that Corporate Governance is a process which enables the Company to operate in a systemic manner to meet its ethical, legal and business expectations and at the same time fulfill its social responsibilities. The core value of Corporate Governance lies in integrity, transparency, high degree of disclosures, emphasis on product quality, adopting best business practices.

The Company believes that a Vibrant and Independent Board should be at the helm of affairs to ensure the highest levels of Corporate Governance. Accordingly your Company 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 maintains optimum combination of Executive and Non-Executive Independent Directors on its Board. As on 31st March, 2013 the Board consisted of 10 Directors with considerable experience in their respective fields. Of these 5 are Non- Executive Independent Directors. The details of the Directors with regard to their other Directorship(s) (excluding Private Limited Companies and Section 25 Companies) and Committee Positions are as follows :-

Sr. No.	Name of Director	Executive/ Non-Executive/ Independent/ Nominee	No. of Other Directorship(s)	Chairman of the Board	Board Committees of which he/she is a Member	Chairman of the Committee
1.	Shri Rajinder Miglani	Executive Chairman	8	1	1	1
2.	Shri S P Talwar	Independent	10	-	9	2
3.	Shri P G Kakodkar	Independent	4	-	1	-
4.	Shri O P Gahrotra	Independent	3	-	2	1
5.	Shri S T Parikh	Independent	-	-	-	-
6.	Smt. Swarna Prabha Sukumar	Independent (Nominee of LIC)	-	-	-	-
7.	Shri Anuj R Miglani	Managing Director	10	-	-	-
8.	Shri Ankit Miglani	Dy. Managing Director	9	-	-	-
9.	Shri A. K. Mahendru	Director (Commercial)	-	-	-	-
10.	Shri S.G. Tudekar	Director (Works)	-	-	-	-

ii. Attendance of each Director at the Board Meeting during the Financial Year 2012-2013 and the last Annual General Meeting (AGM) :

Sr. No.	Name of the Director	Attendance at Board Meetings	Attendance at Last AGM
1	Shri Rajinder Miglani	5	Yes
2	Shri S. P. Talwar	5	No

Sr. No.	Name of the Director	Attendance at Board Meetings	Attendance at Last AGM
3	Shri O. P. Gahrotra	4	No
4	Shri P. G. Kakodkar	4	No
5	Shri S.T. Parikh	5	Yes
6	Smt. Swarna Prabha Sukumar	4	Yes
7	Shri Anuj R Miglani	5	Yes
8	Shri Ankit Miglani	5	Yes
9	Shri A. K. Mahendru	5	Yes
10	Shri S.G.Tudekar	5	Yes

iii. The Board of Directors of the Company met five times during the Financial Year 2012-2013 on following days:

- 1) 09.05.2012 2) 06.08.2012 3) 03.11.2012 4) 08.02.2013 5) 26.02.2013.

iv. Disclosure of relationships between Directors:

Shri Rajinder Miglani – Executive Chairman of the Company is the Father of Shri Anuj R Miglani – Managing Director and Shri Ankit Miglani –Dy. Managing Director of the Company. Except for the abovementioned Directors, none of the other Directors are related to each other in terms of relationships.

3. AUDIT COMMITTEE

i. Brief Description of Terms of Reference:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

The terms of reference and powers of the Audit Committee are as mentioned in Clause 49 II (A) to (E) of the Listing Agreement entered into with the Stock Exchanges and read with Section 292A of the Companies Act, 1956 and includes overseeing the Company’s financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function internal control and to discuss significant internal audit findings, statutory compliance and issues related to risk management and compliances.

ii. Composition, Name of Members & Chairperson:

Audit Committee comprises of three Non-Executive Independent Directors who are financially literate and possess sound knowledge of accounts, audit, finance etc.

Composition of the Audit Committee of Directors (Audit Committee) and details of meetings attended by the Directors during the year under review

Sr. No.	Name of Director	No. of Meetings attended
1.	Shri S. T. Parikh - Chairman	4
2.	Shri P. G. Kakodkar	4
3.	Shri O. P. Gahrotra	3

The Director & CEO, Director (Finance) & Group CFO, the Internal Auditor and the representatives of Statutory Auditors are permanent invitees to the meetings of the Audit Committee.

The Operations Heads are invited to the Meetings, as and when required.

The Cost Auditors appointed by the Company under Section 233B of the Companies Act, 1956 attends the Audit Committee Meeting whenever Cost Audit Report is discussed.

Shri R Agrawal, Sr. Vice President & Company Secretary acts as the Secretary of the Audit Committee.



iii. Meetings:

During the Financial Year 2012-2013, the Audit Committee met four times on following dates:-

- 1) 09.05.2012 2) 06.08.2012 3) 03.11.2012 4) 08.02.2013

4. 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 and any compensation payments and also to approve payment of remuneration to Managing Director or Whole-Time Directors.

ii. Composition, Name of Members & Chairperson:

All the members of the Remuneration Committee are Non-Executive Independent Directors, Composition of the said Committee of Directors and details of meetings attended by the Directors during the year under review

Sr. No.	Name of Director	No. of Meetings attended
1.	Shri S. T. Parikh - Chairman	1
2.	Shri P. G. Kakodkar	1
3.	Smt. Swarna Prabha Sukumar	1

iii. Meeting:

During the Financial year ended 31st March, 2013, the Remuneration Committee met only once i.e. on 3rd November, 2012.

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. Details of the remuneration paid to the Directors are mentioned here below:

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, Committee of Directors and Shareholders/ Investors Grievance Committee. Save and except the following, there are no pecuniary relationship or transactions of the Non- Executive Directors viz-a-viz the Company.

Sr. No.	Name of Directors	Sitting Fees (in Rs.)	Equity Shares held in the Company
1.	Shri S. P. Talwar	1,00,000	NIL
2.	Shri P. G. Kakodkar	1,00,000	NIL
3.	Shri S. T. Parikh	1,52,000	53300
4.	Shri O. P. Gahrotra	95,000	NIL
5.	Smt. Swarna Prabha Sukumar	85,000	NIL

b. Executive Directors:

Sr. No.	Name of Directors	Position	All elements of remuneration i.e salary, benefits, allowances, bonus, contributions and perquisites. (Rs. in Crores)
1.	Shri Rajinder Miglani	Executive Chairman	1.09
2.	Shri Anuj R Miglani	Managing Director	1.15
3.	Shri Ankit Miglani	Dy. Managing Director	1.15
4.	Shri A. K. Mahendru	Director (Commercial)	0.36
5.	Shri S. G. Tudekar	Director (Works)	0.36

v. Disclosures regarding Directors appointment & re-appointment:

Shri Rajinder Miglani was re-appointed as Executive Chairman of the Company for the period of 3 years commencing from 31st December, 2012 to 30th December, 2015.

Shri Anuj R Miglani was re-appointed as Managing Director of the Company for the period of 3 years commencing from 10th November, 2012 to 9th November, 2015.

In accordance with the requirements of the Act and the Articles of Association of the Company, Shri S P Talwar and Shri S T Parikh retire by rotation and being eligible have offered themselves for re-appointment. Brief profile of the Directors being appointed/ re-appointed are as follows:

Name of Directors	Brief Resume	Nature of expertise in specific areas	The details of the Directorships / Committee Memberships in other Companies (excluding Private Companies and Section 25 Companies)	Equity Shares held in the Company
Shri Rajinder Miglani	He is an Industrialist and joined the Board as the Promoter Director since the inception of the Company. He is a Science graduate and has more than 47 years of experience in the Steel Industry.	Industrialist	<ul style="list-style-type: none"> o Shree Uttam Steel and Power Limited o Uttam Galva Metallics Limited o Uttam Value Steels Limited o Uttam Distribution Network Limited o Uttam Galva Ferrous Limited o Vibrant Realty And Infrastructure Limited o Real ID Limited o Mig Oil & Gas Limited 	1391855
Shri Anuj R 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"> o Shree Uttam Steel & Power Ltd. o Uttam Utkal Steels Limited o Uttam Galva Metallics Limited o Uttam Distribution Network Limited o Sindhurg Iron & Steels Limited o Uttam Metallics and Steels Limited o Kredence Multi Trading Limited o First Wardha Steel Limited o Real ID Limited o Metallurgical Engineering and Equipments Limited 	1302094

Shri S P Talwar	He is BA. LLB and Certified Associate of the Indian Institute of Bankers. He has an experience of more than 44 years in operational and policy formulation in Commercial & Central Banking. He has served as the 'Chairman & Managing Director' of renowned Banks such as Bank of Baroda, Union Bank of India and Oriental Bank of Commerce. He has also held the coveted position of Deputy Governor of RBI from 1994 to 2001.	Banking and Finance	<ul style="list-style-type: none"> o Housing Development and Infrastructure Ltd. o Reliance Life Insurance Co. Ltd. o Reliance General Insurance Co. Ltd. o Crompton Greaves Ltd. o Videocon Industries Ltd. o Reliance Communication Ltd. o Reliance Infratel Ltd. o Motherson Sumo System Limited o Kalpataru Power Transmission Ltd. o GTL Infrastructure Limited <p>Name of the Company Committee / Positions</p> <ul style="list-style-type: none"> Reliance Life Insurance Co. Ltd. Audit (Chairman) Reliance General Insurance Co. Ltd. Audit (Member) Crompton Greaves Ltd. Audit (Member) Videocon Industries Ltd. Audit (Chairman) Reliance Communication Ltd. Audit / Investor Grievances (Member) Housing Development and Infrastructure Ltd. Audit (Member) Reliance Infratel Ltd. Audit (Member) Motherson Sumo System Limited Audit (Member) 	Nil
Shri S T Parikh	He is B.E. (Civil). He has professional experience of more than 54 years in the Steel Industry. He joined the Board in the year 1987.	Techno Commercial		53300

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

i. Name of Non-Executive Director Heading the Committee:

Composition of the Shareholders'/Investors' Grievance Committee and details of meetings attended by the Directors during the year under review.

Sr. No.	Name of Directors	No. of Meetings attended
1.	Shri S. T. Parikh - Chairman	2
2.	Shri A. K. Mahendru	2

Uttam Galva Steels Limited

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.

During the Financial Year 2012-2013, the Committee had two Meetings i.e. on 03.11.2012 and 26.02.2013.

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

ii. Status of the Complaints:

Number of Shareholders Complaints received during the Financial Year 2012-2013	10
Number of complaints not solved to the satisfaction of the shareholders	Nil
Number of pending Complaints	Nil

6. SUBSIDIARY COMPANIES

Your Company does not have any Indian Subsidiary Company. However, the Company has Six Foreign Subsidiary Companies incorporated abroad and one downstream Subsidiary Company.

7. EQUITY SHARES IN THE SUSPENSE ACCOUNT

In terms of Clause 5A(I) of the Listing Agreement, the Company reports that there are no Equity Shares lying in the Suspense Account.

8. GENERAL BODY MEETINGS

i. Location and time when the last three Annual General Meetings were held: -

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

Year	Day, Date and Time	Location
2009-2010	25 th AGM held on Saturday, the 18 th September, 2010 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.
2010-2011	26 th AGM held on Saturday, the 20 th August, 2011 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.
2011-2012	27 th AGM held on Saturday, the 21 st July, 2012 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:-

Year	Special Resolution	Particulars
2009-2010	Alteration of Articles of Association of the Company.	Substitution of Article 3 in respect of Authorized Share Capital of the Company.
2010-2011	Nil	Nil
2011-2012	Re-appointment of Shri S G Tudekar, Director (works).	For a period of 3 years starting from 28 th October, 2011.

iii. During the last year the Company has not passed any Special/ Ordinary Resolution through Postal Ballot: -

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.

9. DISCLOSURES

i. Disclosure of Accounting Treatment:

In the preparation of Financial Statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI).



ii. Disclosure on Risk Management:

The Company has laid down procedures to inform the Board of Directors about the Risk Assessment and Minimisation Procedure. These procedures are periodically reviewed by the Board to ensure that executive management controls risk through means of a properly defined framework.

iii. Disclosure on Related Party Transactions:

There were no materially significant related party transactions during the year having potential conflict with the interest of the Company at large. Critical risk management frameworks have been put in place across the Company. The Company is continuously evolving and improving systems and measures to take care of all the risk exigencies involved in the business.

iv. Disclosure on Requirements of the Listing Agreement:

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.

v. It is confirmed that no personnel has been denied access to the Audit Committee.

10. 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 Financial Results (Audited or Un-audited) are displayed is 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: shares@uttamgalva.com

11. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting :

Date, Time and Venue : 17th August, 2013, at 11.00 a.m. at M. C. Ghia Hall, 18/20, K. Dubhash Marg, Mumbai – 400 001

ii. Financial Year : 1st April, 2012 to 31st March, 2013

iii. Date of Book Closure : From 13th August, 2013 to 17th August, 2013 (both days inclusive)

iv. Dividend Payment Date : Not Applicable

Uttam Galva Steels Limited

v. **Listing on Stock Exchanges** : BSE Limited (BSE) & National Stock Exchange of India Limited (NSE).

