Australian Government

Anti-Dumping Commission

EXPORTER QUESTIONNAIRE

PRODUCT CONCERNED:	**ZINC COATED (GALVANISED) STEEL FROM INDIA AND THE SOCIALIST REPUBLIC OF VIETNAM**
INVESTIGATION PERIOD:	**1 JULY 2013 - 30 JUNE 2014**
RESPONSE DUE BY:	**18 AUGUST 2014 (extended to 3 September)**
ADDRESS FOR RESPONSE:	**Anti-Dumping Commission** **Customs House** **1010 La Trobe Street** **Docklands VIC 3008** **Australia** **Attention: Director Operations 1**
CASE MANAGER:	**Ms Heidi Matuschka**
TELEPHONE:	**+61 3 9244 8562**
E-MAIL:	**operations1@adcommission.gov.au**

Please note that a non-confidential version of the reply to this questionnaire must also be provided.

TABLE OF CONTENTS

BACKGROUND AND GENERAL INSTRUCTIONS

1. BACKGROUND

Following an application by BlueScope Steel Limited (BlueScope), an Australian industry member, the Anti-Dumping Commission (the Commission) has initiated an investigation into the allegation that zinc coated steel (galvanised steel) from India and the Socialist Republic of Vietnam (Vietnam) has been exported to Australia at dumped prices, and because of that dumping material injury has been caused to an Australian industry producing like goods.

A notice advising initiation of the investigation was published in *The Australian* on 11 July 2014. Anti-Dumping Notice (ADN) No. 2014/55 outlining the details of the investigation, and the procedures to be followed during the investigation, can be accessed on the Commission's website at www.adcommission.gov.au.

2. THE GOODS UNDER CONSIDERATION

Description

The goods under consideration (the goods) i.e. the goods exported to Australia, allegedly at dumped prices, are described by the applicant as follows:

> *'Flat rolled iron or steel products (whether or not containing alloys) that are plated or coated with zinc exported to Australia from India and Vietnam.'*

The goods are generically called galvanised steel (referring to zinc coated steel) and include galvanised steel of any width.

Additional information

Further information in relation to the goods was provided in the application as follows:

> *The goods include the same categories of goods as identified in Trade Measures Report Nos. 190 and 193, however, this application also includes goods that are alloyed (i.e. with minor additions, e.g. boron, chromium, etc.). The goods the subject of this application include all zinc coated product options, including all grades/models of zinc coated steel, all coating mass classes and all surface treatments.*
>
> *Trade or further generic names often used to describe these goods include:*
>
> - *"GALVABOND®" steel*
> - *"ZINCFORM®" steel*
> - *"GALVASPAN®" steel*
> - *"ZINCHITEN®" steel*
> - *"ZINCANNEAL" steel*
> - *"ZINCSEAL" steel*
> - *Galv*
> - *GI*
> - *Hot Dip Zinc coated steel*
> - *Hot Dip Zinc/Iron alloy coated steel*
> - *Galvanneal*
>
> *The amount of zinc coating on the steel is described as its coating mass and is nominated in grams per meter squared (g/m2) with the prefix being Z (zinc) or ZF (zinc converted to*

a zinc/iron alloy coating). The common coating masses used for zinc coating are: Z350, Z275, Z200/Z180, Z100, and for zinc/iron alloy coatings ZF100, ZF80 and ZF30 or equivalents based on international standards and naming conventions.

Surface treatments can include but not be limited to: passivated or not passivated (often referred to as chromated or unchromated), oiled or not oiled, skin passed or not skin passed, phosphated or not phosphated (for zinc iron alloy coated steel only).

Excluded from the definition of the goods the subject of this application is painted galvanised steel, pre-painted galvanised steel, electro-galvanised steel, corrugated galvanised steel or aluminium zinc alloy coated or plated steel.

Tariff Classification

The application stated that the goods are classified to the following tariff subheadings:

- 7210.49.00 (statistical codes 55, 56, 57 and 58);
- 7212.30.00 (statistical code 61);
- 7225.92.00 (statistical code 38); and
- 7226.99.00 (statistical code 71).

The goods exported to Australia from India and Vietnam are subject to a DCS duty rate which is free for non-alloy steel under 7210.49.00 and 7212.30.00 and is 4% for 'other alloy' steel under 7225.92.00 and 7226.99.00.

There are several Tariff Concession Orders applicable to tariff classification subheadings 7210.49.00, 7225.92.00 and 7226.99.00 for galvanised steel.

3. INVESTIGATION PERIOD

The existence and amount of any dumping in relation to galvanised steel exported to Australia from India and Vietnam will be determined on the basis of an investigation period from 1 July 2013 to 30 June 2014 (hereinafter referred to as 'the investigation period').

The Commission will examine details of the Australian market from 1 July 2008 for injury analysis purposes.

4. WHY YOU HAVE BEEN ASKED TO FILL OUT THIS QUESTIONNAIRE?

Your company has either been identified in BlueScope's application, by an importer of galvanised steel or in data contained within the Australian Customs and Border Protection Service's (ACBPS') import database as a potential exporter of galvanised steel to Australia during the investigation period.

Consequently, the Commission has forwarded you this questionnaire and the associated Excel spreadsheet '*Galvanised Steel - exporter questionnaire supporting data*' to provide you with the opportunity to participate and cooperate with the investigation.

The Commission will use the information you provide to determine normal values and export prices over the investigation period. This information will determine whether galvanised steel is dumped. You may make separate submissions concerning any other matter, for example injury.

The Commission investigation will be carried out under the provisions of the Part XVB of the *Customs Act 1901*. These provisions reflect the World Trade Organisation (WTO) *Anti-Dumping Agreement* (WTO Agreement).

5. WHAT HAPPENS IF YOU DO NOT RESPOND TO THIS QUESTIONNAIRE?

You do not have to complete the questionnaire. However, if you do not respond, the Commission may be required to rely on information supplied by other parties in making its assessments as to whether galvanised steel exported to Australia was dumped (this may include information supplied by the Australian industry).

If you do not provide all of the information sought, or if you do not allow the Commission to verify the information you provide (see below), it may deem that you did not cooperate with the investigation.

In these cases the Commission may assess a dumping margin for your company based upon normal values that may be the highest determined in your country during the investigation period.

It is the Commission's objective to arrive at a recommendation to the Parliamentary Secretary to the Minister for Industry based on a full knowledge of all relevant facts. This can only be achieved if exporters cooperate. The Commission considers that your interests would be best served by providing a complete and accurate submission, capable of verification.

6. IF YOU DECIDE TO RESPOND

Should you choose provide a response to this questionnaire, please note the following:

For Official Use Only and Public Record versions

If you choose to respond to this questionnaire, you are **required** to lodge a 'FOR OFFICIAL USE ONLY' version and a 'PUBLIC RECORD' version of your submission by the due date (as specified on the cover page to this questionnaire).

In submitting these versions, please ensure that **each page** of the information you provide is clearly marked either 'FOR OFFICIAL USE ONLY' or 'PUBLIC RECORD'.

All information provided to the Commission is for official use only will be treated accordingly.

The Public Record version of your submission will be placed on the Public Record. The Public Record is available to all interested parties who may comment on the material on the Public Record. Other interested parties have the opportunity to comment on issues you have raised.

It is **not** expected that the Public Record version of your submission would include commercially sensitive information. However, it must contain sufficient detail to allow a reasonable understanding of the substance for the Official Use Only version. As provided for in Australia's anti-dumping legislation, all public version submissions are required to have a bracketed explanation of deleted or blacked out information. Note that if such an explanation is not provided, the Commission may disregard the information in the submission. An example of a statement to accompany deleted/blacked out text is:

[explanation of cost allocation through the divisions].

If, for some reason, you cannot produce a Public Record version, please contact the investigation Case Manager (see contact details on the cover page of this questionnaire).

You can access the Public Record electronically online at www.adcommission.gov.au (follow the links to 'Cases and Electronic Public Record' and 'Current Cases').

Declaration

You are required to make a declaration at Section H that the information contained in your submission is complete and correct. Alternatively, if you did not export the goods during the investigation period, you may make a declaration to that effect.

You must return a signed declaration with your response to the questionnaire.

Consultants/parties acting on your behalf

If you intend to have another party acting on your behalf please advise the Commission of the relevant details.

The Commission will generally require written authorisation from exporters and manufacturers for any party acting on its behalf.

7. DUE DATE FOR RESPONSE

Manufacturers and exporters are requested to respond to this questionnaire and return it to the Commission within the time specified on the cover page.

There is a statutory time limit imposed for the investigations. The Commission may not be able to consider submissions received after the due date if to do so would prevent meeting the statutory reporting requirements.

The Commission would encourage you to make contact with the Case Manager (see contact details on the cover page to this questionnaire) if you need any assistance in completing the questionnaire.

If you intend to lodge a submission but cannot do so by the due date please advise the Case Manger as soon as possible.

In considering whether or not to grant an extension of time, regard is had to the following:

a) difficulties in translation of documentation, including the exporter questionnaire;
b) availability of key staff;
c) public holidays; or
d) any circumstance outside the company's control.

The Commission may consider granting a small extension of time for lodgement of your submission if you provide a sufficient reason as outlined above.

You may lodge your response by mailing it to the address for lodgement shown on the cover page of this questionnaire, with data requested in electronic format provided on a CD-ROM (see point 11 below).

Alternatively, you are welcome to lodge your response by email. The email address for lodgement is shown on the cover page of this questionnaire. If you lodge by email you are still required to provide a confidential and a non-confidential version of your submission by the due date.

8. VERIFICATION OF THE INFORMATION THAT YOU SUPPLY

After you have submitted the questionnaire and the Commission is satisfied that the information you have provided is sufficiently complete and warrants verification, the Commission may seek to visit your company to verify the information provided.

The purpose of the visit is to verify the information submitted in response to this questionnaire. It is not meant to be a chance for you to provide new or additional information. The Commission expects your response to the questionnaire to be complete and accurate.

Verification visits may take several days. During this verification, the Commission's representatives will want to examine in detail your company's records in respect of the goods and will ask for copies of documents relating to the manufacture and sale of the goods. They will need to consult with your staff, particularly your financial controller (or accountant) and your domestic and export sales people. They may also need to see your factory, in which case they will need to consult with your operational managers.

After gathering the information, the Commission will prepare a report of the visit. Its representatives will provide you with a draft of the report and then respond to any questions you have. They will ask you to prepare a non-confidential copy of the report for the Public Record.

9. OUTLINE OF INFORMATION REQUIRED BY THIS QUESTIONNAIRE

Section A	General information relating to your company, including financial reports.
Section B	A complete list of your company's exports to Australia over the investigation period.
Section C	A list of goods sold on the domestic market of the country of export (like goods) that may be compared to the goods under consideration.
Section D	A detailed list of all of your company's sales of like goods in your domestic market.
Section E	Information to allow a fair comparison between export and domestic prices.
Section F	Information in relation to your company's exports of like goods to countries other than Australia.
Section G	Costs to make and sell, for exports to Australia and for the domestic market.
Section H	Your declaration.
Section I	Submission checklist.
Appendix 1	A glossary of terms used in this questionnaire.

10. GENERAL INSTRUCTIONS FOR PREPARING YOUR RESPONSE

- When answering the questionnaire please carefully read all instructions. The Commission requires a response to **all** sections of this questionnaire. Please provide an explanation if a question is not relevant to your situation.
- All documents and source material submitted in response to this questionnaire, including financial statements, must be translated into English.
- Answer questions in the order presented in the questionnaire. Please ensure that information submitted conforms to the requested format and is clearly labelled. Please repeat the question to which you are responding and place your answer below it.
- Identify source documents and advise where they are kept. During on-site verification you should be prepared to substantiate all the information you have submitted. Every part of

the response should be traceable to company documents that are used in the ordinary course of business.