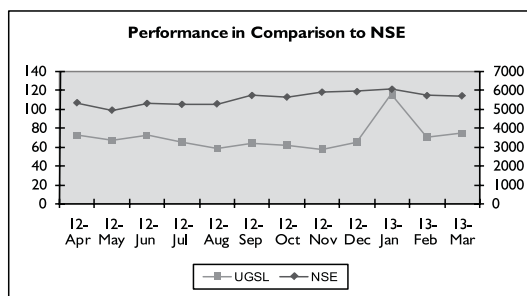
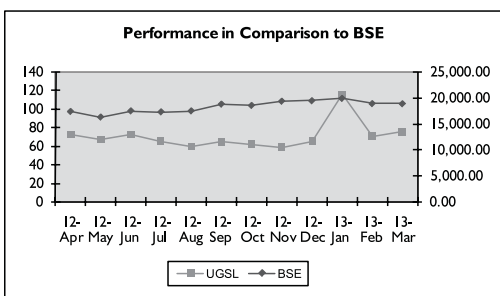
vi. **Stock Code:**

Name of the Stock Exchange (Equity Shares)	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	513216
National Stock Exchange of India Limited Exchange Plaza, 5 th floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051.	UTTAMSTL
Name of the Stock Exchange (Debentures)	Stock Code
BSE Limited, WDM segment, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	946633

vii. **Market Price Data: High, Low of each month during the Financial Year 2012-2013:**

Month	Quotation at BSE Ltd.		Quotation at National Stock Exchange of India Ltd.	
	HIGH	LOW	HIGH	LOW
April 2012	81.35	49.5	76	71.5
May 2012	85.4	68.2	67.5	66.2
June 2012	78.35	65	72.65	70.35
July 2012	82.05	66.15	65.8	63.5
August 2012	76	65	59.45	57.6
September 2012	75.95	62.5	65.7	63
October 2012	78.4	61.7	64.4	59.45
November 2012	72.8	57.35	59.65	56.65
December 2012	65.85	56.6	65.7	64.15
January 2013	69.6	59.1	125.5	113.25
February 2013	64.8	56.75	74.5	69.5
March 2013	72.05	57.9	76.25	72.45

viii. **Performance in comparison to BSE and NSE indices.**





ix. Registrar and Share Transfer Agent: Universal Capital Securities Private Limited

(Earlier Known as Mondkar Computers Private Limited),
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093.
Tele No.: 022 28207203/05
E-mail: info@unisec.in

x. Share Transfer System:

Shares sent for transfer in physical form are registered and returned by our Registrars and Share Transfer Agent within the period of 15 days of receipt of the documents, provided documents received are found in order. Shares under objections are returned to the persons who have lodged it. 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 31st March, 2013 is given here below:

Sr. No.	Nominal Value of Shares (Rupees)	No. of Shareholders	No. of Shares	Percentage of Shareholding
1	UPTO - 5,000	24477	3549178	2.495
2	5,001 – 10,000	1617	1342812	0.944
3	10,001 – 20,000	655	1020444	0.717
4	20,001 – 30,000	182	472596	0.332
5	30,001 – 40,000	80	288228	0.203
6	40,001 – 50,000	65	306364	0.215
7	50,001 – 1,00,000	126	934526	0.657
8	1,00,001 ABOVE	121	134345955	94.437
	TOTAL	27323	142260103	100.00

xii. Dematerialization of Shares and Liquidity:

Nearly 84.81% of total Equity Share Capital is held in dematerialized form with NSDL/CDSL.

xiii. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

Nil

xiv. Plant Locations:

Khopoli – Pen Road, Donvat, Dist. – Raigad, Maharashtra.	Khopoli – Pali Road, Dahivali, Dist. – Raigad, Maharashtra.	Taloja – 12, MIDC Dist – Raigad, Maharashtra.
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xv. Address for correspondence:

Registered office : Uttam House, 69, PD'Mello Road, Mumbai-400 009.
Email : shares@uttamgalva.com
Website : www.uttamgalva.com

xvi. Code of Conduct:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company which is posted on the website of the Company.

All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Managing Director of the Company is given below:

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Business Conduct & Ethics for Directors / Management Personnel in respect of the financial year 2012-13.

I further declare that the said Code of Conduct has been posted on the website of the Company in accordance with the Clause 49 of the Listing Agreement.

Anuj R Miglani
Managing Director

xvii. Auditors' Certificate on Corporate Governance:

The Auditors' Certificate on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an Annexure to this Report.

xviii. CEO & CFO Certification:

Shri Anuj R Miglani, Managing Director and Shri G S Sawhney, Director (Finance) & Group CFO of the Company have given annual certification on financial reporting and internal controls to the Board in terms of Clause 49. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the board in terms of Clause 41 of the Listing Agreement.

xix. Mandatory / Non- Mandatory Requirements:-

During the Financial Year ended 31st March, 2013, the Company has duly complied with all mandatory requirements and has also adopted certain non-mandatory requirements of Clause 49 of the Listing Agreement.

The Company has constituted Remuneration Committee (as mentioned herein point no. 4) to determine Company's policy of remuneration to its Executive Directors.

xx. Shareholding Pattern:

Pattern of equity shares as on 31st March, 2013 is given here below:

Sr. No.	Category	No. of Shares Held	% of holding
A.	Promoter's Holding		
1.	Promoters		
	- Indian Promoters	45266220	31.82
	- Foreign Promoters	41327931	29.05
2.	Persons acting in concert	0	0
	Sub-Total (A)	86594151	60.87
B.	Non-Promoters Holding		
1.	Institutional Investors		
a.	Mutual Funds and UTI	38705	0.03
b.	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non Govt. Inst.)	144973	0.10
c.	FII's	38865726	27.32
	Sub-Total (B) (1)	39049404	27.45
2.	Others		
a.	Bodies Corporate	2639977	1.86
b.	Indian Public	10020842	7.05
c.	NRIs/OCBs	3238984	2.28
d.	Others	716745	0.5
	Sub-Total (B) (2)	16616548	11.68
C.	Shares held by Custodians and against which Depository Receipts have been issued	00	00
	GRAND TOTAL	142260103	100.00



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 31st March, 2013, 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.

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 M/s Prakkash Muni & Associates
Chartered Accountants
Firm Registration No. 111792W

Place: Mumbai

Date : 24th May, 2013

Prakkash R. Muni
Partner
Membership No. 30544

AUDITOR'S REPORT

**TO,
THE SHAREHOLDERS OF
UTTAM GALVA STEELS LIMITED.**

Report on the Financial Statements

We have audited the accompanying financial statements of **UTTAM GALVA STEELS LIMITED** ("the Company"), which comprise the Balance Sheet as at **31st March, 2013**, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 **31st March, 2013**;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.



- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

Prakkash R. Muni

Place: Mumbai

PARTNER

Date: 24th May 2013.

Membership No: 30544

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph I under the head "Report on Other Legal and Regulatory Requirements" of our report of even date)

I. 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 us, 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 our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanation given to us 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 our opinion, the frequency of verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, 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 our examination of the records of inventory, we are 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. 47.52 crore and the year-end balance is Rs. 45.96 crore.
- (b) In our opinion and according to the information and explanations given to us, 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 our opinion and according to the information and explanations given to us, 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 our audit, we 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:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of Contracts / arrangements entered in Register maintained under section 301 Companies Act, 1956 and exceeding the Rs. 5,00,000 in respect of each party during the year have been made at prices which appear reasonable having regard to the prevailing market price at the relevant time as per information available with the Company.
 6. The Company has not accepted any deposits from the public to which the provisions of 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 apply. Therefore, the provisions of clause (vi) of the paragraph 4 of the order are not applicable to the Company.
 7. In our opinion and according to information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
 8. To the best of our knowledge and according to the information and explanations given to us, the Company has received the report of a Cost Auditor as prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
 9. In respect of Statutory dues:
 - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date of becoming payable.
 - b) The disputed statutory dues aggregating to Rs. 16.37 crore, that have not been deposited on account of disputed matters pending before appropriate authorities are referred in Annexure A.
 10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and the preceding financial year.
 11. Based on our audit procedures and according to the information and explanation given to us, the Company has not defaulted in the repayment of its dues to a Financial Institutions, Banks and Debenture Holders.
 12. According to the information and explanations given to us, No loans and advances have been granted by the Company on the basis of security by way of shares, debentures and other securities.
 13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a *nidhi*/mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
 14. According to the information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
 15. (a) The Company has given a corporate guarantee for loans taken by its wholly owned subsidiary Atlantis International Services Limited amounting to US \$ 40 million to Standard Chartered Bank.
 - (b). The Company has given a corporate guarantee for loans taken by its step down subsidiary Ferro Zinc International FZE amounting to US \$ 30 million to ICICI Bank.
 - (c) The Company has given a corporate guarantee to Commissioner of Customs of Rs 87.54 Crores for Export obligation of its Associate Company.
 - (d) The Company has given a corporate guarantee of Rs 4.30 Crores on behalf of Joint Venture Company.



16. The Company has raised new term loans during the year. The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, We are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. According to the information and explanations given to us, 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 our audit report, the Company has not raised any money by public issues.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For PRAKKASH MUNI & ASSOCIATES

Chartered Accountants

Firm Registration No: 111792W

PRAKKASH R. MUNI.

PARTNER

Membership No.: 30544

Place: Mumbai

Date: 24th May 2013.

Annexure "A" of the Audit Report

Sr. No.	Nature of Duty	Amount (Rs.)	Period	Forum where dispute is pending
1	Service Tax	1,74,118	November 2006 to November 2009	Commissioner of Central Excise (Appeals)
2	Service Tax	35,29,749	July 2005 to July 2007	Central Excise and Service Tax Appellate Tribunal
3	Service Tax	1,61,751	April 2006 to October 2006	Central Excise and Service Tax Appellate Tribunal
4	Excise Duty	64,84,307	December 2007 to June 2008	Central Excise and Service Tax Appellate Tribunal
5	Excise Duty	30,82,563	December 2007 to June 2008	Central Excise and Service Tax Appellate Tribunal
6	Excise Duty	3,34,33,367	July 2010 to February 2011	Commissioner Appeals
7	Customs Duty	11,67,80,968	F.Y. 2008-2009	Commissioner of Customs

Note: In case of rejection of an appeal at any stage, penalty may be leviable.

BALANCE SHEET AS AT 31ST MARCH, 2013

Rs. in Crores

Particulars		Note No.	As at 31 st March, 2013	As at 31 st March, 2012
A	EQUITY AND LIABILITIES			
I	Shareholders' Funds			
	(a) Share Capital	1	142.26	122.26
	(b) Reserves and Surplus	2	1,104.30	902.75
			1246.56	1025.01
2	Non Current Liabilities			
	(a) Long Term Borrowings	3	1,774.51	1,971.06
	(b) Deferred Tax Liabilities	4	168.25	121.70
	(c) Other Long Term Liabilities	5	325.75	347.48
	(d) Long Term Provisions	6	11.53	11.55
			2280.04	2451.79
3	Current Liabilities			
	(a) Short Term Borrowings	7	265.80	45.35
	(b) Trade Payables	8	1,817.52	1426.66
	(c) Other Current Liabilities	9	1,211.09	873.46
	(d) Short Term Provisions	10	11.72	13.74
			3306.13	2359.21
	TOTAL		6832.73	5836.01
B	ASSETS			
I	Non Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	11	3,217.51	2898.74
	(ii) Capital Work-in-Progress		546.80	378.69
			3764.31	3277.43
	(b) Non Current Investments	12	23.46	12.02
	(c) Long Term Loans and Advances	13	106.46	87.16
	(d) Other Non Current Assets	14	3.25	23.89
			3897.48	3400.50
2	Current Assets			
	(a) Inventories	15	1,037.24	1,085.14
	(b) Trade Receivables	16	684.49	557.84
	(c) Cash and Cash Equivalents	17	169.64	131.26
	(d) Short Term Loans and Advances	18	1,043.88	661.27
			2935.25	2435.51
	TOTAL		6832.73	5836.01
Significant Accounting Policies & Notes on Financial Statements		1 to 25		

As per our Report of even date

For and on behalf of the Board of Directors

For **Prakkash Muni & Associates**

Chartered Accountants

Firm Registration No 111792 W

Rajinder Miglani

Chairman

Anuj R Miglani

Managing Director

Prakkash R. Muni

Partner

Membership No 30544

Gursharan S Sawhney

Director (Finance) & Group CFO

R Agrawal

Sr. Vice President & Company Secretary

Place : Mumbai

Date : 24th May, 2013



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Rs. in Crores

Particulars	Note No.	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
CONTINUING OPERATIONS			
Revenue from Operations (Gross)	19	6252.34	5475.38
Less: Excise Duty		341.27	303.78
Revenue from Operations (Net)		5911.07	5171.60
Expenses			
(a) Cost of Materials Consumed	20 A	3252.16	3155.11
(b) Purchase of Traded Goods	20 B	1609.46	620.80
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20 C	(186.20)	312.82
(d) Employee Benefits Expense	21	76.33	67.50
(e) Other Expenses	22	570.73	487.32
Total		5322.48	4643.55
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		588.59	528.05
Finance Costs	23	304.64	267.32
Depreciation and Amortisation Expense	11	182.58	127.37
Other Income	24	13.96	7.64
Profit Before Extraordinary item		115.33	141.00
Extraordinary item	25	20.00	
Profit Before Tax (PBT)		135.33	141.00
Tax Expense:			
Current Income Tax		27.17	28.21
Wealth Tax		0.06	0.05
Net Current Tax		27.23	28.26
Deferred Income Tax		46.55	34.78
Total Tax Expenses		73.78	63.04
Profit for the Year After Tax (PAT)		61.55	77.96
Earnings Per Share (EPS)			
Basic & Diluted including Extraordinary Item		5.03	6.38
Basic & Diluted excluding Extraordinary Item		3.72	6.38
Significant Accounting Policies & Notes on Financial Statements	I to 25		

As per our Report of even date

For and on behalf of the Board of Directors

For **Prakkash Muni & Associates**

Chartered Accountants

Firm Registration No. 111792 W

Rajinder Miglani

Chairman

Anuj R Miglani

Managing Director

Prakkash R. Muni

Partner

Membership No 30544

Gursharan S Sawhney

Director (Finance) & Group CFO

R Agrawal

Sr. Vice President & Company Secretary

Place : Mumbai

Date : 24th May, 2013

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2013

Rs. in Crores

PARTICULARS		2012-13	2011-12
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit/(Loss) Before Tax and Extraordinary Items	135.33	141.00
	Provision for Doubtful Debts	1.55	(0.31)
	Adjustments for Depreciation	182.58	127.37
	(Profit) / Loss on Sale of Assets	0.00	0.19
	Share Issue Expenses W/off	0.27	0.00
	Interest Income & Extraordinary Income	(31.60)	(2.53)
	Interest & Fianacial Charges	304.64	267.32
	Operating Profit Before Working Capital Changes	592.77	533.04
	Adjustments for :		
	(Increase)/Decrease in Trade and other Receivables	(505.90)	(148.90)
	(Increase)/Decrease in Inventories	47.90	280.84
	Increase/(Decrease) in Trade Payables and Other Liabilities	742.17	40.83
	Cash Generated from Operations	876.94	705.81
	Direct Taxes Paid (Net of Refunds)	(32.68)	(17.10)
	Cash Flow from Operating Activities	844.26	688.71
B	CASH FLOW FROM INVESTING ACTIVITIES :		
	Purchase of Fixed Assets	(513.57)	(472.51)
	Sale of Fixed Assets	0.04	0.38
	Purchase of Investments / Investments in Subsidiaries	(11.43)	(3.12)
	Extraordinary Income Received	20.00	0.00
	Interest/Dividend Received	11.60	2.53
	Net Cash Used in Investing Activities	(493.36)	(472.72)
C	CASH FLOW FROM FINANCING ACTIVITIES :		
	Issue of Equity Share Capital	20.00	0.00
	Securities Premium received	140.00	0.00
	Proceeds from Long Term Borrowings	150.00	1050.00
	Repayments of Long Term Borrowings	(160.26)	(788.36)
	Interest & Fianacial Charges Paid	(456.89)	(404.83)
	Gain / (Loss) on Forward Contracts	(3.66)	(8.53)
	Share Issue Expense Paid	(1.34)	0.00
	Proceeds/(Repayments) of Deferred Sales Tax Loan/ICD/Unsecured Loans	(0.37)	(0.60)
	Net Cash Generated from Financing Activities	(312.52)	(152.32)
	Net Increase in Cash & Cash Equivalents (A+B+C)	38.38	63.67
	Cash & Cash Equivalents (Opening)	131.26	67.59
	Cash & Cash Equivalents (Closing)	169.64	131.26

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 begining 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 our Report of even date

For and on behalf of the Board of Directors

For **Prakkash Muni & Associates**

Chartered Accountants
Firm Registration No 111792 W

Rajinder Miglani
Chairman

Anuj R Miglani
Managing Director

Prakkash R. Muni
Partner
Membership No 30544

Gursharan S Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

Place : Mumbai
Date : 24th May, 2013



SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS:

CORPORATE INFORMATION

The Company is promoted by Miglani family initially in the year 1985 and ArcelorMittal has joined as Co-Promoter in the year 2009-10.

The Company is in the business of manufacturing of intermediate steel products i.e Cold Rolled Steel (CR) and Galvanised Products comprising of Galvanised Plain (GP), Galvanised Corrugated (GC) and Colour Coated Products (CCP) Coils and Sheets situated at Khopoli, Mumbai Western part of India. The Company is in the business of procuring Hot Rolled Steel (HR) and processing it in to CR and further in to GP and PPGL. Its current facilities are mainly in thicker and thinner gauge material. The CR not used for galvanizing is converted to value added grades in Cold Rolled Closed Annealed (CRCA) coils, Cut to Length (CTL) Sheets and also sold as Full Hard CR in Domestic and Overseas market. The market segment for value added grades include Appliance, General Engineering, Automotive, Construction, Packaging, Sandwich Panels and Others.

The registered office of the Company is situated at Uttam House, 69 P D'Mello Road, Carnac Bunder, Mumbai.

SIGNIFICANT ACCOUNTING POLICIES

I.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 dispatched 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.

I.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 thereto, are considered as finance cost.

I.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.

I.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

Post employment and other long term employee benefits are recognized as an expense in the Profit and Loss Account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using Actuarial Valuation Techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to Profit and Loss Account.

I.05 The Treatment of Expenditure during Construction Period:

- (a) Expenditure directly related to particular fixed assets is capitalized to those fixed assets. All indirect expenses are apportioned to various fixed assets on a reasonable basis. This is done once the construction and erection work is completed, pending which the accumulated amount is disclosed as Capital Work-in-progress Pending capitalization under fixed asset.
- (b) Interest on Loans are capitalised upto the date on which the asset is 'Put to Use'. Interest includes exchange fluctuation on Foreign Currency Term Loans. It is in line with Accounting Standards on Borrowing Cost and long term foreign currency debts and Accounting Standards on Fluctuation on Foreign Exchange currency.
- (c) The Income and Expenditure during trial runs is included in the Profit & Loss Account. Excess of expenditure over income is capitalised.
- (d) Temporary surplus in short term i.e. liabilities over assets are used for Capital Work In Progress. Interest and consequential cost is appropriately accounted.
- (e) Upfront Expenses incurred on mobilisation of term debts is treated as a part of Capital Cost of relevant project.

I.06 Fixed Assets and Depreciation:

- (a) Fixed assets are carried at cost less accumulated depreciation.
- (b) Cost excludes Cenvat credit, sales tax and service tax credit and such other levies / taxes. Depreciation on such assets is claimed on 'reduced' cost.
- (c) Depreciation on fixed assets has been provided on straight line method at the rates specified, in the Schedule XIV of the Companies Act, 1956, in Line with Notification No. GSR/756(E) dated, 16th December 1993.
- (d) Depreciation on assets acquired during the year has been provided on pro-rata basis; from the date on which it is 'Put to Use'.



I.06A Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

I.07 Investment:

The company does not provide for temporary diminution in value of long term investments, if any. Exchange Gain / (Loss) on Investments in Foreign Currency has been provided at the year end.

I.08 Inventories:

- (a) Inventories are valued as under after providing for obsolescence:
 - (a) Fixed as Materials - At Cost (Moving Weighted Average Method)
 - (ii) Work-in-Process - At Material Cost *plus* labour and other appropriate portion of production and administrative overheads and depreciation.
 - (iii) Finished Goods - At lower of cost *or* realisable value. Cost is inclusive of any taxes and duties incurred.
 - (iv) Stores Spares etc. - At Cost
 - (v) Arising's - At realisable value
- (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.

I.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 1957.

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.

I.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.

I.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.

I.12 Export entitlements / obligations:

- (a) Duty free import of raw materials under Advance Authorisation (DEEC) for imports as per import and export policy are matched with exports made / produced. Benefit / Obligation are accounted by making suitable adjustments in raw material consumption.
- (b) The benefits accrued under the Duty Drawback Scheme and Duty Free Import Authorisation (DFIA) as per the relevant import and export policies during the year are included under the head:
 - (i) Sales: Export incentives
 - (ii) Raw material consumed
 - (iii) Stores & Rolls consumed
- (c) Export incentives receivable on export performance are recognised in pursuance to 'Accounting Standard 9 on Revenue Recognition', (AS-9) with reference to certainty of collectability of such export incentives.

I.13 (a) Sales are recognised at the time of dispatch to customers / endorsement of documents and includes Central Excise Duty; as may be applicable.

- (b) Finished goods captively consumed as packing materials are excluded from sales. Transfer Price, as taken in Central Excise Duty records, is treated as the packing material cost.

I.14 Deferred sales tax incentive available to the Company under Maharashtra Value Added Tax (MVAT) is recognised as sales in case Net present value (NPV) is duly paid to the designated authority before the approval of annual accounts.

I.15 Customs Duty:

The Company has been accounting for custom duty liability, as may be applicable, in respect of imported raw material lying in bonded warehouse as and when they are ex-bonded.

I.16 Central Excise Duty and Service Tax:

- (a) The Company is accounting liability for excise duty on finished goods as and when goods are cleared as per consistent practice, in pursuance to the accepted practice of the Excise authorities.
 - (i) Inventory valuation
 - (1) Finished goods in the plant at the close of the year are valued inclusive of excise duty.
 - (2) Raw materials and work in process are valued exclusive of Cenvat claimed.
 - (ii) Profit / Loss for the year remain unaffected by inclusion / exclusion of Excise Duty in inventory valuation referred in clauses (1) and (2) above.
- (b) The Company is accounting liability for Service Tax for services purchased, at the time of payment. The credit for Input Services Tax is claimed as per appropriate laws, rules and regulations.

I.17 Commodity Hedging Transactions:

In respect of commodity hedging transactions, the gain / loss on settlement and provisions for gain / losses at year end are appropriately accounted along with material cost in Profit and Loss Account.

I.18 Inter Unit transactions are eliminated to the extent possible.



Note I Share Capital

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(a) Authorised Share Capital 17,50,00,000 (17,50,00,000) Equity Shares of Rs.10 Each	175.00	175.00
(b) Issued, Subscribed and Paid up Equity Share Capital 14,22,60,103 (12,22,60,103) Equity Shares of Rs 10 each (Out of this 58,74,760 Equity Share have been Issued for consideration other than Cash and 2,18,57,924 Equity Share have been issued on Conversion of Global Depository Receipts)	142.26	122.26
Total - Issued, Subscribed and Paid up Equity Share Capital	142.26	122.26

Reconciliation of No of Shares outstanding is set out below.

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Equity Shares at the beginning of the year	122,260,103	122,260,103
Add: Shares Issued during the year (QIP)	20,000,000	Nil
Equity Shares at the end of the year	142,260,103	122,260,103

Details of Shareholder holding more than 5% Equity Shares:

Name of Shareholder	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of shares held	% holding	Number of shares held	% holding
Equity Shares with Voting Rights				
Kredence Multi Trading Limited	14921063	10.49	14921063	12.20
Uttam Exports Private Limited	7324379	5.15	7324379	5.99
Shree Uttam Steel & Power Limited	7885600	5.54	7885600	6.45
Arcelomittal Netherlands BV	41327931	29.05	41327931	33.80
Cresta Fund Limited	14101426	9.91	12061801	9.87
Albula Investment Fund Limited	10806750	7.60		
Asia Investment Corporation (Mauritius) Limited	8442125	5.93		

Note 2 Reserves and Surplus

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(a) Capital Reserve As per Last Balance Sheet	0.12	0.12
(b) Capital Redemption Reserve As per Last Balance Sheet	5.37	5.37
(c) Securities Premium Account As per Last Balance Sheet	169.16	169.16
Add : During the Year	140.00	
Closing Balance	309.16	169.16

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(d) Debenture Redemption Reserve		
As per Last Balance Sheet	37.50	25.00
Add: Transferred from Profit & Loss Account	12.50	12.50
Closing Balance	50.00	37.50
(e) Capital Incentive From Government of Maharashtra		
As per Last Balance Sheet	0.20	0.20
(f) Profit and Loss Account		
As per Last Balance Sheet	690.40	624.94
Add: Profit for the year	61.55	77.96
Less: Appropriations		
Transferred to Debenture Redemption Reserve	12.50	12.50
Closing Balance	739.45	690.40
Total - Reserves and Surplus	1,104.30	902.75

Note 3 Long Term Borrowings

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Secured		
11.25 % Non-convertible Redeemable Debentures	100.00	200.00
Term Loan from Banks and Financial Institutions	1673.21	1769.39
	1773.21	1969.39
Unsecured		
Other loans (SICOM & Others)	1.30	1.67
Total - Long Term Borrowings	1,774.51	1,971.06

- (i) Details of Terms of repayment of the Secured Non-Convertible Redeemable Debentures issued by the Company and security provided in respect thereof :

Particulars	Terms and conditions*	As at 31 st March, 2013	As at 31 st March, 2012
11.25 % Non-convertible Redeemable Debentures	Redeemable in 4 half-yearly installments ending on March 2015	100.00	200.00

- (ii) Details of terms of repayment for the Secured Long-Term Borrowings and security provided in respect there of:

Particulars	Terms of repayment	As at 31 st March, 2013	As at 31 st March, 2012
Long-Term loans from Banks:			
Axis Bank Limited, Bank of Baroda, Dena Bank, Exim Bank of India, Oriental Bank of Commerce, Punjab National Bank, Syndicate Bank, State Bank of India & State Bank of Hyderabad	Repayable in 36 quarterly installments ending on March 2020	1,190.00	1,260.00

Particulars	Terms of repayment	As at 31 st March, 2013	As at 31 st March, 2012
ECB from ICICI Bank Limited (USD Nil, Previous Year USD 15 Million)	Repayable in 11 half-yearly installments ending on February 2014	-	76.73
ICICI Bank Limited -I	Repayable in 8 half yearly installments ending on December 2015	25.00	37.50
ICICI Bank Limited -II	Repayable in 28 quarterly installments ending on December 2019	184.82	216.96
ICICI Bank Limited (OFCL) 0%	Repayable in lumpsum on March 2015	9.55	9.55
ECA from Nordea Bank (USD 0.83 Million, Previous Year USD 1.25 Million)	Repayable in 16 half yearly installments ending on November 2015	4.54	6.40
State Bank of India	Repayable in 16 quarterly installments ending on December 2016	68.75	93.75
Vijaya Bank	Repayable in 28 quarterly installments ending on September 2019	137.50	-
Total - Secured Long Term Loan From Banks		1,620.16	1,700.90
Secured Long Term Loans from Financial Institutions			
IFCI, LIC, GIC, UII	Repayable in 5 annual installments ending on July 2014	3.88	7.74
IDFC	Repayable in 28 quarterly installments ending on March 2018	49.18	60.75
Total - Term loans from Financial Institutions		53.05	68.49
Total - Secured Long Term Loan From Banks and Financial Institutions		1,673.20	1,769.39

- 1) 11.25 % Non Convertible Redeemable Debentures are secured by first pari passu Mortgage of all immovable property 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.
- 2) Term Loan from Banks and Financial Institutions namely Axis Bank, Bank of Baroda, Dena Bank, Exim Bank of India, Oriental Bank of Commerce, Punjab National Bank, State Bank of India, Syndicate Bank, State Bank of Hyderabad, IDFC and ICICI Bank Ltd are secured by mortgage and the lenders have pari passu charge on all the present and future movable and immovable assets of the Company except Packing Machine supplied by PESMEL, Finland but not limited to plant and machinery, machinery spares, tools and accessories in possession or not, stored, or to be brought in companies premises or lying at any other place of the companies representative affiliates and all the intangible assets of the company. The above security will rank pari passu amongst the lenders.
- 3) ECB loan from ICICI Bank Ltd is secured by mortgage of all immovable property 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.
- 4) ECA loan from Nordea Bank is secured by hypothecation of packing machine supplied by PESMEL, Finland.
- 5) Term Loan from ICICI, IFCI, LIC, GIC, and UII ranking pari passu are secured by Mortgage of all immovable property and hypothecation of all movable properties including movable machineries, machineries spares, tools and accessories both present and future except Packing Machine supplied by PESMEL Finland. 25,02,500 Equity Shares (Previous Year 25,02,500 equity shares) held by Promoters are pledged against term loan of Rs 9.55 Crores availed from ICICI Bank.