- We recommend that you retain all work sheets used in answering the questionnaire, in particular those linking the information supplied with management and accounting records. This will help us to verify the information.
- Clearly identify all units of measurement and currencies used. Apply the same measurement consistently throughout your response to the questionnaire.

11. INSTRUCTIONS ON PROVIDING ELECTRONIC DATA

- It is important that, where requested, information is submitted in electronic format.
- Electronic data can be submitted directly by email to the email address shown on the cover page of this questionnaire, or can submitted on a CD-ROM by mail.
- The data must be created as spreadsheet files, preferably in Microsoft Excel, or alternatively in an Excel compatible format (for example, Excel can normally access data in Dbase or as an ASCII file). The Excel files must be compatible to the USA version.
- An Excel spreadsheet, *'Galvanised Steel - exporter questionnaire supporting data'* accompanies this questionnaire and forms a template for your response to the data requested. The spreadsheet is referred to throughout this questionnaire as appropriate. This spreadsheet (and the worksheets therein) should be completed and used to provide the requested data where possible.
- If you cannot present electronic data in the requested format contact the investigation Case Manager as soon as possible.
- Responses to questions should be as accurate and complete as possible and attach all relevant supporting documents, even where not specifically requested in this questionnaire.

Please note that answers such as 'Not Applicable' or an answer that only refers to an exhibit or an attachment may not be considered by the Commission to be adequate. The Commission therefore suggests that in answering the questions you outline the key elements of your response in the primary submission document, rather than merely pointing to supporting documents of varying degrees of relevance and reliability as your answer.

12. FURTHER INFORMATION

Before you respond to the questionnaire you should read all the key documentation related to this application, including ADN 2014/55 (notifying the initiation of the investigation) and the glossary of terms. It is also recommended that you access and read the non-confidential version of BlueScope's application which is available online on the electronic Public Record at www.adcommission.gov.au (follow the links to current cases and electronic public record).

If you require further assistance, or you are having difficulties completing your submission, please contact the investigation Case Manager.

Please note that the Commission may send you a supplementary questionnaire if it needs to clarify matters provided by you in the response to this questionnaire, or to seek new information.

SECTION A - COMPANY STRUCTURE AND OPERATIONS

This section requests information relating to company details and financial reports.

A-1 IDENTITY AND COMMUNICATION

Please nominate a person within your company who can be contacted for the purposes of this investigation:

Response:
Head Office:

Name:	**MR. S.H.NAGORI**
Position in the company:	**VICE PRESIDENT (MARKETING)**
Address:	**UTTAM HOUSE, 69, P D M'ello ROAD, CARNAC BUNDER, MUMBAI: 400 009.**
Telephone:	**+91-8879994101**
Facsimile number:	**+91-22 23485025**
E-mail of contact person:	nagori@uttamgalva.com

Factory:

Name:	**MR. ADYA PRASAD**
Position in the company:	**EXECUTIVE DIRECTOR (WORKS)**
Address:	**UTTAM GALVA STEELS LTD., P.O. DONVAT, KHOPOLI-PEN ROAD, DISTRICT: RAIGAD -410203**
Telephone:	**+91-8411970555**
Facsimile number:	**+91-2192-278520**
E-mail of contact person:	aprasad@uttamgalva.com

A-2 REPRESENTATIVE OF THE COMPANY FOR THE PURPOSE OF INVESTIGATION

If you wish to appoint a representative to assist you in this investigation, provide the following details:

Response:

Name:	**Mr. ANDREW PERCIVAL**
Organisation:	**CORRS CHAMBERS WESTGARTH**
Position:	**SPECIAL COUNSEL**
Address:	**GPO BOX 9925, SYDNEY NSW 2001**
Telephone:	**+61- 02- 92106228**
Facsimile/Telex number:	**+61-02-92106611**
E-mail of contact person:	**andrew.percival@corrs.com.au**

Name:	**Mr. SANJAY NOTANI**
Organisation:	**ECONOMIC LAWS PRACTICE**
Position:	**PARTNER**
Address:	**109-A Wing, Dalamal Towers, Nariman Point, Mumbai 400021 India.**
Telephone:	**+91 22 6636 7000**
Facsimile/Telex number:	**+91-22-66367172**
E-mail of contact person:	**sanjaynotani@elp-in.com**

Note that in nominating a representative, the Commission will assume that confidential material relating to your company in this investigation may be freely released to, or discussed with, that representative.

A-3 COMPANY INFORMATION

1. What is the legal name of your business? What kind of entity is it (e.g. company, partnership, sole trader)? Please provide details of any other business names that you use to export and/or sell goods.

   Response:
   The legal name of business is "UTTAM GALVA STEELS LTD" (hereinafter referred to as "Uttam Galva"). Uttam Galva is a public limited company.

   Uttam Galva only undertakes business under the name referred above and does not use any other business name.

2. Who are the owners and/or principal shareholders? Provide details of shareholding percentages for joint owners and/or principal shareholders. (List all shareholders able to cast, .or control the casting of, 5% or more of the maximum amount of votes that could be cast at a general meeting of your company).

   Response:
   M/s. ArcelorMittal Netherlands BV and M/s Kredence Multi Trading Ltd. are the principal shareholders of the Company. Details of the shareholders holding more than 5% equity shares are attached herewith at Confidential "Annexure A". The voting rights are based on the holding of the shareholders.

3. If your company is a subsidiary of another company, list the principal shareholders of that company.

   Response:
   Not Applicable. Uttam Galva is not a subsidiary of any other company.

4. If your parent company is a subsidiary of another company, list the principal shareholders of that company.

   Response:
   Not Applicable. Uttam Galva does not have any parent company.

5. Provide a diagram showing all associated or affiliated companies and your company's place within that corporate structure.

   Response:
   Uttam Galva has a number of associated or affiliated companies. Diagram of Associated/Affiliated Companies of Uttam Galva are attached at Confidential "Annexure B".

6. Are any management fees/corporate allocations charged to your company by your parent or related company?

   Response:
   Not applicable. There are no management fees/corporate allocations charged to Uttam Galva by related companies.

7. Describe the nature of your company's business. Explain whether you are a producer or manufacturer, distributor, trading company, etc.

Response:

Uttam Galva is primarily a manufacturer of Cold Rolled steel ("CR") and Galvanized Products ("GP"). Uttam Galva is in the business of procuring hot rolled steel ("HR") and processing it into CR Coils. They also trade in HR and other ancillary steel products. Uttam Galva further processes CR coils into value added products such as Cold Rolled Closed Annealed ("CRCA") Coils and Sheets, GP Coils and Sheets including corrugated and Colour Coated Coils and Sheets.

Under the portfolio of Galvanized Coils, it specializes in producing ultra-thin gauges, which could be as low as 0.12 mm thickness.

8. If your business does not perform all of the following functions in relation to the goods under consideration, then please provide names and addresses of the companies which perform each function:

- produce or manufacture;
- sell in the domestic market;
- export to Australia; and
- export to countries other than Australia.

Response:

Uttam Galva business performs all the functions listed above.

9. Provide your company's internal organisation chart. Describe the functions performed by each group within the organisation.

Response:

Internal organisation chart for Uttam Galva describing in brief the functions performed by each group is attached Confidential "Annexure C"

10. Provide a list of your business' Board of Directors, Managing Director (or CEO) and Senior Executives.

Response:

Please find below list of our Board of Directors.

Shri Rajinder Miglani	-	**Chairman**
Shri Anuj R Miglani	-	**Managing Director**
Shri Ankit Miglani	-	**Dy. Managing Director**
Shri D.L.Rawal	-	**Independent Director**
Shri Sharad G Tudekar	-	**Director (Works)**
Shri O P Gahrotra	-	**Independent Director**
Shri Gursharan Singh Sawhney	-	**Director (Finance) & Group CFO**
Shri Shirish T Parikh	-	**Independent Director**

Smt. Swarna Prabha Sukumar - Nominee Director-LIC

Senior Executives:

[redacted]

11. Provide a copy of your most recent annual report together with any relevant brochures or pamphlets on your business activities.

<u>**Response:**</u>
Uttam Galva's recent annual report for Financial Year 2013- 2014 along with relevant brochures is as attached with this questionnaire at "<u>Annexure D</u>". The requested information is also available on the website of Uttam Galva, which can be accessed at - www.uttamgalva.com.

The brochure for Uttam Galva for the goods under consideration is attached at "Annexure D".

12. Provide details of **all** transactions between your company and all related parties. For example:

- suppling/selling completed or partially completed products;
- suppling/selling raw materials;
- performing management functions (including any financial functions);
- processing (including toll processing) of any raw materials, intermediary or completed products; or
- trading in products/materials supplied by related parties.

<u>**Response:**</u>
The details of transactions between Uttam Galva and all related parties for the period of Investigation in relation to aforementioned points is attached at Confidential "<u>Annexure E</u>". Further, information on related party transactions not pertaining to goods under investigation can be found under the heading 'Transactions with related parties' at page 60 of the Annual Report attached at "<u>Annexure D</u>".

A-4 GENERAL ACCOUNTING/ADMINISTRATION INFORMATION

1. Indicate your accounting period.

Response:
The accounting period for Uttam Galva is - 1st April to 31st March.

2. Indicate the address where the company's financial records are held.

Response:
The records of Uttam Galva are available at:
Uttam Galva Steels Ltd.,
Khopoli – Pen Road,
Donvat,
District: Raigad
State: Maharashtra.

3. Please provide the following financial documents for the two most recently completed financial years plus all subsequent monthly, quarterly or half yearly statements:

- chart of accounts;

Response:
The Chart of Accounts for Financial year 2012-13 (Apr-Mar), financial year 2013-14(Apr-Mar) and Q-1 2014-15 (Apr-Jun) are attached herewith at Confidential "Annexure F".

- audited consolidated and unconsolidated financial statements (including all footnotes and the auditor's opinion); and

Response:
The Audited Consolidated Financial Statements for financial year 2013-14(Apr-Mar) is attached herewith at Annexure D. The Audited Consolidated Financial Statements for financial year 2012-13 (Apr-Mar) and Financial Results for Q-1 2014-15 (Apr-Jun) are attached herewith at Annexure G.

- Internal financial statements, income statements (profit and loss reports), or management accounts, that are prepared and maintained in the normal course of business for the goods under investigation.

Response:
The quarterly financial statements for Q-1 2014-14 (Apr-Jun) is attached herewith as "Annexure G".

These documents should relate to:

- the division or section/s of your business responsible for the production and sale of the goods under consideration; and
- the company overall.

Response:
The above documents are not prepared for any segment which is specifically responsible for the goods under consideration. Therefore, the Uttam Galva's overall records in the above annexures.

4. If you are not required to have the accounts audited, provide the unaudited financial statements for the two most recently completed financial years, together with your taxation returns. Any subsequent monthly, quarterly or half yearly statements should also be provided.

Response:
As regards the completed financial years referred above, the audited financial statements have already been provided under Annexure D and Annexure G. The unaudited quarterly financial results for Q -1 2014-15 (Apr-Jun) is attached herewith at Annexure G. The accounts of Uttam Galva are subject to audit under the Indian Companies Act. Hence, the instant question is not applicable.

5. Do your accounting practices differ in any way from the generally accepted accounting principles in your country? If so, provide details.

Response:
The accounts of Uttam Galva are maintained in compliance with the generally accepted accounting principles in India (Indian GAAP). Please refer Point no. (a) of Note no. 1.01 : Significant Accounting Policies of Last Audited Financial Statements attached hereto at Annexure D.