Uttam Galva Steels Limited

Note 4 Deferred Tax Liability (Net)

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Deferred Tax Liability:		
Deferred Tax Liabilities related to Fixed Assets	168.25	121.70

Note 5 Other Long Term Liabilities

Rs in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Others:		
Advances from Customers	325.75	347.48

Note 6 Long Term Provisions

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(a) Provision for Employee Benefits:		
(i) Provision for Gratuity	6.34	5.55
(ii) Provision for Leave Encashment	5.19	5.99
Total - Long Term Provisions	11.53	11.55

Note 7 Short Term Borrowings

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Secured		
Working Capital Loan from Banks	265.80	45.35

Working Capital Loans from Banks on Cash Credit (CC) & Packing Credit (PC) Accounts are Secured by Hypothecation of all Tangible, Moveable assets such as Raw Material, WIP, 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.

Note 8 Trade Payables

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Trade Payables:		
Micro, Small and Medium Enterprises	0.74	0.39
Acceptances	930.88	633.04
Other than Acceptances	826.11	539.58
Subsidiary Companies	59.79	253.65
Total - Trade Payables	1,817.52	1,426.66



The details of amounts outstanding to Micro, Small & Medium Enterprises based on information available with the Company is as under:

Particulars	As at 31 st March , 2013	As at 31 st March, 2012
Principal amount due and remaining unpaid	0.74	0.39
Interest due on (1) above and the unpaid interest	-	-
Interest paid on all delayed payments under the MSMED Act	Nil	Nil
Payment made beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay other than (3) above	Nil	Nil
Interest Accrued and remaining unpaid	Nil	Nil
Amount of further interest remaining due and payable in succeeding year	Nil	Nil

Note 9 Other Current Liabilities

Rs. in Crores

Particulars	As at 31 st March , 2013	As at 31 st March, 2012
(a) Current maturities of Long Term Debt (Refer Note No 3)	348.54	162.62
(b) Interest Accrued but not due on Borrowings	5.04	6.60
(c) Other payables		
(i) Statutory Remittances (PF and ESIC, Withholding Taxes, TDS, Excise Duty, VAT, Service Tax, etc.)	44.64	51.62
(ii) Advances from Customers	772.73	632.36
(iii) Provision for Freight & other Expenses	40.14	20.26
Total - Other Current Liabilities	1,211.09	873.46

Note 10 Short Term Provisions

Rs. in Crores

Particulars	As at 31 st March , 2013	As at 31 st March, 2012
(a) Provision for Employee Benefits		
(i) Provision for Bonus	1.17	1.25
(ii) Provision for Gratuity	-	1.21
(iii) Provision for other Employee Benefits	0.51	0.02
	1.68	2.48
(b) Provision - Others:		
(i) Provision for Tax -Net of Advance tax Rs 17.19 Crores (Previous Year Rs 17.00 Crores)	10.04	11.26
(ii) Provision - others	0.00	-
Total - Short Term Provisions	11.72	13.74

NOTE 11 : FIXED ASSETS

Rs. in Crores

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS AT 1-Apr-12	ADDITIONS	DEDUCTION	COST AS AT 31-Mar-13	UP TO 1-Apr-12	PERIOD ENDED 31-Mar-13	DEDUCTION	TOTAL	AS AT 31-Mar-13	AS AT 31-Mar-12
Own Tangible Assets	42.01	0.00	0.00	42.01	0.00	0.00	0.00	0.00	42.01	42.01
Land	668.51	15.58	0.00	684.09	97.22	22.33	0.00	119.56	564.54	571.29
Building & Site Development	2.96	0.00	0.00	2.96	0.28	0.05	0.00	0.33	2.63	2.68
Flats & Office Premises	2936.66	481.62	0.00	3418.28	720.38	154.94	0.00	875.32	2542.95	2216.28
Plant & Machinery	30.84	1.26	0.00	32.10	7.45	1.75	0.00	9.21	22.90	23.39
Furniture & Fixtures	7.29	0.11	0.00	7.40	4.25	0.65	0.00	4.90	2.51	3.04
Office Equipments	0.17	0.11	0.00	0.28	0.00	0.01	0.00	0.01	0.27	0.17
Computer	11.79	1.01	0.00	12.81	7.42	1.50	0.00	8.92	3.89	4.38
Vehicles	9.47	0.69	0.04	10.12	3.05	0.85	0.03	3.87	6.25	6.41
Housing Complex	31.02	1.07	0.00	32.09	1.76	0.51	0.00	2.26	29.83	29.27
TOTAL	3740.55	501.35	0.04	4241.86	841.81	182.58	0.03	1024.35	3217.51	2898.74
PREVIOUS YEAR	2534.19	1207.35	0.99	3740.55	714.86	127.37	0.42	841.81	2898.74	

Exchange fluctuation loss amounting to Rs. 8.24 cores (Previous Year Rs. 18.33 cores) capitalised during the year.

Note 12 Non Current Investments

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Investments (At cost):		
Others Investment		
In Equity Shares of Associate Companies Unquoted, Fully Paid Up		
9,994 Equity Shares of Rs. 10 each of Uttam Utkal Steels Limited	0.01	0.01
In Equity Shares of Subsidiary Companies Unquoted, Fully Paid Up		
a) 5,000 Equity Shares of \$ 10 each of Atlantis International Services Company Limited	0.27	0.26
b) 10,00,000 Equity Shares of UAE Dirham 1 each of Uttam Galva Holdings	1.48	1.38
c) 18000 Equity Shares of Euro one each of Uttam Galva Steels Netherlands B.V	0.13	0.12
d) 50,000 Equity Shares of USD 40 each of Uttam Galva Steels BVI Ltd	10.88	-
e) 1 Equity Shares of AED 100000 each of Uttam Galva Steels FZE	0.15	-
f) 1 Equity Shares of USD 50,000 of Neelraj International Trade Limited	0.27	0.27
In Equity Shares of Joint Venture Companies Unquoted, Fully Paid Up		
a) 30,20,000 Equity Shares of Rs 10 each of Texturing Technology Private Limited	3.02	3.02
b) 199465 Equity Shares of Rs 10 Each of Moira Madhujore Coal Limited (Out of this, 135284 equity shares are purchased at a premium of Rs.90 per Share & 35527 Equity Share at Rs.10 each at a Premium of Rs 75 per Share)	1.68	1.30
c) Share Application Money with Moira Madhujore Coal Limited	-	0.09
Total Investment in Equity Share of Associate/ Subsidiaries / Joint Ventures	17.89	6.45



Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Investment in Debentures of others entities, Un quoted Fully Paid Up 300,000 Unsecured Optionally Fully Convertible Debentures of Rs. 100 Each in Shree Bhavani Power Projects Private Limited.	3.00	3.00
Total Investment in Debenture in Other Entities	3.00	3.00
Other Non-Current Investments		
i) 20,000 Equity Shares of Rs. 25 each of Punjab & Maharashtra Co-op Bank Limited	0.05	0.05
ii) 515,000, Equity Shares of Rs. 10 Each in Ansal Hi-Tech Township Ltd.	0.52	0.52
iii) Share Application Money in Shree Bhavani Infracon Private Limited	2.00	2.00
Total - Non Current Investments	2.57	2.57
Total - Other Investments	23.46	12.02

Note 13 Long Term Loans and Advances

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
Unsecured, Considered Good		
Security Deposits ;		
To Related Parties	16.05	16.05
To Others	2.49	5.21
Loans and advances to related parties	34.51	15.00
Advance income tax for Prior Years (Net of Provision As at 31 st March, 2013)	12.08	9.57
MAT credit entitlement	41.33	41.33
Total - Long Term Loans Advances	106.46	87.16

Note 14 Other Non-Current Assets

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
Accruals		
Interest Accrued on Deposits	3.25	4.49
Others		
Other Receivables (DFIA)	-	19.40
Total - Other Non Current Assets	3.25	23.89

Note 15 Inventories

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
Raw Materials	293.43	535.00
Goods-in-Transit	70.25	60.48
Work-in-Progress	302.93	138.16
Finished Goods	274.61	227.71
Stock-in-trade - Traded Goods	38.32	62.93
Stores and Spares	49.89	52.21
Arising	7.81	8.65
Total - Inventories	1037.24	1085.14

Note: Details of inventory of Work-in-Progress

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
Product CRC + Slab	206.23	70.07
Product GP/GC	86.69	55.03
Product PPGI	10.01	13.06
Total - Work in Progress (WIP)	302.93	138.16

Note 16 Trade Receivables

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
Unsecured, Considered Good		
Outstanding for a period exceeding six months	31.06	40.42
Other receivables	656.74	519.19
Less: Provision for Bad and Doubtful Debts	3.31	1.77
Total - Trade Receivables	684.49	557.84

Note 17 Cash and Cash Equivalents

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
Cash in hand	0.27	0.40
Balances with Banks		
In Current Accounts	169.08	115.50
In EEFC Accounts	-	0.02
Balances held as Margin Money or Security against Borrowings, Guarantees and other Commitments	0.29	15.34
Total - Cash and Cash Equivalent	169.64	131.26



Note 18 Short-term loans and advances

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Unsecured, Considered Good		
Loans and Advances to Related Parties	11.67	5.93
Loans and Advances to Employees	2.36	1.68
Prepaid Expenses	39.69	38.85
Balances with Government Authorities		
(i) CENVAT Credit Receivable	214.31	120.45
(ii) VAT Refund Receivable	133.54	110.94
(iii) Service Tax Credit Receivable	18.28	10.69
Advances to Suppliers	526.92	362.02
Advances recoverable in cash or in kind or for value to be received	94.75	8.23
Deposits	2.36	2.48
Total - Short Term Loans and Advances	1,043.88	661.27

Note 19 Revenue from operations

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Sale of Products #	4116.45	4274.35
Traded Goods	1743.08	899.76
Other Operating Revenues	392.81	301.27
Gross Revenue from Operations	6252.34	5475.38
Less: Excise Duty	341.27	303.78
Total - Revenue from Operations (Net)	5,911.07	5,171.60

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Sale of Products Comprises		
Manufactured Goods **		
GP / GC*	2385.31	2520.27
PPGI	466.39	421.15
CRCA + HRPO #	1264.75	1332.93
Total - Sale of Manufactured Goods	4116.45	4274.35
Traded Goods		
Sales Domestic Service Centre	477.73	460.69
Sales Domestic Trading	515.23	204.64
Sales Merchandise Exports	750.12	234.43
Total - Sale of Traded Goods	1743.08	899.76
Total - Sale of Products	5859.53	5174.11
Other Operating Revenues		
Sale of Scrap	292.90	220.11
Duty Drawback and Other Export Incentives (FMS and SHIS)	29.63	14.24
Sales of Surplus Generated Power	70.28	66.92
Total - Other Operating Revenues	392.81	301.27

Uttam Galva Steels Limited

Sales includes Rs. 834.10 Crores (Previous Year Rs. 832.09) towards sales from trial run / stabilisation of Production, of 4Hi Skin Pass Mill

* GP Sales includes Rs. 1008.88 Crores (Previous Year Rs. 698.75) towards sales during stabilisation of Super Galvanising Line (SGL)

** Manufactured Sales includes Export Sales Rs. 1236.41 Crores (Previous Year Rs. 1066.96 Crores)

Note 20 A Cost of Materials Consumed

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Opening Stock	591.45	562.50
Add: Purchases	2,997.10	3,184.06
	3,588.55	3,746.56
Less: Closing Stock	336.39	591.45
Cost of Material Consumed	3,252.16	3,155.11
Cost of Materials Consumed		
Hot Rolled Coil	2,422.35	2208.65
Cold Rolled Full Hard	473.79	619.17
Zinc & Metal	322.23	298.93
Paint	33.79	28.36
Total - Cost of Material Consumed	3,252.16	3,155.11

Note 20 B Purchase of Traded Goods

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Purchase of Trade goods		
Trading Purchases Hot Rolled Coil	154.25	67.76
Trading Purchases Other Steel Products etc.	50.25	37.22
Trading Purchases	1,404.96	515.82
Total -Purchase of Traded Goods	1,609.46	620.80

Note 20 C Changes in Inventories of Finished Goods, Work-in-Progress , Traded Goods

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Inventories at the end of the year:		
Finished Goods (FG) at Plant	179.40	136.28
Finished Goods (FG) at Port	95.21	91.43
Arisings	7.81	8.65
Work-in-Process (WIP)	302.93	138.18
Stock in Trade - Traded Goods	38.32	62.93
Stock in Trade	623.67	437.47
Inventories at the beginning of the year:		
Finished Goods (FG) at Plant	136.28	302.70
Finished Goods (FG) at Port	91.43	14.15
Arisings	8.65	9.60
Work-in-Process	138.18	156.71
Stock in Trade - Traded Goods	62.93	267.13
Stock in Trade	437.47	750.29
Net (Increase) / Decrease in Inventories	(186.20)	312.82



Note 21 Employee benefits expense

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Salaries and Wages	66.01	57.97
Contributions to Provident and other Funds	3.03	3.88
Staff Welfare Expenses	7.29	5.65
Total - Employee Benefit Expenses	76.33	67.50

The Company has provided for Actuarial Valuation of Unclaimed Leave Encashment Benefits as at 31st March 2013 to the tune of Rs. 5.19 Crores (Previous Year Rs. 5.99 crores).