6. Describe the significant accounting policies that govern your system of accounting, in particular:

- the method of valuation for raw material, work-in-process, and finished goods inventories (e.g. last in first out - LIFO, first in first out - FIFO, weighted average);

Response:
The Accounting Policies of Uttam Galva governing the method of valuation for raw material, work-in-process, and finished goods inventories are as under:
  - **Raw Materials - At Cost (Moving Weighted Average Method)**
  - **Work-in Process - At material cost plus labour and other appropriate portion of production and administrative overheads and depreciation.**
  - **Finished Goods Inventories - At lower of cost or realisable value.**

- costing methods, including the method (e.g. by tonnes, units, revenue, direct costs etc) of allocating costs shared with other goods or processes (such as front office cost, infrastructure cost etc);

Response:
The Accounting Policies of Uttam Galva governing costing methods of allocating costs shared with other goods or processes are as under:

[redacted]

- valuation methods for damaged or sub-standard goods generated at the various stages of production;

Response:
The Accounting Policies of Uttam Galva governing valuation methods for damaged or sub-standard goods generated at the various stages of production is as under:

- [redacted]

- valuation methods for scrap, by products or joint products;

Response:
The Accounting Policies of Uttam Galva governing valuation methods for scrap, by products or joint products is as under:
[redacted]

- valuation and revaluation methods for fixed assets;

Response:
The Accounting Policies of Uttam Galva governing valuation and revaluation methods for fixed assets is as under:
- **Fixed Assets are carried at cost minus accumulated depreciation.**

- average useful life for each class of production equipment and depreciation method and rate used for each;

Response:
Depreciation on Fixed Asset is provided pro-rata on straight line basis as per the rates prescribed under Schedule XIV of The Companies Act 1956.

Asset Class	Useful Life	% of Depreciation
Plant & Machinery	18 Years	5.28%
Factory Building & Sited Development	28 Years	3.34%

However, with the coming into force of the new Companies Act, 2013, the rates for the depreciation on fixed assets has been modified. Uttam Galva has considered the revised rates in the Financial Results for Q-1 2014-15 (Apr-Jun). The applicable rates of Depreciation as per Schedule II of Companies Act 2013 are as under:

Asset Class	Useful Life	% of Depreciation
Plant & Machinery	15 Years	6.33
Plant & Machinery	20 years	4.75
Plant & Machinery	25 years	3.80
Plant & Machinery	30 years	3.17
Plant & Machinery	35 years	2.71
Plant & Machinery	40 Years	2.38
Factory building & site Development	30 Years	3.17

- treatment of foreign exchange gains and losses arising from transactions;

Response:
Foreign exchange difference on revenue transactions are charged to Profit & Loss ("P&L") account under respective expenditure / income groups.

- treatment of foreign exchange gains/losses arising from the translation of balance sheet items;

Response:

Foreign exchange differences on Long term foreign currency borrowing for procurement of capital assets are capitalised /amortised as per revised guidelines of AS.11. which are attached herewith at "Annexure H"

- inclusion of general expenses and/or interest;

Response:

General Expenses are classified under the head "Other expenses" in P&L.
Interest & financial charges on long term borrowing and short term working capital borrowings are separately disclosed in P&L.

- provisions for bad or doubtful debts, and treatment thereof in your accounts;

Response:

Bad & doubtful debts (if any) are recognised at the end every financial year and provided appropriately.

- expenses for idle equipment and/or plant shut-downs;

Response:

[redacted]

- costs of plant closure;

Response:

[redacted]

- restructuring costs;

Response:

[redacted]

- by-products and scrap materials resulting from your company's production process; and

Response:

[redacted]

- effects of inflation on financial statement information.

Response:

Effect of inflation is not required to be considered as per Indian GAAP.

7. In the event that any of the accounting methods used by your company have changed over the last two years provide an explanation of the changes, the date of change and the reasons for it.

Response:

There have been no changes in accounting methods used by Uttam Galva during last 2 years.

A-5 INCOME STATEMENT

Please complete the worksheet titled **'Income Statement'** within the *'Galvanised Steel - exporter questionnaire supporting data'* spreadsheet provided alongside this questionnaire.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

Explain how costs have been allocated between all products and the goods under consideration within these calculations.

This information will be used to verify the completeness of cost data that you provide in Section G. If, because of your company's structure, the allocations would not be helpful in this process, please explain why this is the case.

Response:
The 'Income Statement' has been provided in the Confidential 'Galvanised Steel - exporter questionnaire spreadsheets Final 2nd Sept'14'.

A-6 SALES

Please complete the worksheet titled '**Turnover**' within the *'Galvanised Steel - exporter questionnaire supporting data'* spreadsheet provided alongside this questionnaire.

State your company's net turnover (after returns and all discounts) and free of duties and taxes. Use the currency in which your accounts are kept.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

This information will be used to verify the cost allocations to the goods under consideration in Section G.

You should be prepared to demonstrate that sales data shown for the goods is a complete record by linking total sales of these goods to relevant financial statements.

Response:
The 'Turnover' has been provided in the Confidential 'Galvanised Steel - exporter questionnaire spreadsheets Final 2nd Sept'14'.

SECTION B - SALES TO AUSTRALIA (EXPORT PRICE)

This section requests information concerning your export practices and prices to Australia. You should include costs incurred beyond ex-factory. Export prices are usually assessed at free-on-board (FOB) point, but the Commission may also compare prices at the ex-factory level.

*You should report prices of **all** goods under consideration **shipped** to Australia during the investigation period.*

The invoice date will normally be taken to be the date of sale. If you consider:

- *the sale date is not the invoice date (see 'date of sale' column in Section B-4 below); and*
- *an alternative date should be used when comparing export and domestic prices,*

*then you **must** provide information in Section D on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

B-1 For each customer in Australia to whom you shipped goods during the investigation period, list:

- name;
- address;
- contact name and phone/fax number, where known; and
- trade level (e.g. distributor, wholesaler, retailer, end user, original equipment manufacturer).

Response:
Details of Customers in Australia to whom Uttam Galva has shipped the goods in investigation period is attached hereto at Confidential "Annexure I".

B-2 For each customer identified in Section B-1 please provide the following:

a) Describe how the goods are sent to each customer in Australia, including a diagram if required.

Response:

The detailed flow-chart of the business process for exports is provided at Confidential "Annexure I".

[redacted]

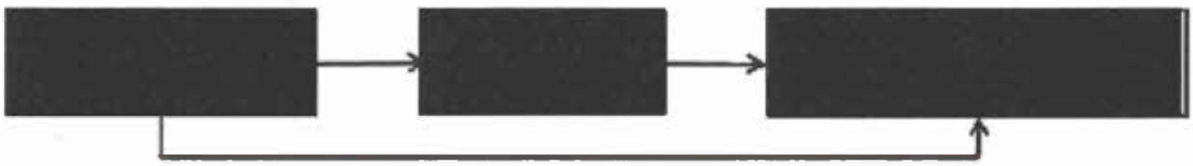
[redacted] **This process is identified in the attached Confidential "<u>Annexure J</u>" as** [redacted].

[redacted]

(confidential information regarding sales process between Uttam Galva and its customers)

b) Identify each party in the distribution chain and describe the functions performed by them. Where commissions are paid indicate whether it is a pre or post exportation expense having regard to the date of sale.

<u>Response:</u>
There are no commissions paid by Uttam Galva. [redacted] **Uttam Galva is the manufacturer of the goods under consideration.** [redacted] **(confidential information regarding distribution channels of Uttam Galva)**



c) Explain who retains ownership of the goods at each stage of the distribution chain. In the case of delivered duty paid (DDP) sales, explain who retains ownership when the goods enter Australia.

<u>Response:</u>
[redacted] **(confidential information regarding terms of export sales)**

d) Describe any agency or distributor agreements or other contracts entered into in relation to the Australian market (supply copy of the agreement if possible).

<u>Response:</u>
Not Applicable. Uttam Galva does not having any agency or distributor agreements for supplying goods under consideration to Australian Market.

e) Explain in detail the process by which you negotiate price, receive orders, deliver, invoice and receive payment. If export prices are based on price lists supply copies of those lists.

<u>Response:</u>

There are no price lists maintained by Uttam Galva for exports of goods under consideration.

[redacted]

[redacted]

(confidential information regarding sales process between Uttam Galva and its customers)

f) State whether your firm is related to any of its Australian customers. Give details of any financial or other arrangements (e.g. free goods, rebates or promotional subsidies) with the customers in Australia (including parties representing either your firm or the customers).

Response:

Uttam Galva is not related to any of its Australian Customers to whom shipments have been made.

g) Details of the forward orders of the goods under consideration (include quantities, values and scheduled shipping dates).

Response:

As per the records of Uttam Galva the quantity of forward orders for the goods under consideration scheduled for shipment by [redacted] amount to [redacted]. (confidential information regarding volume, value and scheduled dates of shipments)

B-3 Do your export selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Response:

The selling prices of the exports do not vary according to the distribution channels. Each and every transaction is separately negotiated with the customer and prices are determined on spot basis with regard to the specific goods under consideration.

B-4 Complete the worksheet titled '**Australian Sales**' within the '*Galvanised Steel - exporter questionnaire supporting data'* spread sheet provided alongside this questionnaire.

This spread sheet should list **all** shipments to Australia (i.e. transaction by transaction) **of the goods under consideration** in the investigation period. Do not include non-goods items.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The table below provides information as to what is meant by each column heading within the worksheet.

COLUMN HEADING	EXPLANATION
Customer name	Names of your customers
Level of trade	The level of trade of your customers in Australia
Model/grade/type	Commercial model/grade or type *(i.e. Base Metal Thickness, width, zinc coating mass, grade, finish)*
Product code	Code used in your records for the model/grade/type identified. Explain the product codes in your submission
Invoice number	Invoice number
Invoice date	Invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date *other than* the invoice date best establishes the material terms of sale, report that date. For example, order confirmation, contract or purchase order date.
Order number	If applicable, show order confirmation, contract or purchase order number if you have shown a date other than the invoice date as being the date of sale.
Shipping terms	Delivery terms: e.g. CIF, C&F, FOB, DDP (in accordance with the Incoterms outlined in Appendix 1)
Payment terms	Agreed payment terms, for example 60 days = 60 etc
Quantity	Quantity in units (as shown on the invoice). Show basis, e.g. kilograms.
Gross invoice value	Gross invoice value shown on invoice *in the currency of sale, excluding taxes*
Discounts on the invoice	If applicable, the amount of any discount deducted on the invoice on each transaction. If a % discount applies show that % discount applying in another column
Other charges	Any other charges, or price reductions, that affect the net invoice value.

	Insert additional columns and provide a description
Invoice currency	The currency used on the invoice
Exchange rate	Indicate the exchange rate used to convert the currency of sale to the currency used in your accounting system
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency, as it is entered in your accounting system
Rebates or other allowances	The amount of any deferred rebates or allowances paid to the importer in the currency of sale
Quantity discounts	The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount
Ocean freight**	The actual amount of ocean freight incurred on each export shipment listed
Marine insurance	Amount of marine insurance
FOB export price**	The FOB price at the port of shipment
Packing*	Packing expenses
Inland transportation costs*	Inland transportation costs included in the selling price. For export sales, this is the inland freight from factory to port in the country of export
Handling, loading and ancillary expenses*	Handling, loading and ancillary expenses. For example, terminal handling, export inspection, wharfage and other port charges, container tax, document fees and customs brokers fees, clearance fees, bank charges, letter of credit fees and other ancillary charges incurred in the exporting country
Warranty and guarantee expenses*	Warranty and guarantee expenses
Technical assistance and other services*	Expenses for after sale services, such as technical assistance or installation costs
Commissions*	Commissions paid. If more than one type is paid, insert additional columns of data. Indicate in your response to Section B-2 whether the commission is a pre or post exportation expense having regard to the date of sale
Other factors*	**Any other** costs, charges or expenses incurred in relation to the exports to Australia (include additional columns as required). See Section B-5.

Notes:

* All of these costs are further explained in Section E-1.

** FOB export price and ocean freight:

FOB export price: an FOB export price must be calculated for each shipment - regardless of the shipping terms. FOB price includes inland transportation to the port of exportation, inland insurance, handling and loading charges. It excludes post exportation expenses such as ocean freight and insurance. Use a formula to show the method of the calculation on each line of the export sales worksheet.

Ocean freight: as ocean freight is a significant cost, it is important that the **actual** amount of ocean freight incurred on each exportation be reported. If estimates must be made, you must explain the reasons and set out the basis - estimates must reflect changes in freight rates over the investigation period.

Freight allocations must be checked for consistency.

Response:
Worksheet titled 'Domestic Sales' has been provided in the Confidential 'Galvanised Steel - exporter questionnaire spreadsheets Final 2nd Sept'14'.

B-5 If there are any other costs, charges or expenses incurred in respect of the exports listed above which have not been identified in the table above, add a column (see 'other factors' in Section B-4) for each item and provide a description of each item. For example, other selling expenses (direct or indirect) incurred in relation to the export sales to Australia.

Response:
The following expense has been reported and added with regard to exports:
Credit Cost: The expense is the notional interest cost incurred for the period starting issuance of the commercial invoice until the actual receipt of payment. This expense has been reflected under column 33 of 'Australia Sales' worksheet provided in the Confidential 'Galvanised Steel - exporter questionnaire spreadsheets Final 2nd Sept'14'.

B-6 For each type of discount, rebate or allowance offered on export sales to Australia:

- provide a description; and
- Explain the terms and conditions that must be met by the importer to obtain the discount.

Response:
[redacted] **(confidential information regarding discounts)**

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amount shown in your response to Section B-4. If they vary by customer or level provide an explanation.

Response:
Not Applicable. The discount provided by Uttam Galva is identified on the invoice.

B-7 If you have issued credit notes (directly or indirectly) to the customers in Australia, in relation to the invoices listed in the detailed transaction by transaction listing in response to Section B-4, provide details of each credit note if the credited amount has **not** been reported as a discount or rebate.

Response:
[redacted] **The expenses are provided under Column No._23_ under 'Other Discounts' in 'Australian Sales' against the respective customers, allocated**

on the basis of quantity supplied. Details of each credit note are provided as Confidential "Annexure K". (confidential information regarding credit notes)

B-8 If the delivery terms make you responsible for arrival of the goods at an agreed point within Australia (e.g. DDP), insert additional columns in the worksheet for all other costs incurred. For example:

Import duties	Amount of import duty paid in Australia
Inland transport	Amount of inland transportation expenses within Australia included in the selling price
Other costs	Customs brokers, port and other costs incurred (itemise)

Response:
Not Applicable. Uttam Galva has not made any export sale on DDP basis or on terms which make it responsible for arrival of the goods at an agreed point within Australia.

B-9 Select two shipments, in different quarters of the investigation period, and provide a **complete** set of all of the documentation related to the export sale. For example:

- the importer's purchase order, order confirmation and contract of sale;
- commercial invoice;
- bill of lading, export permit;
- freight invoices in relation to movement of the goods from factory to Australia, including inland freight contract;
- marine insurance expenses; and
- letter of credit and bank documentation, proving payment.

Response:
Complete set of all the documentation related to export sale for 2 shipments in each quarter of the investigation period are attached at Confidential "Annexure L".

The Commission will select additional shipments for payment verification at the time of the visit.

SECTION C - EXPORTED GOODS AND LIKE GOODS

C-1 Fully describe all of the goods you have exported to Australia during the investigation period. Include specification details (such as the grade of the product) and any technical and illustrative material that may be helpful in identifying, or classifying, the exported goods.

Response:
Uttam Galva has exported Galvanized Steel to Australia during the investigation period. Detailed information regarding grade, coating, thickness, width, finishing and other relevant parameters is attached at 'Australian Sales' under B-4. The relevant technical and illustrative material in the Brochures is attached at "Annexure D".

C-2 List each model/type of goods exported to Australia (these models should cover all models listed in the worksheet '**Australian Sales**' – see Section B of this questionnaire).

Response:
Refer to 'Australian Sales' the PCN for each goods under consideration is provided under Column No._5_ of 'Australia Sales' worksheet.

C-3 If you sell like goods on the domestic market, for each model/type that your company has exported to Australia during the investigation period, list the most comparable model(s) sold domestically and provide a detailed explanation of the differences where those goods sold domestically (i.e. the like goods – see explanation in glossary of terms) are not identical to goods exported to Australia. Make sure that you identify the grade of each model/type that is sold domestically.

This should be done by completing the worksheet titled '**Like Goods**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire, detailing as follows:

EXPORTED TYPE	DOMESTIC TYPE	IDENTICAL?	DIFFERENCES
Product code of each model of the goods exported to Australia	Product code of comparable model sold on the domestic market of the country of export	If goods are identical indicate 'YES'. Otherwise 'NO'	Where the good exported to Australia is not identical to the like goods, describe the specification differences. If it is impractical to detail specification differences in this table refer to documents which outline differences

Response:
Please refer to Confidential "Annexure M" for PCN methodology adopted. Further the above table is also provided under Confidential "Annexure N".

C-4 Please provide any technical and illustrative material that may be helpful in identifying or classifying the goods that your company sells on the domestic market.

Response:
The relevant technical and illustrative material in the Brochures is attached at "Annexure - D"

SECTION D - DOMESTIC SALES

This section seeks information about the sales arrangements and prices in the domestic market of the country of export.

***All** domestic sales of **like goods** (to the goods under consideration) made during the investigation period must be listed transaction by transaction. If there is an extraordinarily large volume of sales data <u>and</u> you are unable to provide the complete listing electronically you **must** contact the Case Manager **before** completing the questionnaire.*

If the Case Manager agrees that it is not possible to obtain a complete listing he or she will consider a method for sampling that meets the *Commission's requirements. If agreement cannot be reached as to the appropriate method, the Commission may not visit your company.*

The Commission will normally take the invoice date as being the date of sale in order to determine which sales fall within the investigation period.

*If, in response to Section B-4 (Sales to Australia, Export Price), you have reported that the date of sale is not the invoice date and you consider that this alternative date should be used when comparing domestic and export prices you **must** provide information on domestic selling prices for a matching period - even if doing so means that such domestic sales data predates the commencement of the investigation period.*

If you do not have any domestic sales of like goods you must contact the Case Manager who will explain the information the Commission requires for determining a normal value using alternative methods.

D-1 Please provide:

- a detailed description of your distribution channels to domestic customers, including a diagram if appropriate;

<u>**Response:**</u>

Uttam Galva is the manufacturer and carries out domestic sales directly to the Customers. In the Domestic Market, Uttam Galva has [redacted]. A diagram indicating the domestic sales channel is provided below:

- information concerning the functions/activities performed by each party in the distribution chain; and

<u>**Response:**</u>

[redacted] **Uttam Galva is the manufacturer and exporter of the goods under consideration, the activities of Uttam Galva when selling to customers are elaborated at Confidential "<u>Annexure O</u>". <u>(confidential information regarding domestic distribution channels)</u>**

- a copy of any agency or distributor agreements, or contracts entered into.

<u>**Response:**</u>

Not Applicable. Uttam Galva does not have any agency or distributor agreements for goods under consideration.

If any of the customers listed are associated with your business, provide details of that association. Describe the effect, if any, that association has upon the price.

Response:
Not Applicable. No customers in domestic market are associated with Uttam Galva's business.

D-2 Do your domestic selling prices vary according to the distribution channel identified? If so, provide details. Real differences in trade levels are characterised by consistent and distinct differences in functions and prices.

Response:
Not Applicable. The domestic selling prices of Uttam Galva do not vary on the basis of the distribution channel. The domestic selling prices vary according to the thickness, Zinc coating, Grade of the products.

D-3 Explain in detail the sales process, including:

- the way in which you set the price, receive orders, make delivery, invoice and finally receive payment; and the terms of the sales; and

Response:
The domestic sales procedure is as below.

[redacted]

A detailed flow-chart regarding the domestic sales business process is attached at Confidential "Annexure O".

- Whether price includes the cost of delivery to customer.

Response:
Only when the sales are on [redacted]
However, in certain cases sales are also made on [redacted] (confidential information regarding delivery terms)

If sales are in accordance with price lists, provide copies of the price lists.

Response:
[redacted] **(confidential information regarding price)**

D-4 Complete the worksheet titled '**Domestic Sales**' in the '*Galvanised Steel - exporter questionnaire supporting data'* spread sheet provided alongside this questionnaire.

This worksheet is to list **all domestic sales of like goods** (i.e. transaction by transaction) made during the investigation period. Do not include non-goods items.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The table below provides information as to what is meant by each column heading within the worksheet.

COLUMN HEADING	EXPLANATION
Customer name	Names of your customers. If an English version of the name is not easily produced from your automated systems, show a customer code number and (in a separate table) list each code and name
Level of trade	The level of trade of your domestic customer
Model/grade/type	Commercial model/grade or type of the goods
Product code	Code used in your records for the model/grade/type of the goods identified. Explain the product codes in your submission
Invoice number	Invoice number
Invoice date	Invoice date
Date of sale	Refer to the explanation at the beginning of this section. If you consider that a date *other than* the invoice date best establishes the material terms of sale and should be used, report that date. For example, order confirmation, contract or purchase order date
Order number	Show order confirmation, contract or purchase order number if you have shown a date other than invoice date as being the date of sale
Delivery terms	For example, ex-factory, free on truck, delivered into store
Payment terms	Payment terms agreed with the customer, for example 60 days = 60 etc
Quantity	Quantity in units shown on the invoice, for example kilograms
Gross invoice value	Gross value shown on invoice *in the currency of sale*, net of taxes
Discounts on the Invoice	The amount of any discount deducted on the invoice on each transaction. If a %age discount applies show that %age discount applying in another column
Other charges	Any other charges, or price reductions, that affect the net invoice value. Insert additional columns and provide description
Net invoice value in the currency of the exporting country	The net invoice value expressed in your domestic currency as recorded in your accounting system
Rebates or other Allowances	The actual amount of any deferred rebates or allowances in the currency of sale

Quantity discounts	The actual amount of quantity discounts not deducted from the invoice. Show a separate column for each type of quantity discount
Packing*	Packing expenses
Inland transportation costs*	Amount of inland transportation costs included in the selling price
Handling, loading and ancillary expenses*	Handling, loading and ancillary expenses
Warranty and guarantee expenses*	Warranty and guarantee expenses
Technical assistance and other services*	Expenses for after sale services, such as technical assistance or installation costs
Commissions*	Commissions paid. If more than one type is paid, insert additional columns of data
Other factors*	**Any other** costs, charges or expenses incurred in relation to the domestic sales (include additional columns as required). See Section D-5.

Notes
Costs marked with * are explained in Section E-2.

Response:
Worksheet titled 'Domestic Sales' has been provided in the Confidential 'Galvanised Steel - exporter questionnaire spreadsheets Final 2nd Sept'14'.

D-5 If there are any other costs, charges or expenses incurred in respect of the sales listed which have not been identified in the table in Section D-4 above, add a column for each item (see 'other factors'). For example, certain other selling expenses incurred.

Response:

[redacted]

(confidential information regarding costs, charges or expenses)

D-6 For each type of commission, discount, rebate or allowance offered on domestic sales of like goods:

- provide a description; and
- explain the terms and conditions that must be met by the customer to qualify for payment.

Response:
Not Applicable. Uttam Galva has not provided any discount or rebate to Domestic Customers

Where the amounts of these discounts, rebates etc are not identified on the sales invoice, explain how you calculated the amounts shown in your response to Section D-4.

Response:
Not Applicable. Uttam Galva has not provided any discount or rebate to Domestic Customers

If you have issued credit notes, directly or indirectly to the customers, provide details if the credited amount has **not** been reported as a discount or rebate.