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (Revised) the details of which are as follows:

Amount to be recognised in Balance Sheet As at 31st March 2013

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Gratuity		
Present Value of Funded Obligations	14.01	12.08
Present Value of Unfunded Obligations	7.66	6.76
Fair Value of Plan Assets (managed by insurer)	6.35	5.32
Net Liability	7.66	6.76
Amounts in Balance Sheet		
Liability	14.01	12.08
Assets	6.35	5.32
Net Liability	7.66	6.76
Expenses to be recognised in the Statement of P&L		
Current Service Cost	1.72	1.54
Interest on Defined Benefit Obligation	0.97	0.79
Expected Return on Plan Assets	(0.62)	(0.45)
Net Actuarial Losses/(Gains) Recognised in Year	(0.28)	0.51
Total, included in "Employee Benefit Expense"	1.79	2.39
Actual Return on Plan Assets	0.62	0.45
Reconciliation of Benefit Obligations & Plan Assets For the Period		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	12.08	9.82
Current Service Cost	1.72	1.54
Interest Cost	0.97	0.79
Actuarial Losses/ (Gains)	(0.28)	0.51
Benefits Paid	(0.48)	(0.58)
Closing Defined Benefit Obligation	14.01	12.08
Change in Fair Value of Assets		

Uttam Galva Steels Limited

Opening in Fair Value of Plan Assets	5.32	3.89
Expected Return on Plan Assets	0.62	0.46
Actuarial Gains / (Losses)	0.00	0.00
Contributions by Employer	1.81	1.46
Benefits Paid	(0.09)	(0.49)
Closing Fair Value of Plan Assets	7.66	5.32
Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount Rate (p.a.)	8.00%	8.00%
Expected Rate of Return on Assets (p.a.)	8.51%	8.51%
Salary Escalation Rate (p.a.)	7.00%	7.00%

Note 22 Other Expenses

Rs. in Crores

Particulars	As at	As at
	31 st March, 2013	31 st March, 2012
Manufacturing Expenses		
Power Consumption	130.53	101.91
Coal Consumed	145.30	141.29
Power Captively Consumed	(118.16)	(85.66)
Power Captively Consumed - Steam	(9.06)	
Consumption of Steam	9.06	
Fuel Consumption	66.03	47.51
Water Charges	2.59	2.54
Stores & Spares Consumed	49.79	44.11
Repairs & Maintenance to Plant	25.70	23.73
Other Manufacturing Expenses	42.82	17.41
Total - Manufacturing Expenses	344.60	292.84
Selling and Distribution Expenses		
International Freight	66.78	40.59
F.O.B. Expenses	19.11	14.47
Local Freight	26.56	34.77
Brokerage & Commission	2.70	3.91
Other Expenses	8.06	5.61
Packing Material Consumed	52.60	50.75
Total - Selling and Distribution Expenses	175.81	150.10
Administrative Expenses		
Insurance	7.01	5.52
Travelling & Conveyance	4.82	4.99
Rent, Rates & Taxes	4.02	4.39
Legal, Professional & Consultancy Charges	8.94	8.29
Repairs & Maintenance to Building	7.17	5.30
Repairs & Maintenance to others	1.92	1.84
Security charges	2.42	1.74
Other Expenses	11.35	8.62



Remuneration to CMD / DMD	3.12	3.12
Sundry Balance Written Off/(Written back)	(0.90)	(0.01)
Payment to Auditors - Audit Fees	0.30	0.30
- Tax Audit & Certifications	0.10	0.05
- Expenses Reimbursed	0.05	0.05
Loss on Sale of Fixed Assets	0.00	0.19
Total - Administrative Expenses	50.32	44.39
Total - Other Expenses	570.73	487.32

Note 23 Finance Costs

Particulars	Rs. in Crores	
	As at 31 st March , 2013	As at 31 st March, 2012
Interest Expense on:		
(i) Borrowings - Long Term	256.99	238.79
(ii) Borrowings - Short Term	159.45	141.68
Other Borrowing Costs (Upfront Fees)	40.45	24.35
Net Loss on Foreign Currency Transactions and Translation	3.66	8.53
Gross Interest and Financial Charges	460.55	413.35
Less:- Interest & Financial Charges Charged to Capital Work In Progress	155.91	146.03
Total - Finance Cost	304.64	267.32

Note 24 Other Income

Particulars	Rs. in Crores	
	As at 31 st March , 2013	As at 31 st March, 2012
Interest Income	11.60	2.53
Net Gain on Foreign Currency Transactions and Translation (other than considered as Finance Cost)	1.49	3.28
Other Non-Operating Income	0.87	1.83
Total - Other Income	13.96	7.64
Interest income		
i) Income from Mutual Fund	0.83	0.51
ii) Interest Recieved on FD	5.37	1.89
iii) Interest Recieved on NSC		0.01
iv) Interest on Receivables	5.40	0.12
Total- Interest Income	11.60	2.53

Note 25 Extraordinary item

Particulars	Rs. in Crores	
	As at 31 st March , 2013	As at 31 st March, 2012
Compensation on Cancellation on Fixed Assets Contract	20.00	

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:

Sr. No	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(a)	Letters of Credit outstanding	754.88	698.58
(b)	Bank Guarantees	129.12	130.25
(c)	Estimated amount of contracts remaining to be executed on capital account and not provided for	86.31	126.02
(d)	Bills Discounted	NIL	NIL

3.2 The Company had given a corporate guarantee of Rs.87.54 Crores (Previous Year Rs. 87.54 Crores) to Commissioner of Customs against export obligation of Uttam Galva Metalics Limited.

3.3 The Company had given a corporate guarantee of Rs.4.30 Crores (Previous Year Rs. 4.30 Crores) to Punjab National Bank Limited on behalf of Joint Venture Company.

3.4 The Company has given a corporate guarantee of USD 40 million (Previous Year USD 40 Million) to Standard Chartered Bank against credit facility availed by Atlantis International Service Company Limited, Sundry Creditors under the head current liability includes Rs. Nil Crores (Previous Year Rs 96.66 Crores) towards the liability payable to subsidiary company.

3.5 The company has given a corporate guarantee of USD 30 million (Previous Year USD 30 million) to ICICI Bank against credit facility availed by Ferro Zinc International FZE, Sundry Creditors under the head current liability includes Rs. 59.79 (Previous Year Rs.153.99 Cores) towards the liability payable to subsidiary company.

4.0 During the Financial Year, the Company has shifted its ERP System from MFG-PRO to SAP w.e.f 1st January 2013. Prima Facie, the new system is implemented satisfactorily with reference to material movements (MM Module) and financial transactions (SD and FI Modules). Errors/Omissions / Slippages of insignificant nature noticed during implementation have been corrected appropriately.

5.0 (a) The Company is being re-assessed, under Section 153A r/w Section 132 of the Act for Assessments Year 2006-07 to 2011-12 i.e Financial Year 2005-06 to 2010-11.

(b) The Sales Tax Assessments are completed up to 31st March, 2011.

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

6.0 Pursuant to revision of Accounting Standard 11 (AS 11), exchange fluctuation Loss of Rs.8.82 Crores (Previous Year Rs. 18.33 Crores) on Foreign Currency Loans is adjusted against cost of relevant fixed assets.

7.0 Taxation.

7.1 The Company does not have any taxable income as per the provisions of the Income Tax Act, 1961. However, it is liable to MAT (Minimum Alternate Tax).

7.2 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.132.23 Crores (Previous year Rs. 135.03 Crores) for period April 2012 to March 2013. The Company has prepaid Rs. 37.03 Crores (Previous year Rs.37.81 Crores) at net present value as prescribed, and consequential balance of Rs. 93.83 Crores (Previous year Rs. 97.21 Crores) is treated as sales and Rs. 1.37 crores (Previous Year Rs. 1.01 crores) is credited to Fuel Account. This credit has accrued and arisen during the financial year 2012-13.

8.0 During the current year under review the company carried out modification / revamping of Super Galvanizing Line (SGL). Total expenditure includes cost of sales, Rs. 1162.10 Crores (Previous year Rs. 861.21 Crores) related to goods produced during trial run. Excess of expenditure over Sales realization is capitalized.



9.0 During the current year under review the Company carried out modification / revamping of 4HI WW Skin Pass Mill. Total expenditure includes cost of sales, Rs. 952.42 Crores (Previous year Rs. 913.87 Crores) related to goods produced during trial run. Excess of expenditure over Sales realization is capitalized

10.0 Earning Per Share (EPS)

Earning Per Share (EPS) Basic and Diluted	As at 31 st March, 2013	As at 31 st March, 2012
a) Including Extraordinary Income		
Profit for the Year	61.55	77.96
Weighted average No. of Ordinary shares of Rs.10 each for Basic EPS	122479281	122260103
Earnings per Share (EPS) Basic & Diluted (Rupees)	5.03	6.38
b) Excluding Extraordinary Income		
Profit for the Year	45.55	77.96
Weighted average No. of Ordinary shares of Rs.10 each for Basic EPS	122479281	122260103
Earnings per Share (EPS) Basic & Diluted (Rupees)	3.72	6.38

11.0 Capital Work-in-progress:

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

Rs. in Crores			
Sr. No	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(1)	Land, Buildings Site development expenses	276.94	165.98
(2)	Plant & Machinery	278.94	34.09
(3)	Consultant fees	8.93	7.33
(4)	Other Fixed Assets	14.87	4.62
(5)	Preoperative expense	18.06	107.62
(6)	Advances to Suppliers	19.52	86.53
(7)	Sundry Creditors	(70.46)	(27.48)
		546.80	378.69

12.0 (a) During the year, Uttam Galva Steels (BVI) Limited, a wholly owned Subsidiary has been incorporated on 26th day of November, 2012 at British Virgin Islands and Uttam Galva Steels FZE, a wholly owned Subsidiary has also been incorporated on 21st day of November, 2012 at United Arab Emirates.

13.0 (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:

Shri Rajinder Miglani
 Shri Anuj R Miglani
 Shri Ankit Miglani
 Shri Gursharan Singh Sawhney
 Shri Sunil Prakash

(ii) Other Related Parties

(Associates of the Company / Enterprises over which key management personnel and/or their relatives exercise significant influence)

Uttam Galva Steels Limited

Wholly Owned Subsidiary / Step down Subsidiary:

Uttam Galva Holdings Limited
 Atlantis International Services Company Limited
 Ferro Zinc International FZE
 Uttam Galva Steels , Netherlands BV
 Neelraj International Trade Limited, BV
 Uttam Galva Steels (BVI) Limited
 Uttam Galva Steels FZE

Associates / Joint Ventures :

Grow Well Mercantile Limited
 Shree Uttam Steel and Power Limited
 Uttam Galva Metallics Limited
 Uttam Distribution Network Limited
 Uttam Utkal Steels Limited
 Sainath Trading Company Private Limited
 Texturing Technology Private Limited
 Moira Madhujore Coal Limited
 Uttam Value Steels Limited (Formerly known as Llyods Steel Industries Limited)
 Kredence Multi Trading Limited
 Archisha Investment Pvt Limited
 Uttam Galva Ferrous Limited

Ability to Control / Exercise Significant Influence

ArcelorMittal Finanzaria, SRL
 ArcelorMittal Cons Reunion
 ArcelorMittal SSC, Italia
 ArcelorMittal International FZE
 ArcelorMittal International Luxembourg
 ArcelorMittal Distribution Solution
 ArcelorMittal Singapore Pvt Limited

(b) Details of transactions with related parties referred to in (a)(ii) above:

Rs. in Crores

	2012-13			2011-12		
	Subsidiaries	Associates/ Joint Venture	Ability to Contol/ Exercise significant influence	Subsidiaries	Associates/ Joint Venture	Ability to Contol/ Exercise significant influence
Sale of Goods / Services	276.47	512.45	391.58	197.42	141.20	387.98
Purchase of Goods / Services	406.77	148.76	27.88	313.29	42.41	523.22
Loan Given	0.03	-	-	24.33	-	-
Export Advance Received	189.71	-	-	203.75	-	-
Investment in Equity	11.16	-	-	0.25	-	-
Rent Income	-	-	-	-	0.21	-
Rent Payment	-	1.86	-	-	2.05	-
Interest Paid	5.36	-	-	0.27	-	-

14.0 (a) Value of Imported & Indigenous raw materials and spare parts consumed

	For the Year 2012-13		For the Year 2011-12	
	Value in Rs. in Crores	% to total consumption	Value in Rs. in Crores	% to total consumption
Raw Materials				
Imported	3313.77	67.82	2375.55	59.36
Indigenous	1572.45	32.18	1626.67	40.64
	4886.22	100.00%	4002.22	100.00%
Spare Parts and Components				
Imported	6.34	12.73	0.40	0.91
Indigenous	43.45	87.27	43.71	99.09
	49.79	100.00%	44.11	100.00%

(b) Value of imports on CIF basis

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
Raw materials	2029.93	1924.95
Spare Parts & Components	10.77	5.63
Capital Goods	41.22	39.01

15.0 Information pursuant to Clause 32 of listing agreement with stock exchanges.
Loans and advances in the nature of loans to wholly owned subsidiary companies are as under:
Rs. in Crores

	Balance as at		Maximum Balance during the year	
	31 st March 2013	31 st March 2012	2012-13	2011-12
Interest free loans without specified repayment schedule				
Uttam Galva Holdings Limited	0.21	0.20	0.21	0.20
Atlantis International Services Company Limited	15.61	14.68	15.61	14.68
Ferro Zinc International FZE	11.42	0.12	11.42	0.12
Uttam Galva Steels, Netherlands BV	10.18	11.74	11.74	11.74
Neelraj International Trade Limited, BV	8.51	5.63	8.51	5.63
Uttam Galva Steels (BVI) Limited	-	-	-	-
Uttam Galva Steels FZE	0.03	-	0.03	-

16.0 Derivative Contracts entered into by the Company and outstanding as on 31st March, 2013.

(i) For Hedging Currency and Interest Rate Related Risks:

The nominal amount of derivative contract entered into by the Company and outstanding as on 31st March, 2013:

		Rs. in Crores	
Sr. No	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
I	Forward Contracts	Nil	3.35

(ii) For Hedging Commodity Related Risks:

Sr. No	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
I	Zinc Future	Nil	450.00

17.0 Segment Reporting The Company is Manufacturing of Steel Products and also has a Captive Power Plant, hence it is reporting its results in single segment as required by AS – 17.

18.0 Sundry Debit Balances and Credit balances are subject to confirmations.

19.0 (a) Expenditure in Foreign Currency

		Rs. in Crores	
	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(i)	Interest	23.95	13.84
(ii)	Legal, Professional & Consultation fee	0.93	0.59
(iii)	Commission	1.44	1.60
(iv)	International Freight	39.16	29.25
(v)	Travelling Expenses	0.39	0.55
(vi)	Others	0.17	0.04

(b) Earnings in Foreign Currency:

		Rs. in Crores	
	Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	Exports on F.O.B. value	1949.39	1260.79

As per our Report of even date

For and on behalf of the Board of Directors

For **Prakash Muni & Associates**

Chartered Accountants

Firm Registration No 111792 W

Rajinder Miglani

Chairman

Anuj R Miglani

Managing Director

Prakash R. Muni

Partner

Membership No 30544

Gursharan S Sawhney

Director (Finance) & Group CFO

R Agrawal

Sr. Vice President & Company Secretary

Place : Mumbai

Date : 24th May, 2013



SUMMARY OF FINANCIAL INFORMATION PERTAINING TO THE SUBSIDIARY COMPANIES AS ON 31ST MARCH, 2013

The Ministry of Corporate Affairs vide General Circular No 2/2011 dated 8th February, 2011 has granted a General exemption to all the companies from the provision of Section 212 (8) of the Companies Act, 1956 subject to fulfillment of certain conditions. Accordingly the Financial information in terms of aforesaid Circular is provided herein below in respect of all the Subsidiary Companies.