Response:
Uttam Galva has issued credit notes to certain domestic customers, which are not reported as a discount or rebate on the invoices. The expenses are provided under Column No. 19 under 'Other Discounts' in 'Domestic Sales' [redacted] Details of each credit note are provided as Confidential "Annexure P". (confidential information regarding other discounts)

D-7 Select two domestic sales, in different quarters of the investigation period, that are at the same level of trade as the export sales.

Provide a **complete** set of documentation for those two sales. Include, for example:

- purchase order;
- order acceptance;
- commercial invoice;
- discounts or rebates applicable;
- credit/debit notes;
- long or short term contract of sale;
- inland freight contract; and
- bank documentation showing proof of payment.

The Commission will select additional sales for verification at the time of our visit.

Response:
Complete set of all the documentation related to domestic sale for 2 shipments in each quarter of the investigation period are attached at Confidential "Annexure Q".

SECTION E - FAIR COMPARISON

Section B sought information about the export prices to Australia and Section D sought information about prices on your domestic market for like goods (i.e. the normal value).

Where the normal value and the export price are not comparable adjustments may be made. This section informs you of the fair comparison principle and asks you to quantify the amount of any adjustment.

As prices are being compared, the purpose of the adjustments is to eliminate factors that have unequally modified the prices to be compared.

To be able to quantify the level of any adjustment it will usually be necessary to examine cost differences between sales in different markets. The Commission must be satisfied that those costs are likely to have influenced price. In practice, this means that the expense item for which an adjustment is claimed should have a close nexus to the sale. For example, the cost is incurred because of the sale, or because the cost is related to the sale terms and conditions.

Conversely, where there is not a direct relationship between the expense item and the sale a greater burden is placed upon the claimant to demonstrate that prices have been affected, or are likely to have been affected, by the expense item. In the absence of such evidence the Commission may disallow the adjustment.

Where possible, the adjustment should be based upon actual costs incurred when making the relevant sales. However, if such specific expense information is unavailable, cost allocations may be considered. In this case, the party making the adjustment claim must demonstrate that the allocation method reasonably estimates costs incurred.

A party seeking an adjustment has the obligation to substantiate the claim by relevant evidence that would allow a full analysis of the circumstances, and the accounting data, relating to the claim.

The investigation must be completed within strict time limits therefore you must supply information concerning claims for adjustments in a timely manner. Where an exporter has knowledge of the material substantiating an adjustment claim, that material is to be available at the time of the verification visit. The Commission will not consider new claims made after the verification visit.

E-1 COSTS ASSOCIATED WITH EXPORT SALES

These cost adjustments will relate to your responses made at Section B-4, '**Australian Sales**'.

1. <u>Transportation</u>

Explain how you have quantified the amount of inland transportation associated with the export sale ('**inland transportation costs**'). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

<u>Response:</u>
Exports to Australia made by Uttam Galva are done from specific Indian sea ports [redacted]

(confidential information regarding inland transportation costs)

Total Inland transportation costs incurred for exports are located at [redacted]

Evidence of payment to transporter and the relevant transport contract is attached at Confidential "Annexure R".

2. Handling, loading and ancillary expenses

List all charges that are included in the export price and explain how they have been quantified ('**handling, loading and ancillary expenses**'). Identify the general ledger account where the expenses are located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

The various export related ancillary costs are identified in the table at Section B-4, for example:

- terminal handling;
- wharfage and other port charges;
- container taxes;
- document fees and customs brokers fees;
- clearance fees;
- bank charges, letter of credit fees; and
- other ancillary charges.

Response:

[redacted] **(confidential information regarding handling, loading and ancillary expenses)**

The expenses are identified under several general ledger accounts provided under Confidential "Annexure F".

3. Credit

The cost of extending credit on export sales is not included in the amounts quantified at Section B-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. Provide applicable interest rates over each month of the investigation period. Explain the nature of the interest rates most applicable to these export sales, e.g. short term borrowing in the currency concerned.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, *and if* export prices are influenced by this longer or shorter period, calculate the average number of collection days. See also item 4 in Section E-2 below.

Response:

Credit Costs have been included in the amounts quantified at Section B-4. The interest rate is dependent upon the payment terms governing the export transaction. In case of [redacted] Uttam Galva incurs interest at the rate has been considered at [redacted]. In case of [redacted] the applicable interest rate is on the basis of the [redacted] In case of [redacted] The credit cost for [redacted] transactions is calculated on the [redacted] The documents to substantiate the interest rates for export sales is provided at Confidential "Annexure S". The working is provided at Column 33 at 'Australia Sales' worksheet. (confidential information regarding credit expenses and interest rates)

4. Packing costs

List material and labour costs associated with packing the export product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed '**packing**'.

Response:
There is no difference between packing for export and domestic sales.

5. Commissions

For any commissions paid in relation to the export sales to Australia:

- provide a description; and
- explain the terms and conditions that must be met.

Report the amount in the sales listing in Section B-4 under the column headed '**commissions**'. Identify the general ledger account where the expense is located.

Response:
Not Applicable. There are no commissions paid for export sales to Australia.

6. Warranties, guarantees, and after sales services

Response:
Not Applicable. There is no cost incurred in connection with warranty, guarantee and after sales service of product under consideration.

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ('**warranty and guarantee expenses**' and '**technical assistance and other services**'), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

7. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed '**other factors**'. For example, other variable or fixed selling expenses, including salesmen's salaries, salesmen's travel expenses, advertising and promotion, samples and entertainment expenses. Your consideration of questions asked at Section G, concerning domestic and export costs, would have alerted you to such other factors.

Response:
Not Applicable. There are no expenses on account of 'other factors'.

8. Currency conversions

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a 'sustained' movement during the period of investigation (see Article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect 'sustained' movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

Response:
Not Applicable.

E-2 COSTS ASSOCIATED WITH DOMESTIC SALES

These cost adjustments will relate to your responses made at Section D-4, '**domestic sales**'.

The following items are not separately identified in the amounts quantified at Section D-4. However you should consider whether any are applicable.

1. Physical characteristics

The adjustment recognises that differences such as quality, chemical composition, structure or design mean that goods are not identical and the differences can be quantified in order to ensure fair comparison.

The amount of the adjustment shall be based upon the market value of the difference, but where this is not possible the adjustment shall be based upon the difference in cost plus the gross profit mark-up (i.e. an amount for selling general and administrative (SG&A) costs, plus profit).

The adjustment is based upon actual physical differences in the goods being compared and upon the manufacturing cost data. Identify the physical differences between each model. State the source of your data.

Response:
There are certain differences such as coating, grade of steel, product form and surface quality between the domestic and export goods. The said differences indicate that the goods are not identical and the differences can be quantified in order to ensure fair comparison.

Uttam Galva has claimed an adjustment based upon actual physical differences for the following aspects. The adjustment has been based upon the manufacturing cost data.

Coating Mass
The Adjustment of Coating Mass is based on the difference in zinc cost calculated based on Surface area of the goods and the Zinc Coating in Gram/SQ.Mtr.

Illustration of the Surface Area calculation is as below:

[redacted]

[redacted]

[redacted]

[redacted] The working is provided at Column 29 at 'Domestic Sales' worksheet.

Finish

Uttam Galva has claimed an adjustment on the basis of the 'finish' of the goods under consideration, as described under Confidential "Annexure M". [redacted] The working is provided at Column 27 at 'Domestic Sales' worksheet.

Type of Goods

Uttam Galva has claimed an adjustment based on the Type of the goods under consideration. [redacted] The working is provided at Column 28 at 'Domestic Sales' worksheet.

Widths:

Uttam Galva has claimed an adjustment based on the difference in the widths of the goods under consideration. [redacted] The working is provided at Column 30 at 'Domestic Sales' worksheet.

Grade/Standard

Uttam Galva has claimed an adjustment on the grade/standard of the raw material. [redacted] The working is provided at Column 31 at 'Domestic Sales' worksheet.

Inland Freight

Uttam Galva has claimed an adjustment for inland freight incurred on sales to Actual Users in the domestic market. [redacted] **The amount of adjustments provided under Column 26 at 'Domestic Sales' worksheet.**

(confidential information regarding adjustments)

2. Import charges and indirect taxes

If exports to Australia:

- are partially or fully exempt from internal taxes and duties that are borne by the like goods in domestic sales (or on the materials and components physically incorporated in the goods); or
- if such internal taxes and duties have been paid and are later remitted upon exportation to Australia,

then the price of like goods must be adjusted downwards by the amount of the taxes and duties.

The taxes and duties include sales, excise, turnover, value added, franchise, stamp, transfer, border and excise taxes. Direct taxes such as corporate income tax are not included as such taxes do not apply to the transactions.

Adjustment for drawback is not made in every situation where drawback has been received. Where an adjustment for drawback is appropriate you must provide information showing **the import duty borne by the domestic sales**. That is, it is not sufficient to show the drawback amount and the export sales quantity to Australia. For example, you may calculate the duty borne on domestic sales by quantifying the total amount of import duty paid and subtracting the duty refunded on exports to all countries. The difference, when divided by the domestic sales volume, is the amount of the adjustment.

Response:

Not Applicable. No such adjustment has been claimed by Uttam Galva.

In substantiating the drawback claim the following information is required:

- a copy of the relevant statutes/regulations authorising duty exemption or remission, translated into English;
- the amount of the duties and taxes refunded upon exportation and an explanation how the amounts were calculated and apportioned to the exported goods;
- an explanation as to how you calculated the amount of duty payable on imported materials is borne by the goods sold domestically but is not borne by the exports to Australia.

Substitution drawback systems

Annex 3 of the WTO *Agreement on Subsidies and Countervailing Measures* provides:

> '[d]rawback systems can allow for the refund or drawback of import duties on inputs which are consumed in the production process of another product and where the export of this latter product contains domestic inputs having the same quality and characteristics as those substituted for the imported inputs'.

If such a scheme operates in the country of export adjustments can also be made for the drawback payable on the substituted domestic materials, provided the total amount of the drawback does not exceed the total duty paid.

Response:
Not Applicable. No substitution drawback has been claimed by Uttam Galva.

3. Level of trade

Section D-4 asks you to indicate the level of trade to the domestic customer. To claim an adjustment for level of trade differences you will need to quantify the amount by which level of trade influences price.

Trade level is the level a company occupies in the distribution chain. The trade level to which that company in turn sells the goods and the functions carried out distinguish a level of trade. Examples are producer, national distributor, regional distributor, wholesaler, retailer, end user and original equipment manufacturer.

It may not be possible to compare export prices and domestic prices at the same level of trade. Where relevant sales of like goods at the next level of trade must be used to determine normal values, an adjustment for the difference in level of trade may be required where it is shown that the difference affects price comparability.

The information needs to establish that there are real trade level differences, not merely nominal differences. Real trade level differences are characterised by a consistent pattern of price differences between the levels and by a difference in functions performed. If there is no real trade level differences all sales are treated as being at the same level of trade.

A real difference in level of trade may be adjusted for using either of the following methods:

a) *costs arising from different functions*
The amount of the costs, expenses etc incurred by the seller in domestic sales of the like goods resulting from activities that would not be performed were the domestic sales made at the same level as that of the importer.

This requires the following information:

- a detailed description of each sales activity performed in selling to your domestic customers (for example: sales personnel, travel, advertising, entertainment etc);
- the cost of carrying out these activities in respect of like goods;
- for each activity, whether your firm carries out the same activity when selling to importers in Australia;
- an explanation as to why you consider that you are entitled to a level of trade adjustment; or

Response:
Not Applicable. No such adjustment has been claimed by Uttam Galva.

b) *level discount*

The amount of the discount granted to purchasers who are at the same level of trade as the importer in Australia. This is determined by an examination of price differences between the two levels of trade in the exporter's domestic market, for example sales of like goods by other vendors or sales of the same general category of goods by the exporter.

For this method to be used it is important that **a clear pattern** of pricing be established for the differing trade levels. Such pattern is demonstrated by a general availability of the discounts to the level - isolated instances would not establish a pattern of availability.

Response:
Not Applicable. No such adjustment has been claimed by Uttam Galva.

4. Credit

The cost of extending credit on domestic sales is not included in the amounts quantified at Section D-4. However, the Commission will examine whether a credit adjustment is warranted and determine the amount. An adjustment for credit is to be made even if funds are not borrowed to finance the accounts receivable.

The interest rate on domestic sales in order of preference is:

- the rate, or average of rates, applying on actual short term borrowings by the company; or
- the prime interest rate prevailing for commercial loans in the country for credit terms that most closely approximate the credit terms on which the sales were made; or
- such other rate considered appropriate in the circumstances.

Provide the applicable interest rate over **each month** of the investigation period.

If your accounts receivable shows that the average number of collection days differs from the payment terms shown in the sales listing, and if domestic prices are influenced by this longer or shorter period, calculate the average number of collection days.

Response:
Uttam Galva has considered the credit cost on the basis of the average of rates, applying on actual short term borrowings by the company [redacted] The evidence for the interest rates is attached herewith at Confidential "Annexure T". [redacted] The working is provided at Column 25 at 'Domestic Sales' worksheet. [redacted]

[redacted]

(confidential information on credit terms)

a) Calculate an accounts receivable turnover ratio

This ratio equals the total credit sales divided by average accounts receivable. It is a measure of how many times the average receivables balance is converted into cash during the year.

In calculating the accounts receivable turnover ratio, credit sales should be used in the numerator whenever the amount is available from the financial statements. Otherwise, net sales revenue may be used in the numerator.

An average accounts receivable over the year is used in the denominator. This may be calculated by:

- using opening accounts receivable at beginning of period plus closing accounts receivable at end of period divided by two; or
- total monthly receivables divided by 12.

b) Calculate the average credit period

The average credit period equals 365 divided by the accounts receivable turnover ratio determined above at point a).

The resulting average credit period should be tested against randomly selected transactions to support the approximation.

The following items are identified in the amounts quantified at Section D-4:

5. Transportation

Explain how you have quantified the amount of inland transportation associated with the domestic sales (**'inland transportation costs'**). Identify the general ledger account where the expense is located. If the amount has been determined from contractual arrangements, not from an account item, provide details and evidence of payment.

Response:

[redacted] **(confidential information regarding basis of inland transportation costs)**

Total Inland transportation costs incurred for Domestic sales are provide in GL [redacted].

Evidence of payment to transporter under the relevant contract is attached at Confidential "Annexure U".

6. Handling, loading and ancillary expenses

List all charges that are included in the domestic price and explain how they have been quantified ('**handling, loading and ancillary expenses**'). Identify the general ledger account where the expense is located. If the amounts have been determined using actual observations, not from a relevant account item, provide details.

Response:
There is no separate handling loading and ancillary expenses borne by the company in domestic sales.

7. Packing

List material and labour costs associated with packing the domestically sold product. Describe how the packing method differs from sales on the domestic market, for each model. Report the amount in the listing in the column headed '**packing**'.

Response:
There is no difference between packing for export and domestic sales.

8. Commissions

For any commissions paid in relation to the domestic sales:

- provide a description; and
- explain the terms and conditions that must be met.

Response:
Commission is incurred in connection with certain domestic sales of products under consideration by Uttam Galva The commission is payable on the basis of the quantity sold.

Report the amount in the sales listing under the column headed '**commissions**'. Identify the general ledger account where the expense is located.

9. Warranties, guarantees and after sales services

List the costs incurred. Show relevant sales contracts. Show how you calculated the expenses ('**Warranty and guarantee expenses**' and '**technical assistance and other services**'), including the basis of any allocations. Include a record of expenses incurred. Technical services include costs for the service, repair or consultation. Where these expenses are closely related to the sales in question, an adjustment will be considered. Identify the ledger account where the expense is located.

Response:
There is no cost incurred in connection with warranty, guarantee and after sales service of product under consideration.

10. Other factors

There may be other factors for which an adjustment is required if the costs affect price comparability – these are identified in the column headed '**other factors**'. List the factors and show how each has been quantified in per unit terms. For example:

- inventory carrying cost – describe how the products are stored prior to sale and show data relating to the average length of time in inventory. Indicate the interest rate used;

- warehousing expense – an expense incurred at the distribution point;
- royalty and patent fees – describe each payment as a result of production or sale, including the key terms of the agreement;
- advertising; and
- bad debt.

Response:
Not Applicable. There are no expenses on account of 'other factors'.

E-3 DUPLICATION

In calculating the amount of the adjustments you must ensure that there is no duplication.

For example:

- adjustments for level of trade, quantity or other discounts may overlap, or
- calculation of the amount of the difference for level of trade may be based upon selling expenses such as salesperson's salaries, promotion expenses, commissions, and travel expenses.

Separate adjustment items must avoid duplication.

An adjustment for quantities may not be granted unless the effect on prices for quantity differences is identified and separated from the effect on prices for level of trade differences.

Response:
Not Applicable. There is no duplication in the data presented.

SECTION F - EXPORT SALES TO COUNTRIES OTHER THAN AUSTRALIA (THIRD COUNTRY SALES)

Your response to this part of the questionnaire may be used by the Commission to select sales to a third country that may be suitable for comparison with exports to Australia.

Sales to third countries may be used as the basis for normal value in certain circumstances. The Commission may seek more detailed information on particular third country sales where such sales are likely to be used as the basis for determining normal value.

F-1 Using the column names and column descriptions below provide a summary of your export sales to countries other than Australia.

Complete the worksheet titled '**Third Country Sales**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spreadsheet provided alongside this questionnaire.

This worksheet should list **all** export sales of like goods (i.e. transaction by transaction) to countries other than Australia in the investigation period. Do not include non-goods items.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

The table below provides information as to what is meant by each column heading within the worksheet.

COLUMN HEADING	EXPLANATION
Country	Name of the country that you exported like goods to over the investigation period
Number of customers	The number of different customers that your company has sold like goods to in the third country over the investigation period
Level of trade	The level of trade that you export like goods to in the third country
Quantity	Indicate quantity, in units, exported to the third country over the investigation period
Unit of quantity	Show unit of quantity, for example kilograms
Value of sales	Show net sales value to all customers in the third country over the investigation period
Currency	Currency in which you have expressed data in column SALES
Payment terms	Typical payment terms with customer(s) in the third country, for example 60 days = 60 etc
Shipment terms	Typical shipment terms to customers in the third country, for example CIF, FOB, ex-factory, DDP etc

F-2 Please identify any differences in sales to third countries which may affect their comparison to export sales to Australia.

Response:

There is no essential difference in sales procedures & practices to third countries other than Australia, as compared to export sales to Australia.

SECTION G - COSTING INFORMATION AND CONSTRUCTED VALUE

The information that you supply in response to this section of the questionnaire will be used for various purposes including:

- *testing the profitability of sales of like goods on the domestic market;*
- *determining a constructed normal value of the goods under consideration – i.e. of the goods exported to Australia; and*
- *making certain adjustments to the normal value.*

You will need to provide the cost of production of both the exported goods (the goods) and for the like goods sold on the domestic market. You will also need to provide the SG&A costs relating to goods sold on the domestic market, the finance expenses and any other expenses (e.g. non-operating expenses not included elsewhere) associated with the goods.

In your response please include a worksheet showing how the SG&A expenses, the finance expenses and any other expenses have been calculated.

If, in response to Section B-4 (Sales to Australia, Export Price) you:

- *reported that the date of sale is not the invoice date and consider that this alternative date should be used when comparing domestic and export prices; and*
- *provided information on domestic selling prices for a matching period as required in the introduction to Section D (Domestic Sales),*

then you must provide cost data over the same period as these sales even if doing so means that such cost data predates the commencement of the investigation period.

At any verification meeting you must be prepared to reconcile the costs shown to the accounting records used to prepare the financial statements.

G-1 PRODUCTION PROCESS AND CAPACITY

1. Describe the production process for the goods. Provide a flowchart of the process. Include details of all products manufactured using the same production facilities as those used for the goods. Also specify all scrap or by-products that result from producing the goods.

Response:

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

(confidential information regarding production process)

The detailed flow-chart of the production process specifying all scrap or by-products that result from producing the goods is attached at Confidential "Annexure V". The following products are also manufactured using the same production facilities as those used for the goods under consideration:

[redacted]

2. Complete the worksheet titled '**production**' within the '*Galvanised Steel - exporter questionnaire supporting data*' spread sheet provided alongside this questionnaire.

   Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

   Response:

   The work-sheet titled 'Production' has been has been provided in the Confidential 'Galvanised Steel - exporter questionnaire spreadsheets Final 2nd Sept'14'.

G-2 COST ACCOUNTING PRACTICES

1. Outline the management accounting system that you maintain and explain how that cost accounting information is reconciled to your audited financial statements.

   Response:

   Uttam Galva's major accounting policies have been described in its Audited Annual Reports. Uttam Galva's accounting department is required by the management to maintain a complete and reliable accounting system, which must generate accounting information for the reference of management and shareholders.

   [redacted]

   (confidential information regarding cost accounting)

2. Is your company's cost accounting system based on standard (budgeted) costs? State whether standard costs were used in your responses to this questionnaire. If they were, state whether all variances (i.e. differences between standard and actual production costs) have been allocated to the goods and describe how those variances have been allocated.

Response:

[redacted] **(confidential information regarding cost accounting)**

3. Provide details of any significant or unusual cost variances that occurred during the investigation period.

Response:

[redacted] **(confidential information regarding cost accounting)**

4. Describe the profit/cost centres in your company's cost accounting system.

Response:

[redacted] **(confidential information regarding cost accounting)**

5. For each profit/cost centre, describe in detail the methods that your company normally uses to allocate costs to the goods under consideration. In particular specify how, and over what period, expenses are amortised or depreciated and how allowances are made for capital expenditures and other development costs.

Response:

All major activity / work centre are linked with [redacted] **(confidential information regarding cost centre and cost allocation)**

6. Describe the level of product specificity (models, grades etc) that your company's cost accounting system records production costs.

Response:

[redacted]

(confidential information regarding product specificity in cost accounting)

7. List and explain all production costs incurred by your company which are valued differently for cost accounting purposes than for financial accounting purposes.

Response:

The Cost records of Uttam Galva are derived from Financial Accounting Data maintained in accounting software.

8. State whether your company engaged in any start-up operations in relation to the goods under consideration. Describe in detail the start-up operation giving dates (actual or projected) of each stage of the start-up operation.

Response:
Not Applicable.

9. State the total cost of the start-up operation and the way that your company has treated the costs of the start-up operation it its accounting records.

Response:
Not Applicable.

G-3 COST TO MAKE AND SELL ON DOMESTIC MARKET

This information is relevant to testing whether domestic sales are in the ordinary course of trade.[1]

Complete the worksheet titled **'Domestic CTMS'** within the *'Galvanised Steel - exporter questionnaire supporting data'* spread sheet provided alongside this questionnaire.

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell **each** model/type (identified in Section C) of the like goods sold on the domestic market. Please specify unit of currency.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address on the cover page of this questionnaire.

Response:
The completed worksheet titled 'Domestic CTMS' has been provided in the Confidential 'Galvanised Steel - exporter questionnaire spreadsheets Final 2nd Sept'14'.

[redacted]

(confidential information regarding source of information)

---

[1] The Commission applies the tests set out in s.269TAAD of the *Customs Act 1901* to determine whether goods are in the ordinary course of trade. These provisions reflect the WTO Agreement – see Article 2.2.1.

The detailed GL Accounts are provided in the Chart of Accounts provided at Confidential "Annexure F".