Particulars	Name of the Subsidiary Companies						
	Uttam Galva Holdings Ltd*	Atlantis International Services Company Ltd	Uttam Galva Steels Netherlands B.V	Ferro Zinc International FZE*	Neelraj International Trade Ltd B.V	Uttam Galva Steels (BVI) Ltd.	Uttam Galva Steels FZE
Capital	14,819,996	2,719,465	1,307,573	14,819,996	2,719,465	108,778,600	1,475,962
Reserves	(2,520,400)	7,159,318	(93,764,869)	30,921,949	(51,148,459)	-	(271,185)
Total Assets	14894020	1944277966	476036800	792860836	1854662240	2012404100	1473025
Total Liabilities	2,594,424	1,934,399,183	568,494,096	747,118,891	1,903,091,234	1,903,625,500	268,248
Details of Investment (Except in case of investment in the Subsidiaries)	-	-	-	-	-	-	-
Turnover	-	3,635,848,134	2,174,460,843	3,843,452,659	458,248,215	-	-
Profit Before Taxation	(79,307)	41,061,212	(52,945,152)	(13,620,637)	(53,247,704)	-	(264,144)
Provision For Taxation	-	-	-	-	-	-	-
Profit after Taxation	(79,307)	41,061,212	-	(13,620,637)	(53,247,704)	-	(264,144)
Proposed Dividend	-	-	-	-	-	-	-
Country	Dubai	British Virgin Island	Netherland	Dubai	British Virgin Island	British Virgin Island	Dubai

*Note : Ferro Zinc International FZE is step down subsidiary of Uttam Galva Holding Limited, Dubai.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Uttam Galva Steels Limited

We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statements") of Uttam Galva Steels Limited ("the Company") and its subsidiaries and its joint venture companies; hereinafter referred to as the "Group" (refer Note 1 to the attached Consolidated financial statements) which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We did not audit the financial statements of subsidiaries and joint ventures included in the consolidated financial statements, which constitute total assets (net) of Rs. 168.11 Crores as at March 31, 2013. Total revenue of Rs. 359.79 crores, net loss of Rs. 6.75 Crores and net cash inflows amounting to Rs 68.40 Crores for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

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

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, and Accounting Standard (AS) 27 - Financial Reporting of Interests in Joint Ventures notified under Section 211 (3C) of the Companies Act, 1956.

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred to in paragraph above, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Prakash Muni & Associates,

Chartered Accountants

Firm Registration No: 111792W

Prakash R Muni

PARTNER

Membership No: 30544

Place: Mumbai

Date: 24th May, 2013



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

Rs. in Crores

Particulars		Note No.	As at 31 st March, 2013	As at 31 st March, 2012
A	EQUITY AND LIABILITIES			
I	Shareholders' Funds			
	(a) Share Capital	1	142.26	122.26
	(b) Reserves and Surplus	2	1,097.17	884.45
			1239.43	1006.71
2	Non Current Liabilities			
	(a) Long Term Borrowings	3	1,775.66	2,229.12
	(b) Deferred Tax Liabilities	4	168.76	122.28
	(c) Other Long Term Liabilities	5	-	97.96
	(d) Long Term Provisions	6	11.53	11.55
			1955.95	2460.91
3	Current Liabilities			
	(a) Short Term Borrowings	7	920.19	397.58
	(b) Trade Payables	8	1,758.61	1206.61
	(c) Other Current Liabilities	9	1,114.93	874.85
	(d) Short Term Provisions	10	11.73	16.44
			3805.46	2495.48
	TOTAL		7000.84	5963.10
B	ASSETS			
I	Non Current Assets			
	(a) Fixed Assets			
	(i) Tangible Assets	11	3,223.94	2906.15
	(ii) Capital Work-in-Progress		546.80	378.69
	(ii) Intangible assets under development		0.85	0.61
			3771.59	3285.45
	(b) Non Current Investments	12	5.58	5.58
	(c) Long Term Loans and Advances	13	72.12	72.66
	(d) Other Non Current Assets	14	3.94	23.89
			3853.23	3387.60
2	Goodwill on Consolidation		1.48	1.14
3	Current Assets			
	(a) Inventories	15	1,037.75	1,085.16
	(b) Trade Receivables	16	767.20	638.18
	(c) Cash and Cash equivalents	17	300.23	193.46
	(d) Short Term Loans and Advances	18	1,040.95	657.58
			3146.13	2574.38
	TOTAL		7000.84	5963.10
Significant Accounting Policies & Notes on Financial Statements		1 to 25		

As per our Report of even date

For and on behalf of the Board of Directors

For **Prakkash Muni & Associates**

Chartered Accountants

Firm Registration No 111792 W

Rajinder Miglani

Chairman

Anuj R Miglani

Managing Director

Prakkash R. Muni

Partner

Membership No 30544

Gursharan S Sawhney

Director (Finance) & Group CFO

R Agrawal

Sr. Vice President & Company Secretary

Place : Mumbai

Date : 24th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Rs. in Crores

Particulars	Note No.	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
CONTINUING OPERATIONS			
Revenue from Operations (Gross)	19	6612.13	5951.16
Less: Excise Duty		341.27	303.78
Revenue from Operations (Net)		6270.86	5647.38
Expenses			
(a) Cost of Materials Consumed	20.A	3252.16	3155.11
(b) Purchase of Traded Goods	20.B	1960.47	1,082.08
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20.C	(186.20)	312.82
(d) Employee Benefits Expense	21	76.34	67.50
(e) Other Expenses	22	567.80	488.34
Total		5670.57	5105.85
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		600.29	541.53
Finance Costs	23	330.72	284.04
Depreciation and Amortisation Expense	11	183.62	128.57
Other Income	24	23.23	7.62
Profit Before Extraordinary item		109.18	136.54
Extraordinary item	25	20.00	
Profit Before Tax (PBT)		129.18	136.54
Tax Expense:			
Current Income Tax		27.83	28.42
MAT Credit			(0.11)
Wealth Tax		0.06	0.05
Net Current Tax		27.89	28.36
Deferred Income Tax		46.49	35.08
Total Tax Expenses		74.37	63.44
Profit for the Year After Tax (PAT)		54.81	73.10
Earnings Per Share (EPS)			
Basic & Diluted including Extraordinary Item		4.48	5.98
Basic & Diluted excluding Extraordinary Item		3.17	5.98
Significant Accounting Policies & Notes on Financial Statements	I to 25		

As per our Report of even date

For and on behalf of the Board of Directors

For **Prakash Muni & Associates**
Chartered Accountants
Firm Registration No I I I 792 W

Rajinder Miglani
Chairman

Anuj R Miglani
Managing Director

Prakash R. Muni
Partner

Gursharan S Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

Membership No 30544

Place : Mumbai
Date : 24th May, 2013



COSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Rs. in Crores

PARTICULARS	2012-13	2011-12
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax and Extraordinary Items	129.18	136.54
Provision for Doubtful Debts	1.55	(0.31)
Adjustments for Depreciation	183.62	128.57
(Profit) / Loss on Sale of Assets	0.00	0.19
Share Issue Expenses W/off	0.27	0.00
Interest Income & Extraordinary Income	(43.23)	(2.53)
Interest & Financial Charges	330.72	284.04
Operating Profit Before Working Capital Changes	602.11	546.50
Adjustments for :		
(Increase)/Decrease in Trade and other Receivables	(490.27)	(211.20)
(Increase)/Decrease in Inventories	47.41	280.88
Increase/(Decrease) in Trade Payables and Other Liabilities	1046.46	46.97
Cash Generated from Operations	1205.71	663.15
Direct Taxes Paid (Net of Refunds)	(33.22)	(17.35)
Cash Flow from Operating Activities	1172.49	645.80
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(513.85)	(472.51)
Sale of Fixed Assets	0.04	0.38
Purchase of Investments / Investments in Subsidiaries	0.01	(1.99)
Extraordinary Income Received	20.00	0.00
Interest/Dividend Received	23.23	2.53
Net Cash Used in Investing Activities	(470.57)	(471.59)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of Equity Share Capital	20.00	0.00
Securities Premium received	140.34	0.00
Proceeds from Long Term Borrowings	150.00	1305.78
Repayments of Long Term Borrowings	(161.37)	(789.21)
Share Issue Expenses Paid	(1.34)	0.00
Interest & Financial Charges Paid	(482.97)	(421.55)
Gain / (Loss) on Forward Contracts	(3.66)	(8.53)
Proceeds/(Repayments) of Deferred Sales Tax Loan/ICD/Unsecured Loans	(256.15)	(136.88)
Net Cash Generated from Financing Activities	(595.15)	(50.39)
Net Increase in Cash & Cash Equivalents (A+B+C)	106.77	123.82
Cash & Cash Equivalents (Opening)	193.46	69.64
Cash & Cash Equivalents (Closing)	300.23	193.46

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 our Report of even date

For and on behalf of the Board of Directors

For Prakkash Muni & Associates

Chartered Accountants
Firm Registration No 111792 W

Rajinder Miglani
Chairman

Anuj R Miglani
Managing Director

Prakkash R. Muni

Partner
Membership No 30544

Gursharan S Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

Place : Mumbai
Date : 24th May, 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2012-2013

1.0 Accounting Policies:

Most of the accounting policies of the holding Company and that of the subsidiary's are similar.

2.0 Principal for Consolidation:

The consolidated financial statements relate to UTTAM GALVA STEELS LTD and its subsidiary companies. The consolidated financial statements have been prepared on following basic:

- The financial statement of the company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profit and losses as per accounting standard 21-"consolidated financial statement" notified by companies (accounting standard) rules, 2006.
- In case of foreign subsidiaries, being non integral operation, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.
- The difference between the cost of investments in the subsidiaries and joint ventures, and the company's share of net assets at the time of acquisition of shares in subsidiaries and joint ventures is recognised in financial statement as Goodwill or Capital Reserve as the case may be.
- Interest in joint venture have been accounted by using the proportionate consolidation method as per accounting standard 27 -"financial reporting of interest in joint venture " notified by companies(accounting standards) Rules 2006.
- The financial statement of the subsidiaries, associates and joint ventures consolidated are drawn up to the same reporting date as that of the company i.e. 31st March, 2013.

3.1 The list of Subsidiary Companies & Joint Venture, which forms part of Consolidation and the company's holdings therein are as under:

Sr. No.	Name of the Company	Country of Incorporation	% of Holding
A.	SUBSIDIARIES		
1.	Uttam Galva Holdings Ltd.	DUBAI	100 %
2.	Ferro Zinc International FZE.	DUBAI	100 %
3.	Atlantis International Services Ltd.	B.V.I	100 %
4	Uttam Galva Steels, Netherlands BV	Netherland	100%
5	Neelraj International Trade Ltd., BV	BVI	100%
6	Uttam Galva Steels (BVI) Ltd.	BVI	100%
7	Uttam Galva Steel FZE	DUBAI	100%
B.	JOINT VENTURE.		
1.	Texturing Technology Pvt. Ltd. (TTPL)	INDIA	50 %
2	Moirra Madhujore Coal Ltd.	INDIA	30.70%

3.2 All companies under consolidation, depreciation is charged on Straight Line Method (SLM), where as in case of TTPL depreciation of Rs. 1.04 Crore is charged on Written Down Value Method (WDV), which is 0.57 % of total depreciation.

4.0 The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principle of its Country of Incorporation or International Financial Reporting Standards.

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

6.1 Contingent Liabilities not provided for in respect of:

Sr.	Particulars	31 st March 2013 Rs. Crores	31 st March 2012 Rs. Crores
(a)	Letters of Credit outstanding	754.88	698.58
(b)	Bank Guarantees	129.12	130.25



Sr.	Particulars	31 st March 2013 Rs. Crores	31 st March 2012 Rs. Crores
(c)	Estimated amount of contracts remaining to be executed on capital account and not provided for	86.31	126.02
(d)	Bills Discounted	NIL	NIL

6.2 The Company had given a corporate guarantee aggregating to Rs.472.58 Crores (Previous Year Rs.442.64 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.8.82 Crores (Previous Year Loss Rs. 18.33 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. 46.49 Crores (Previous Year Rs. 35.07 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.

9.0 Earning Per Share (EPS)

Earning Per Share (EPS) Basic and Diluted	2012-13	2011-12
a) Including Extraordinary Income		
Profit for the Year	54.81	73.10
Weighted average No. of Ordinary shares of Rs. 10 each for Basic EPS	122479281	122260103
Earnings per Share (EPS) Basic & Diluted (Rupees)	4.48	5.98
b) Excluding Extraordinary Income		
Profit for the Year	38.81	73.10
Weighted average No. of Ordinary shares of Rs. 10 each for Basic EPS	122479281	122260103
Earnings per Share (EPS) Basic & Diluted (Rupees)	3.17	5.98

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	Moira Madhujore Coal Ltd		Texturing Technology Pvt Ltd	
	As on 31-03-2013	As on 31-03-2012	As on 31-03-2013	As on 31.03.2012
1. Assets				
a) Fixed Assets (Incl. CWIP)	0.85	0.61	6.43	7.41
b) Non - Current Assets	0.78	0.71	0.09	0.20
c) Current Assets	0.21	0.09	1.79	1.01
2. Liabilities				
a) Secured / Unsecured Loans	Nil	Nil	1.16	2.28
b) Non - Current Liabilities	Nil	Nil	0.51	0.57
c) Current Liabilities	0.10	0.03	1.37	1.64
3. Income	0.06	0.04	3.60	3.42
4. Expenditure	0.02	0.01	2.46	2.45

Uttam Galva Steels Limited

11.0 (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:**

Mr. Rajinder Miglani
 Mr. Anuj R Miglani
 Mr. Ankit Miglani
 Mr. Gursharan Singh Sawhney
 Mr. Sunil Prakash

(ii) **Other Related Parties**

(Associates of the Company/Enterprises over which key management personnel and/or their relatives exercise significant influence)

Co-Promoter

ArcelorMittal Netherland, B.V.