The method used to allocate cost to the goods is provided under the basis of allocation reported in the "Income Statement" spread-sheet within the Confidential 'Galvanised Steel - exporter questionnaire spreadsheets Final 2nd Sept'14'.

G-4 COST TO MAKE AND SELL GOODS UNDER CONSIDERATION (GOODS EXPORTED TO AUSTRALIA)

Complete the worksheet titled 'Australian CTMS' within the *'Galvanised Steel - exporter questionnaire supporting data'* spread sheet provided alongside this *questionnaire.*

Provide the completed worksheet in electronic format via email (or on CD-ROM) with your response. If formulas are used to calculate the field within this sheet, please ensure they remain included in the submitted version.

In doing so, provide the actual unit cost to make and sell each model/type (identified in Section C) of the like goods sold on the domestic market. Please specify unit of currency.

Provide this cost data for each quarter over the investigation period. If your company calculates costs monthly, provide monthly costs.

Indicate the source of cost information (account numbers etc) and/or methods used to allocate cost to the goods. Provide documentation and worksheets supporting your calculations.

If you are unable to supply this information in this format, please contact the Case Manager for this investigation at the address shown on the cover page of this questionnaire.

This information is relevant to calculating the normal values based on costs. It is also relevant to calculating certain adjustments to the normal value.

Response:
Please refer to response to section G-3 above.

G-5 Where there are cost differences between goods sold to the domestic market and those sold for export, give reasons and supporting evidence for these differences.

Response:
Cost of production will be same for identical products produced for domestic and international markets. However, Selling and distribution expenses involved in International sales are higher (due to Ocean Freight, Marine insurance & Port handling charges) which will impact Cost of Sales in the international market.

G-6 Give details and an explanation of any significant differences between the costs shown and the costs as normally determined in accordance with your general accounting system. Reference should be made to any differences arising from movements in inventory levels and variances arising under standard costing methods.

Response:
Not Applicable. Uttam Galva does not use standard costs for product costing.

G-7 In calculating the unit cost to make and sell, provide an explanation if the allocation method used (e.g. number, or weight etc) to determine the unit cost differs from the prior practice of your company.

Response:
Not Applicable. The allocation method used to determine the unit cost does not differ from the prior practice of Uttam Galva.

G-8 List major raw material costs, which individually account for 10% or more of the total production cost.

For these major inputs:

- identify materials sourced in-house and from associated entities;
- identify the supplier; and
- show the basis of valuing the major raw materials in the costs of production you have shown for the goods (e.g. market prices, transfer prices or actual cost of production).

Where the major input is produced by an associate of your company, the Commission will compare your purchase price to a normal market price. If the associate provides information on the cost of production for that input such cost data may also be considered.

Normal market price is taken to be the price normally available in the market (having regard to market size, whether the input is normally purchased at 'spot prices' or under long term contracts etc).

The term associate is defined in section 269TAA of the *Customs Act 1901*. Included in that definition are companies controlled by the same parent company (a company that controls 5% or more of the shares of another is taken to be an associated company), companies controlled by the other company and companies having the same person in the board of directors.

Important note: if the major input is sourced as part of an integrated production process you should provide detailed information on the full costs of production of that input.

Response:
Hot Rolled Coils are the major raw material [redacted]. The details of the supplier and basis for valuation of the raw materials are provided at Confidential "Annexure W".

SECTION H - EXPORTER'S DECLARATION

☐ I hereby declare that..(company) did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

☐ I hereby declare that..(company) did not, during the period of investigation, export the goods under consideration and therefore have not completed the attached questionnaire.

Name :..

Signature :..

Position in Company :..

Date :..

SECTION I - CHECKLIST

This section is an aid to ensure that you have completed all sections of this questionnaire.

SECTION	Please tick if you have responded to all questions
Section A – general information	☐
Section B – export price	☐
Section C – like goods	☐
Section D – domestic price	☐
Section E – fair comparison	☐
Section F – exports to third countries	☐
Section G – costing information	☐
Section H – declaration	☐

ELECTRONIC DATA	Please tick if you have completed worksheets
INCOME STATEMENT	☐
TURNOVER – sales summary	☐
AUSTRALIAN SALES – list of sales to Australia	☐
DOMESTIC SALES – list of all domestic sales of like goods	☐
THIRD COUNTRY – third country sales	☐
PRODUCTION – production figures	☐
DOMESTIC COSTS – costs of goods sold domestically	☐
AUSTRALIAN COSTS – costs of goods sold to Australia	☐

APPENDIX 1 - GLOSSARY OF TERMS

This glossary is intended to provide you with a basic understanding of technical terms that appear in the questionnaire.

Adjustments

To enable a fair comparison between the export price and the normal value, Australian legislation provides for the adjustment of the domestic price paid for like goods. Adjustments are made to account for sales occurring at different times, specification differences and differences in the terms or circumstances of the sales. The adjustment to the normal value may be upward or downward. Areas where you believe an adjustment is necessary should be identified. Section E of the questionnaire refers.

Examples of adjustments that may be made include:

- sales occurring at different times (it is sometimes necessary to compare domestic and export sales made at different times – in these circumstances an adjustment may be made to reflect price movements during that time);
- specification differences;
- packaging;
- taxes;
- level of trade;
- advertising;
- servicing/warranty;
- inland freight;
- warehousing;
- export charges;
- credit terms;
- duty drawback; and
- commissions.

Adjustments may also be required where the normal value is based upon costs to make and sell.

Arms length

Sales are not considered to be at 'arms length' on your domestic market if there is any consideration payable for the goods other than their price or there is an association between the buyer and the seller which affects the price, or there will be a reimbursement, compensation or benefit for, or in respect of, the price.

Constructed value

In cases where domestic prices paid for the goods under consideration in the country of export cannot be used for the determination of normal value, i.e. when there are no or insufficient sales or where such sales were not made in the ordinary course of trade, normal value may be based on a constructed value. Constructed value is calculated on the basis of the cost of production of the goods under consideration plus a reasonable amount for SG&A costs and for profits that are associated with sales on the domestic market of the country of export.

Cost of production/manufacturing

The cost of production or manufacture consists of all manufacturing costs associated with the goods. It is the sum of direct materials, direct labour and factory overheads.

Cost to make and sell

The cost to make and sell is the sum of the cost of production or manufacture and the SG&A costs associated with the sale of those goods.

Country of origin

The country in which the last significant process in the manufacture or production of the goods was performed.

Date of sale

The Commission will normally use the invoice date, as recorded in the exporter or producer's records. Another date may be used if this better reflects the material terms of sale. The questionnaire directs attention to matching data sets of domestic and export sales where some other date is used, as well as matching cost information.

Direct labour cost

Direct labour is categorised as a variable cost, i.e. the value varies with the level of production.

Dumping

Dumping occurs when the products of one country are exported to another country at a price less than their normal value.

Dumping margin

Where the export price is less than the normal value the dumping margin is the amount of the difference. It can be expressed as a value or as a percentage of the export price.

Export price

The export price of the goods is usually the price paid or payable to the exporter in arms length transactions, in most instances calculated at the FOB level.

Exporting country

The country of export is normally the country of origin from which the goods are shipped. The country of export may be an intermediate country, except where the products are merely transhipped through that country, or the products concerned are not produced in that country, and there is no comparable price in that country.

Factory overheads

Factory overheads consist of variable costs, i.e. power, supplies and indirect labour, as well as fixed costs, i.e. factory rent, insurance and depreciation.

Goods under consideration (the goods)

The goods to which the application for anti-dumping action relates. That is, the goods that you have exported to Australia allegedly at dumped prices.

Incoterms

The following abbreviations are commonly used. Comment is provided concerning costs that are normally borne by the seller:

EXW	ex-works (the seller's minimum obligation as costs relate to goods being made available at the sellers premises)
FCA	free carrier (main carriage not paid by seller. Pay costs until such time that the goods have been delivered at the named point into custody of a carrier named by the seller. Customs formalities, taxes etc paid if required)
FAS	free alongside ship (main carriage not paid by seller. Deliver the goods alongside the ship)
FOB	free-on-board (main carriage not paid by seller. Deliver the goods on board, provide export clearance if required, pay loading costs to the point the goods have passed the ship's rail, pay customs formalities, taxes etc. payable upon exportation)
CFR	cost and freight (main carriage paid by seller. Pay all costs until delivered as well as freight, loading and unloading, pay customs formalities, taxes etc. payable upon exportation)
CIF	cost, insurance and freight (main carriage paid by seller. Pay all costs as under CFR as well as marine insurance)

NB: the terms CFR and CIF are only used where goods are carried by sea or waterway transport.

CPT	carriage paid to
CIP	carriage and insurance paid to

NB: the terms CPT and CIP are used as alternatives to CFR and CIF where the goods are carried by air, road, rail etc.

DAF	delivered at frontier (goods carried by rail or road and cleared for export at the named place at the frontier. Pay costs until delivered at the frontier plus any discharge costs incurred to place the goods at the customers disposal)
DES	delivered ex-ship (goods made available to the buyer on board the ship uncleared for import at the named port of destination. Pay all costs incurred in placed at the disposal of the buyer, pay customs formalities, taxes etc. payable upon exportation, and where necessary for transit through another country)
DDU	delivered duty unpaid (pay all costs for carriage to the agreed point, pay customs formalities, taxes etc payable upon exportation and where necessary for transit through another country)
DDP	delivered duty paid (goods made available at the named place in the country of importation – all risks and costs being incurred by the seller including duties, taxes etc incurred upon importation)

Investigation period

A period defined by the Commission over which importations of the goods are examined.

Like goods

Like goods are goods sold on the domestic market of the country of export (or to a third country) that are identical in all respects to the goods under consideration or that, although not alike in all respects have characteristics closely resembling those of the goods under consideration. The term 'like goods' also refers to the goods produced by the Australian industry allegedly being injured by dumped imports.

Normal value

Australian legislation sets out several ways to assess 'normal value'.

The preferred method is to use the price paid for like goods sold for domestic consumption in the country of export. Usually, these sales are made by you, but there may be circumstances where it is appropriate to use sales made by other sellers on the domestic market.

Sale prices must be at arms length and in the ordinary course of trade. In the absence of relevant or suitable domestic sales, the normal value may be determined by constructing a price based upon all costs to make and sell the goods. Profit may also be included if the sales on the domestic market are profitable. Alternatively, the normal value may be ascertained using the price paid for like goods sold in the ordinary course of trade at arms length to customers in a country other than Australia, however this option is rarely used.

Finally, when a normal value cannot be ascertained by any of the above methods, or if no information is provided, the Commission will determine the normal value by considering all the relevant information, including the applicant's information. This allows the applicant's information to be used where sufficient information has not been furnished or is not available.

Where domestic price generally and the trade of the exporting country are determined or substantially influenced by the government of the exporting country, an alternative/surrogate market economy is selected by the Commission and the normal value is determined as if the surrogate country were the export source.

Ordinary course of trade

Testing for 'ordinary course of trade' includes a comparison of the selling price and the unit cost to make and sell for the same period. If sales in respect of a substantial quantity of goods over an extended period of time, usually 12 months, do not recover all costs and these losses are not likely to be recovered within a reasonable period of time (again usually 12 months), then the sales are regarded as being not in the ordinary course of trade.

There may be circumstances where it is appropriate to use a period other than 12 months in assessing whether sales are in the ordinary course of trade.

Unprofitable sales are to be taken to have occurred in substantial quantities during an extended period where the unprofitable sales amount to 20% or more of the total volume of sales of the goods by the exporter over the period. An extended period of time is usually taken to be a period not less than 12 months. Where unprofitable sales are rejected, normal value is based upon remaining profitable sales provided they occur in sufficient number. Where all sales have been made at a loss, or profitable sales are insufficient, the normal value may be constructed from costs to make and sell.