Associates

Grow Well Mercantile Limited
 Shree Uttam Steel and Power Limited
 Uttam Galva Metalics Limited
 Uttam Distribution Network Limited
 Uttam Utkal Steels Limited.
 Sainath Trading Company Private Ltd
 Uttam Galva Ferrous Ltd
 Kredence Multi Trading Ltd
 Archisha Investment Pvt Ltd

(b) **Details of transactions with related parties referred to in (a)(ii) above:**

Particulars	Ability to Contol/ Exercise significant influence	Associates	Ability to Contol/ Exercise significant influence	Associates
	Amt (Rs in Crores)	Amt (Rs in Crores)	Amt (Rs in Crores)	Amt (Rs in Crores)
	2012-13		2011-12	
Sale of goods / services	496.33	522.15	557.19	301.30
Purchase of goods / services	320.15	139.06	761.70	Nil
Rent Payment		1.86		2.05

Signatures to Notes

As per our Report of even date

For and on behalf of the Board of Directors

For **Prakkash Muni & Associates**

Chartered Accountants
 Firm Registration No 111792 W

Rajinder Miglani
 Chairman

Anuj R Miglani
 Managing Director

Prakkash R. Muni

Partner
 Membership No 30544

Gursharan S Sawhney
 Director (Finance) & Group CFO

R Agrawal
 Sr. Vice President & Company Secretary

Place : Mumbai
 Date : 24th May, 2013



Note I Share Capital

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(a) Authorised Share Capital 17,50,00,000 (17,50,00,000) Equity Shares of Rs.10 Each	175.00	175.00
(b) Issued, Subscribed and Paid up Share Capital 14,22,60,103 (12,22,60,103) Equity Shares of Rs 10 each (Out of this 58,74,760 Equity Share have been Issued for consideration other than Cash and 2,18,57,924 Equity Shares have been issued on Conversion of Global Depository Receipts)	142.26	122.26
Total - Issued, Subscribed and Paid up Equity Share Capital	142.26	122.26

Reconciliation of No of Shares outstanding is set out below.	As at 31 st March, 2013	As at 31 st March, 2012
Equity Shares at the beginning of the year	122,260,103	122,260,103
Add: Shares Issued during the year (on QIP)	20,000,000	Nil
Equity Shares at the end of the year	142,260,103	122,260,103

Details of Shareholder holding more than 5% Equity Shares:

Name of Shareholder	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of shares held	% holding	Number of shares held	% holding
Equity Shares with Voting Rights				
Kredence Multi Trading Limited	14921063	10.49	14921063	12.20
Uttam Exports Private Limited	7324379	5.15	7324379	5.99
Shree Uttam Steel & Power Limited	7885600	5.54	7885600	6.45
Arcelomittal Netherlands BV	41327931	29.05	41327931	33.80
Cresta Fund Limited	14101426	9.91	12061801	9.87
Albula Investment Fund Limited	10806750	7.60		
Asia Investment Corporation (Mauritius) Limited	8442125	5.93		

Note 2 Reserves and Surplus

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(a) Capital Reserve		
As per Last Balance Sheet	0.12	0.12
(b) Capital Redemption Reserve		
As per Last Balance Sheet	5.37	5.37
(c) Securities Premium Account		
As per Last Balance Sheet	169.75	169.75
Add : During the Year	140.34	
	310.09	169.75
(d) Debenture Redemption Reserve		
As per Last Balance Sheet	37.50	25.00
Add: Transferred from Profit & Loss Account	12.50	12.50
Closing Balance	50.00	37.50
(e) Capital Incentive From Government of Maharashtra		
As per Last Balance Sheet	0.20	0.20
(f) Profit and Loss Account		
As per Last Balance Sheet	689.59	628.98
Add: Profit for the year	54.81	73.10
Less: Appropriations		
Transferred to Debenture Redemption Reserve	12.50	12.50
Closing Balance	731.90	689.59
(g) Foreign Currency Translation Reserve	(0.51)	(18.08)
Total - Reserves and Surplus	1,097.17	884.45

Note 3 Long Term Borrowings

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Secured		
11.25 % Redeemable Non-convertible Debentures	100.00	200.00
Term Loan from Banks and Financial Institutions	1674.36	1771.67
	1774.36	1971.67
Unsecured		
Other loans (SICOM & Others)	1.30	1.67
Banks		255.78
Total - Long Term Borrowings	1,775.66	2,229.12

(i) Details of terms of repayment of Secured Non-Convertible Redeemable Debentures issued by the Company and security provided in respect thereof:

Particulars	Terms and conditions*	As at 31 st March, 2013	As at 31 st March, 2012
11.25 % Redeemable Non-convertible Debentures	Redeemable in 4 half-yearly installments ending on Mar-15	100.00	200.00



(ii) Details of terms of repayment for the Secured Long-Term Borrowings and security provided in respect thereof:

Particulars	Terms of repayment	As at 31 st March, 2013	As at 31 st March, 2012
<u>Term loans from banks:</u>			
Axis Bank Limited, Bank of Baroda, Dena Bank, Exim Bank of India, Oriental Bank of Commerce, Punjab National Bank, Syndicate Bank, State Bank of India & State Bank of Hyderabad	Repayable in 36 quarterly installments ending on Mar-2020	1,190.00	1,260.00
ECB from ICICI Bank Limited (USD Nil Million, Previous Year USD 15 Million)	Repayable in 11 half yearly installments ending on Feb-2014		76.73
ICICI Bank Limited -I	Repayable in 8 half yearly installments ending on Dec- 2015	25.00	37.50
ICICI Bank Limited -II	Repayable in 28 quarterly installments ending on Dec-2019	184.82	216.96
ICICI Bank Limited (OFCL) 0%	Repayable in lumpsum on Mar-2015	9.55	9.55
ECA from Nordea Bank (USD 0.83 Million, Previous Year USD 1.25 Million)	Repayable in 16 half yearly installments ending on Nov-2015	4.54	6.40
State Bank of India	Repayable in 16 quarterly installments ending on Dec-2016	68.75	93.75
Vijaya Bank	Repayable in 28 quarterly installments ending on Sept-2019	137.50	-
Total - Secured Long Term Loan From Banks		1,620.16	1,700.90
<u>Secured term loans from Financial Institutions</u>			
IFCI, LIC, GIC,UII	Repayable in 5 annual installments ending on Jul-2014	3.88	7.74
IDFC	Repayable in 28 quarterly installments ending on Mar-2018	49.18	60.75
Export Development Canada (Secured by Hypothecation of Waldrich Electro Discharge Texturing Machine - Profitex 60)	Repayable in 6 half yearly installments ending on Jan-2015	1.14	2.28
Total - Term loans from Financial Institutions		54.20	70.77
Total - Secured Long Term Loan From Banks and Financial Institutions		1,674.36	1,771.67

- 1) 11.25 % Non Convertible Debentures are secured by first pari passu Mortgage of all immovable property 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.
- 2) Term Loan from Banks and Financial Institutions namely Axis Bank, Bank of Baroda, Dena Bank, Exim Bank of India, Oriental Bank of Commerce, Punjab National Bank, State Bank of India, Syndicate Bank, State Bank of

Uttam Galva Steels Limited

Hyderabad, IDFC and ICICI are secured by mortgage and the lenders have pari passu charge on all the present and future movable and immovable assets of the company but not limited to plant and machinery, machinery spares, tools and accessories in possession or not, stored, or to be brought in companies premises or lying at any other place of the companies representative affiliates and all the intangible assets of the company. The above security will rank pari passu amongst the lenders.

- 3) ECB loan from ICICI Bank Ltd is secured by mortgage of all immovable property 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.
- 4) ECA loan from Nordea Bank is secured by hypothecation of packing machine supplied by PESMEL, Finland.
- 5) Term Loan from ICICI, IFCI, LIC, GIC, and Ull ranking pari passu are secured by Mortgage of all immovable property 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.

25,02,500 Equity Shares (Previous Year 25,02,500 equity shares) held by Promoters are pledged against term loan of Rs 9.55 Crores availed from ICICI Bank.

Note 4 Deferred Tax Liability (Net)

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Deferred Tax Liability:		
Deferred Tax Liabilities related to Fixed Assets	168.76	122.28

Note 5 Other Long Term Liabilities

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Others:		
Advances from Customers	-	97.96

Note 6 Long Term Provisions

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
(a) Provision for Employee Benefits:		
(i) Provision for Gratuity	6.34	5.56
(ii) Provision for Leave Encashment	5.19	5.99
Total: Long Term Provisions	11.53	11.55

Note 7 Short Term Borrowings

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
UnSecured		
Short Term Loan - Banks	654.38	352.23
Secured		
Working Capital Loan from Banks	265.80	45.35
Total - Short Term Borrowings	920.19	397.58



Loans from Banks on Cash Credit & Packing Credit Accounts are Secured by Hypothecation of all Tangible, Moveable assets such as Raw Material, WIP, 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.

Note 8 Trade Payables

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
Trade Payables:		
Micro, Small and Medium Enterprises	0.74	0.39
Acceptances	930.88	633.03
Other than Acceptances	826.99	573.19
Total - Trade Payables	1,758.61	1,206.61

The details of amounts outstanding to Micro, Small & Medium Enterprises based on information available with the Company is as under:

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Principal amount due and remaining unpaid	0.74	0.39
Interest due on (1) above and the unpaid interest	-	-
Interest paid on all delayed payments under the MSMED Act	Nil	Nil
Payment made beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay other than (3) above	Nil	Nil
Interest Accrued and remaining unpaid	Nil	Nil
Amount of further interest remaining due and payable in succeeding year	Nil	Nil

Note 9 Other Current Liabilities

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
(a) Current maturities of Long Term Debt (Refer Note No 3)	349.70	163.76
(b) Interest Accrued but not due on Borrowings	5.04	6.60
(c) Other payables		
(i) Statutory Remittances (PF and ESIC, Withholding Taxes, TDS, Excise Duty, VAT, Service Tax, etc.)	44.64	51.62
(ii) Advances from Customers	675.41	632.36
(iii) Provision for Freight & other Expenses	40.14	20.51
Total - Other Current Liabilities	1,114.93	874.85

Note 10 Short Term Provisions

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
(a) Provision for Employee Benefits		
(i) Provision for Bonus	1.17	1.25
(ii) Provision for Gratuity	-	1.21
(iii) Provision for other Employee Benefits	0.51	0.02
	1.68	2.48
(b) Provision - Others:		
(i) Provision for Tax -Net of Advance tax Rs 17.19 Crores (Previous Year Rs 17.00 Crores)	10.04	11.22
(ii) Provision - others (Inter Div Payable)	0.01	2.74
Total - Short Term Provisions	11.73	16.44

Uttam Galva Steels Limited

Note 11 : Fixed Asset For The Period Ended 31st March, 2013

Rs. in Crores

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST 1-Apr-12	ADDITIONS	DEDUCTION	COST 31-Mar-13	UP TO 1-Apr-12	PERIOD ENDED 31-Mar-13	DEDUCTION	TOTAL	AS AT 31-Mar-13	AS AT 31-Mar-12
Land	42.01	0.00	0.00	42.01	0.00	0.00	0.00	0.00	42.01	42.01
Bldg & Site Dev.	668.51	15.58	0.00	684.09	97.22	22.34	0.00	119.56	564.53	571.29
Flats/Off.Prem.	2.96	0.00	0.00	2.96	0.28	0.05	0.00	0.33	2.63	2.68
Plant & Mach	2946.59	481.69	0.00	3428.28	722.93	155.98	0.00	878.91	2549.37	2223.66
Fur.&Fix.	30.87	1.26	0.00	32.13	7.47	1.75	0.00	9.22	22.91	23.40
Off. Equip.	7.30	0.11	0.00	7.41	4.25	0.64	0.00	4.89	2.52	3.05
Computer	11.80	1.01	0.00	12.81	7.43	1.50	0.00	8.93	3.89	4.37
Vehicles	9.47	0.69	0.04	10.12	3.05	0.85	0.03	3.87	6.25	6.41
Hsg.Complex	31.01	1.07	0.00	32.09	1.76	0.51	0.00	2.26	29.83	29.27
Total	3750.52	501.41	0.04	4251.90	844.39	183.62	0.03	1027.96	3223.94	2906.15
Previous Year	2534.18	1207.35	0.99	3740.52	716.24	128.57	0.42	844.39	2906.15	

Exchange fluctuation loss amounting to Rs. 8.24 crores (Previous Year Rs.18.33 crores) capitalised during the year.

Note 12 Non Current Investments

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Investments (At cost):		
In Equity Shares of Associate Companies Unquoted, Fully Paid Up 9,994 Equity Shares of Rs. 10 each of Uttam Utkal Steels Limited	0.01	0.01
Investment in Debentures of others entities, Un quoted Fully Paid UP 300,000 Unsecured Optionally Fully Convertible Debentures of Rs.100/ Each in Shree Bhavani Power Projects Private Limited.	3.00	3.00
	3.00	3.00
Other Non-Current Investments		
i) 20,000 Equity Shares of Rs. 25/ each of Punjab & Maharashtra Co-op Bank Limited	0.05	0.05
ii) 515,000, Equity Shares of Rs.10/ Each in Ansal Hi-Tech Township Ltd.	0.52	0.52
iii) Share Application Money in Shree Bhavani Infracon Private Limited	2.00	2.00
	2.57	2.57
Total - Non Current Investments	5.58	5.58

Note 13 Long Term Loans and Advances

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Unsecured, Considered Good		
Security Deposits ;		
To Related Parties	16.05	16.05
To Others	2.66	5.21
Loans and advances to related parties	0.00	0.00
Advance income tax for Prior Years` (Net of Provision As at 31 March, 2013)	12.08	9.32
Others		0.64
MAT credit entitlement	41.33	41.44
Total - Long Term Loans Advances	72.12	72.66



Note 14 Other Non-Current Assets

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Accruals		
Interest Accrued on Deposits	3.25	4.49
Others		
Other Receivables	0.69	19.40
Total - Other Non Current Assets	3.94	23.89

Note 15 Inventories

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Raw Materials	293.43	535.00
Goods-in-Transit	70.25	60.48
Work-in-Progress	302.93	138.16
Finished Goods	274.61	227.71
Stock-in-trade - Traded Goods	38.32	62.93
Stores and Spares	50.40	52.21
Arising	7.81	8.65
Total - Inventories	1037.75	1085.16

Note: Details of inventory of Work-in-Progress

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Product CRC + Slab	206.23	70.07
Product GP/GC	86.69	55.03
Product PPGI	10.01	13.06
Total - Work in Progress	302.93	138.16

Note 16 Trade Receivables

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Unsecured, Considered Good		
Outstanding for a period exceeding six months	31.06	40.42
Other receivables	739.45	599.53
Less: Provision for Bad and Doubtful Debts	3.31	1.77
Total - Trade Receivables	767.20	638.18

Note 17 Cash and Cash Equivalents
Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Cash in hand	0.27	0.40
Balances with banks		
In Current Accounts	299.67	177.70
In EEFC Accounts	-	0.02
Balances held as Margin money or security against Borrowings, Guarantees and other Commitments	0.29	15.34
Total - Cash and Cash Equivalent	300.23	193.46

Note 18 Short-term loans and advances
Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Unsecured, considered good		
Loans and advances to Related Parties	0.23	0.30
Loans and advances to Employees	2.36	1.68
Prepaid Expenses	39.69	38.85
Balances with Government Authorities		
(i) CENVAT Credit Receivable	214.31	120.50
(ii) VAT Refund Receivable	133.54	110.94
(iii) Service Tax Credit Receivable	18.28	10.77
Advances to Suppliers	535.43	362.02
Advances recoverable in cash or in kind or for value to be received	94.75	8.23
Deposits	2.36	2.48
Others		1.81
Total - Short Term Loans and Advances	1,040.95	657.58

Note 19 Revenue from operations
Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Sale of Products #	4116.45	4274.35
Traded Goods	2102.87	1375.54
Other Operating Revenues	392.81	301.27
Gross Revenue from Operations	6612.13	5951.16
Less: Excise Duty	341.27	303.78
Total - Revenue from Operations (Net)	6,270.86	5,647.38



Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Sale of Products Comprises		
<u>Manufactured Goods</u> **		
GP/GC*	2385.31	2520.27
PPGI	466.39	421.15
CRCA + HRPO #	1264.75	1332.93
Total - Sale of Manufactured Goods	4116.45	4274.35
<u>Traded Goods</u>		
Sales Domestic Service Centre	477.73	460.69
Sales Domestic Trading	875.02	680.43
Sales Merchandice Exports	750.12	234.43
Total - Sale of Traded Goods	2102.87	1375.55
Total - Sale of Products	6219.32	5649.90
<u>Other Operating Revenues</u>		
Sale of Scrap	292.90	220.11
Duty Drawback and Other Export Incentives(FMS and SHIS)	29.63	14.24
Sales of Surplus Genrated Power	70.28	66.92
Total - Other Operating Revenues	392.81	301.27
# Sales includes Rs. 834.10 Crores (PY Rs 832.09) towards sales from trial run/stabilisation of Production, of 4 Hi Skin Pass Mill		
* GP Sales includes Rs 1008.88 Crores (P Y Rs 698.75) towards sales during stabilisation of Super Galvanising Line (SGL)		
** Manufactured Sales includes Export Sales Rs 1236.67 Crores (Previous Year Rs 1066.96 Crores)		

Note 20 A Cost Of Materials Consumed

Particulars	Rs. in Crores	
	As at 31 st March, 2013	As at 31 st March, 2012
Opening Stock	591.45	562.50
Add: Purchases	2,997.10	3,184.06
	3,588.55	3,746.56
Less: Closing Stock	336.39	591.45
Cost of Material Consumed	3,252.16	3,155.11
Cost of Materials Consumed		
Hot Rolled Coil	2,422.35	2208.65
Cold Rolled Full Hard	473.79	619.17
Zinc & Metal	322.23	298.93
Paint	33.79	28.36
Total - Cost of Material Consumed	3,252.16	3,155.11

Note 20 B Purchase of Traded Goods

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
Purchase of Trade goods		
Trading Purchases Hot Rolled Coil	154.25	67.76
Trading Purchases Other Steel Products etc.	401.26	498.50
Trading Purchases	1,404.96	515.82
Total -Purchase of Traded Goods	1,960.47	1,082.08

Note 20 C Changes in Inventories of Finished Goods, Work-in-Progress, Traded Goods

Rs. in Crores

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
<u>Inventories at the end of the year:</u>		
Finished Goods at Plant	179.40	136.28
Finished Goods at Port	95.21	91.43
Arisings	7.81	8.65
Work-in-Process	302.93	138.18
Traded Goods	38.32	62.93
	623.67	437.47
<u>Inventories at the beginning of the year:</u>		
Finished Goods at Plant	136.28	302.70
Finished Goods at Port	91.43	14.15
Arisings	8.65	9.60
Work-in-Process	138.18	156.71
Traded Goods	62.93	267.13
	437.47	750.29
Net (Increase) / Decrease in Inventories	(186.20)	312.82

Note 21 Employee benefits expense

Rs. in Crores

Particulars	2012-13	2011-12
Salaries and Wages	66.02	57.97
Contributions to Provident and other Funds	3.03	3.88
Staff Welfare Expenses	7.29	5.65
Total - Employee Benefit Expenses	76.34	67.50

The Company has provided for Actuarial Valuation of Unclaimed Leave Encashment Benefits as at 31st March 2013 to the tune of Rs 5.19 Crores. (Previous Year Rs. 5.99 crores)

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the accounting standard 15 (Revised) the details of which are as follows:



Amount to be recognised in Balance Sheet As at 31st March 2013

Rs. in Crores

Particular	As at 31 st March, 2013	As at 31 st March, 2012
Gratuity		
Present Value of Funded Obligations	14.01	12.08
Present Value of Unfunded Obligations	7.66	6.76
Fair Value of Plan Assets (managed by insurer)	6.35	5.32
Net Liability	7.66	6.76
Amounts in Balance Sheet		
Liability	14.01	12.08
Assets	6.35	5.32
Net Liability	7.66	6.76
Expenses to be recognised in the Statement of P&L		
Current Service Cost	1.72	1.54
Interest on Defined Benefit Obligation	0.97	0.79
Expected Return on Plan Assets	(0.62)	(0.45)
Net Actuarial Losses/(Gains) Recognised in Year	(0.28)	0.51
Total, included in "Employee Benefit Expense"	1.79	2.39
Actual Return on Plan Assets	0.62	0.45
Reconciliation of Benefit Obligations & Plan Assets For the Period		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	12.08	9.82
Current Service Cost	1.72	1.54
Interest Cost	0.97	0.79
Actuarial Losses/ (Gains)	(0.28)	0.51
Benefits Paid	(0.48)	(0.58)
Closing Defined Benefit Obligation	14.01	12.08
Change in Fair Value of Assets		
Opening in Fair Value of Plan Assets	5.32	3.89
Expected Return on Plan Assets	0.62	0.46
Actuarial Gains / (Losses)	0.00	0.00
Contributions by Employer	1.81	1.46
Benefits Paid	(0.48)	(0.49)
Closing Fair Value of Plan Assets	7.27	5.32
Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount Rate (p.a.)	8.00%	8.00%
Expected Rate of Return on Assets (p.a.)	8.51%	8.51%
Salary Escalation Rate (p.a.)	7.00%	7.00%

Note 22 Other Expenses
Rs. in Crores

Particulars	2012-13	2011-12
Manufacturing Expenses		
Power Consumption	130.53	101.91
Coal Consumed	145.30	141.29
Power Captively Consumed	(118.16)	(85.66)
Power Captively Consumed - Steam	(9.06)	-
Consumption of Steam	9.06	-
Fuel Consumption	66.03	47.51
Water Charges	2.59	2.54
Stores & Spares Consumed	46.44	44.11
Repairs & Maintenance to Plant	25.74	23.74
Other Manufacturing Expenses	42.81	17.41
Total - Manufacturing Expenses	341.28	292.85
Selling and Distribution Expenses		
International Freight	66.78	40.59
F.O.B. Expenses	19.11	14.47
Local Freight	26.56	34.77
Brokerage & Commission	2.70	3.91
Other Expenses	8.06	5.61
Packing Material Consumed	52.60	50.75
Total - Selling and Distribution Expenses	175.81	150.10
Administrative Expenses		
Insurance	7.02	5.52
Travelling & Conveyance	4.93	5.07
Rent, Rates & Taxes	4.02	4.39
Legal , Professional & Consultancy Charges	9.20	8.42
Repairs & Maintenance to Building	7.17	5.30
Repairs & Maintenance to others	1.92	1.84
Security charges	2.42	1.74
Other Expenses	11.35	9.36
Remuneration to CMD/DMD	3.12	3.12
Sundry Balance Written Off/(Written back)	(0.90)	(0.01)
Payment to Auditors - Audit Fees	0.31	0.35
- Taxation Matters	0.10	0.05
- Exepenses Reimbursed	0.05	0.05
Loss on Sale of Fixed Assets	0.00	0.19
Total - Administrative Expenses	50.71	45.39
Total - Other Expenses	567.80	488.34

Note 23 Finance Costs

Rs. in Crores

Particulars	2012-13	2011-12
Interest Expense on:		
(i) Borrowings - Long Term	256.99	238.79
(i) Borrowings - Short Term	185.53	158.41
Other Borrowing Costs (Upfront Fees)	40.45	24.35
Net Loss on Foreign Currency Transactions and Translation	3.66	8.53
Gross Interest and Financial Charges	486.63	430.08
Interest & Financial Charges Charged to Capital Work In Progress	155.91	146.04
Total - Finance Cost	330.72	284.04

Note 24 Other Income

Rs. in Crores

Particulars	2012-13	2011-12
Interest Income	11.60	2.53
Net Gain on Foreign Currency Transactions and Translation (other than considered as Finance Cost)	1.49	3.28
Other Non-Operating Income	10.14	1.81
Total - Other Income	23.23	7.62
Interest Income		
i) Income from Mutual Fund	0.83	0.51
ii) Interest Recieved on FD	5.37	1.89
iii) Interest Recieved on NSC		0.01
iv) Interest on Receivables	5.40	0.12
Total Interest Income	11.60	2.53

Note 25 Extraordinary item

Rs. in Crores

Particulars	2012-13	2011-12
Compensation received against cancellation of Fixed assets Contract	20.00	-

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs undertook a “Green Initiative in the Corporate Governance” by allowing paperless compliance by the companies and has issued circular Nos. 17/2011 dated 21-4-2011 and 18/2011 dated 29-4-2011 stating that service of notice / documents including Annual Report can be sent by electronic mode to its members. To support this Green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses and changes therein from time to time along with their name, address and Folio No./Client Id Nos., in respect of their shareholding with:

- 1) The Registrar and Share Transfer Agents viz. Universal Capital Securities Pvt. Ltd. for shares held in physical form and;
- 2) The concerned Depository Participants in respect of shares held in electronic / demat mode

Upon registration of e-mail address(es), the Company would send Notices / Circulars / Documents including Annual Report and other communications via electronic mode.

In case any Member opts / insists for physical copies of above documents, the same would be send to him by post free of cost at the address registered with the Company.

Note : You can register your e-mail address at the Company's E-mail address: shares@uttamgalva.com



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REGISTRATION FORM FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

M/s. Universal Capital Securities Private Limited

(Unit: UGSL)

21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai – 400 093.

I/We, am/are member/s of M/s. **UTTAM GALVA STEELS LIMITED** and hereby exercise my/our option to receive the documents such as Notices / Circulars / Documents including Annual Reports and other communications in electronic mode pursuant to the circular Nos. 17/2011 date 21-4-2011 and 18/2011 dated 29-4-2011 by the Ministry of Corporate Affairs. Please register my following e-mail id in your records for sending communication through electronic mode.

Name of First Member _____

Joint Holder – 1 _____

Joint Holder – 2 _____

E-mail id for registration _____

Date: _____ Signature (1st holder) _____

Regd. Folio /Client Id No. _____



UTTAM GALVA STEELS LIMITED

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

PROXY FROM

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 **28th Annual General Meeting** to be held at **11.00 a.m.** on **Saturday, 17th August, 2013** or adjournment thereof.

Signed this _____ day of _____ 2013

Signature _____

E-mail address _____

Affix ₹ 1.00
Revenue
Stamp

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

Name of Shareholder(s)	Folio No.
No. of Shares	Client ID

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UTTAM GALVA STEELS LIMITED

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

ATTENDANCE SLIP

Name and Address of Shareholder	Folio No.
No. of Shares	Client ID

I / We, hereby record my / our attendance at the **Twenty Eighth Annual General Meeting** at 11.00 a.m. on **Saturday, 17th August, 2013** at M C Ghia Hall, 18/20 K Dubhash Marg, Mumbai: 400 001.

Signature of Shareholder or Proxy _____

E-mail address _____

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



BOOK - POST

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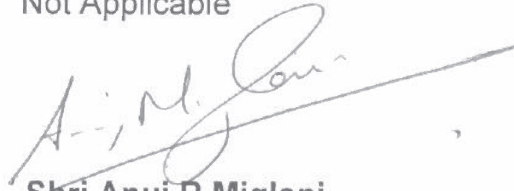


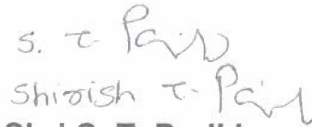
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MUMBAI - 400 093.

Tel. No.: 022 28207203 / 05

E-mail : info@unisec.in

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1. Name of the Company - Uttam Galva Steels Limited.
2. Annual Financial Statements for the year ended. - 31st March, 2013
3. Type of Audit observation - Unqualified
4. Frequency of observation - Not Applicable
5. To be signed by-
CEO/Managing Director - 
Shri Anuj R Miglani
Managing Director
- CFO - 
Shri Gursharan Singh Sawhney
Director (Finance) & Group CFO
- Auditor of the Company - 
Shri Prakash R Muni
Membership No. 30544
Partner
Prakash Muni & Associates
Chartered Accountants, Mumbai
Firm Regn No. 111792W
- Audit Committee Chairman - 
- x **Shri S. T. Parikh**
Director