Selling, general and administration expenses (SG&A)

The selling, general and administration expenses includes all selling, distribution, general and administration expenses including finance costs that would be incurred if the goods were sold for domestic consumption in the country of export. The amounts are determined in each case using all the available information and may include expenses incurred in:

- domestic sales of like goods;
- sale of goods of the same general category by the exporter; or
- sales in the industry in the country of export.

However, the expenses must reflect the selling, general and administration costs of the goods. Administrative and selling expenses include: director's fees, management salaries and benefits, office salaries and benefits, office supplies, insurance, promotion, entertainment, depreciation and corporate overheads.

Uttam Galva Steels Limited

Registered office: Uttam House, 69, P. D' Mello Road, Mumbai - 400 009
Phone: +91-22-66563500 • Fax: +91-22-23485025
CIN No.: L27104MH1985PLC035806
Website: www.uttamgalva.com

UTTAM

SECTION H - EXPORTER'S DECLARATION

☑ I hereby declare that **Uttam Galva Steels Ltd.** did, during the period of investigation export the goods under consideration and have completed the attached questionnaire and, having made due inquiry, certify that the information contained in this submission is complete and correct to the best of my knowledge and belief.

Name : **G.S.Sawhney**

Signature :

Uttam Galva Steels Ltd.

Position in Company : **Director (Finance) & Group CFO.**

Date : **01.09.2014**

UTTAM

29th Annual Report 2013 - 2014

UTTAM GALVA STEELS LIMITED

BOARD OF DIRECTORS

RAJINDER MIGLANI	:	CHAIRMAN
O P GAHROTRA	:	INDEPENDENT DIRECTOR
D L RAWAL	:	INDEPENDENT DIRECTOR
S T PARIKH	:	INDEPENDENT DIRECTOR
SWARNA PRABHA SUKUMAR	:	DIRECTOR (NOMINEE LIC)
ANUJ R MIGLANI	:	MANAGING DIRECTOR
ANKIT MIGLANI	:	DY. MANAGING DIRECTOR
GURSHARAN SINGH SAWHNEY	:	DIRECTOR (FINANCE) & GROUP CFO
S G TUDEKAR	:	DIRECTOR (WORKS)

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 OPERATIVE BANK LIMITED

STATUTORY AUDITORS

M/S. PRAKKASH MUNI & ASSOCIATES
CHARTERED ACCOUNTANTS
MUMBAI

INTERNAL AUDITORS

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

CORPORATE IDENTITY NO. (CIN)

L27104MH1985PLC035806

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

CONTENTS	PAGE NO.

VISION, MISSION AND VALUES

VISION

Become the world's favoured
flat steel products brand

MISSION

To consistently provide quality steel
products ensuring customer delight

VALUES

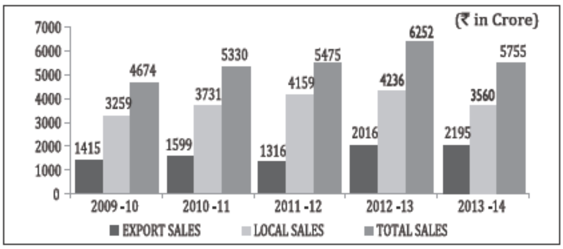
Integrity	:	Honouring all commitments
Value for Time	:	Business at supersonic speed
Ethics	:	Ethical business practices with all stakeholders

5 YEARS' FINANCIAL HIGHLIGHTS

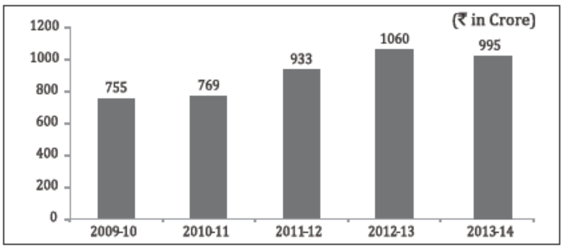
₹ in Crore

	2013-14	2012-13	2011-12	2010-11	2009-10
SALES & EARNINGS					
LOCAL SALES	3560	4236	4159	3731	3259
EXPORT SALES	2195	2016	1316	1599	1415
GROSS REVENUE FROM OPERATION	**5755**	**6252**	**5475**	**5330**	**4674**
Operating EBITDA	553	594	528	441	451
Finance Cost	289	305	267	212	186
PROFIT BEFORE DEPRECIATION & TAX (PBDT)	296	318	268	233	265
DEPRECIATION & AMORTISATION	215	183	127	119	113
PROFIT BEFORE TAX (PBT)	81	135	141	114	152
PROFIT AFTER TAX (PAT)	35	62	78	77	102
ASSETS & LIABILITIES					
Non - Current Assets	4855	3897	3401	2886	2513
Current Assets	3149	2935	2435	2516	1669
Total Assets	**8005**	**6833**	**5836**	**5402**	**4182**
REPRESENTED BY					
Shareholders' Fund	1282	1247	1025	947	898
Long Term Borrowings	2358	1775	1971	1762	1548
Other Non - Current Liabilities	779	506	481	98	567
Current Liabilities	3586	3306	2359	2595	1169
Total Funds	**8005**	**6833**	**5836**	**5402**	**4182**
RATIOS					
EARNING PER EQUITY SHARE ₹	2.48	5.03	6.38	6.28	8.48
BOOK VALUE PER EQUITY SHARE ₹	90.11	87.63	83.84	77.46	73.43
DEBT: EQUITY RATIO @	2.00:1	1.70:1	2.08:1	1.98:1	1.60:1

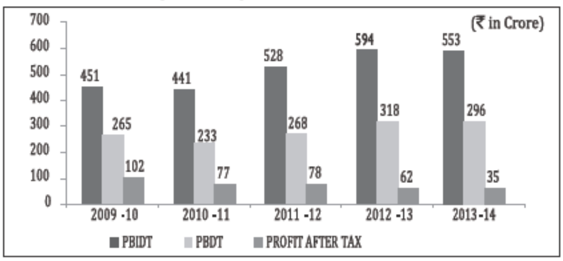
TOTAL SALES



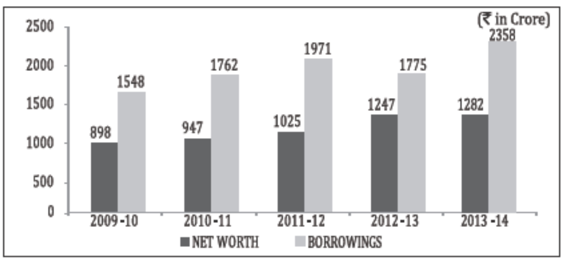
VALUE ADDITION



PBIDT/PBDT/PROFIT AFTER TAX



NETWORTH AND BORROWINGS



NOTICE

NOTICE is hereby given that the **29th ANNUAL GENERAL MEETING** of the Members of the Company will be held at 11.00 a.m. on Saturday, 23rd August, 2014 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 Account for the Financial Year ended 31st March, 2014 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 G Tudekar (DIN 00138678), who retires by rotation and being eligible, offers himself for re-appointment.

3. To re-appoint M/s. Prakkash Muni & Associates, Chartered Accountants, (Registration No. 111792W) as the Statutory Auditor of the Company for one year, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 30th Annual General Meeting and to authorize the Board of Directors to decide their remuneration.

SPECIAL BUSINESS:

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

"**RESOLVED THAT** subject to the provisions of Sections 196, 197, 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable provisions of the Articles of Association of the Company, approval of the Company be and is hereby accorded for the re- appointment of Shri Ankit Miglani (DIN 00444956) as a Dy. Managing Director of the Company for the period of three years effective from 29th July, 2014 to 28th July, 2017 on the following terms and conditions:-

a) Remuneration

(i) ₹10,00,000/- per month by way of salary and other allowances.

b) Perquisites

In addition to the above, he shall be entitled to the following perquisites:

PART A

a. Leave Travel Assistance : Payable as per the rules of the Company.

b. Medical Reimbursement : Payable as per the rules of the Company.

c. Club Fee : Fees of clubs, subject to a maximum of two clubs.

PART B

a. Provident Fund and Superannuation Fund : As per the rules of the Company.

b. Gratuity : As per the rules of the Company but not exceeding half a month's salary for each completed year of service.

c. Leave and Encashment : As per rules of the Company.

RESOLVED FURTHER THAT Shri Ankit Miglani be permitted use of the Company's car with driver for official purposes as per the policy of the Company, as may be amended from time to time.

RESOLVED FURTHER THAT Shri Ankit Miglani shall not be entitled to any sitting fees or other payments for attending the meetings of the Board, or where applicable, any committee thereof.

RESOLVED FURTHER THAT the Company shall pay to or reimburse to the Dy. Managing Director all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

RESOLVED FURTHER THAT in the event of the loss or inadequacy of profit in any financial year during his tenure as the Dy. Managing Director, the aforesaid remuneration will be treated as minimum Remuneration subject to approval of Central Government, if any, as may be required.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the different components of the above-stated remuneration in accordance with provision of Schedule V of the Companies Act, 2013 as may be agreed to by the Board of Directors and Shri Ankit Miglani."

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 149, 152 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Gursharan Singh Sawhney (DIN 02339467), who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 30th May, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013, and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company".

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

"**RESOLVED THAT** subject to the provisions of the Sections 196, 197, 203 read with Schedule V and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of the Articles of Association of the Company, approval of the Company be and is hereby accorded for the appointment of Shri Gursharan Singh Sawhney (DIN 02339467) as Whole-time director designated as Director (Finance) & Group CFO for a period of three years effective from 30th May, 2014 to 29th May, 2017 on the following terms and conditions:-

(a) Remuneration:

(i) ₹ 8,00,000/- per month by way of salary and other allowances.

b) Perquisites

In addition to the above, he shall be entitled to the following perquisites:

PART A

a. Leave Travel Assistance : Payable as per the rules of the Company.

b. Medical Reimbursement : Payable as per the rules of the Company.

c. Club Fee : Fees of clubs, subject to a maximum of two clubs.

PART B

a. Provident Fund and Superannuation Fund : As per the rules of the Company.

b. Gratuity : As per the rules of the Company but not exceeding half a month's salary for each completed year of service.

c. Leave and Encashment : As per rules of the Company.

RESOLVED FURTHER THAT Shri Gursharan Singh Sawhney be permitted use of the Company's car with driver for official purposes as per the Policy of the Company, as may be amended from time to time.

RESOLVED FURTHER THAT Shri Gursharan Singh Sawhney shall not be entitled to any sitting fees or other payments for attending the meetings of the Board, or where applicable, any committee thereof.

RESOLVED FURTHER THAT the Company shall pay to or reimburse the Director (Finance) & Group CFO all costs, charges and expenses that may have been or may be incurred by him for the purpose of or on behalf of the Company.

RESOLVED FURTHER THAT in the event of the loss or inadequacy of profit in any financial year during his tenure as the Director (Finance) & Group CFO, 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 above appointment may be terminated at any time by giving 60 days' notice by either party.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to vary, alter or modify the different components of the above-stated remuneration in accordance with provision of Schedule V of the Companies Act, 1956 as may be agreed to by the Board of Directors and Shri Gursharan Singh Sawhney.''

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Shri S T Parikh (DIN 00941756), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Shri O P Gahrotra (DIN 00936696), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."

9. 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 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Shri D L Rawal (DIN 00955797), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto 31st March, 2019."

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

"**RESOLVED THAT** pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and in supersession of the resolution passed at the 28th Annual General Meeting of the Company held on 17th August, 2013, 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 share capital of the Company and its free reserves (i.e. such reserves which are available for distribution as dividend) provided the aggregate of the monies borrowed and to be borrowed and outstanding at any one time shall not exceed ₹ 10,000 crore (Rupees Ten Thousand Crore only)."

11. 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 Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Manisha & Associates, Cost Accountant, Firm Registration No. 000321 as Cost Auditor appointed by the Board of Directors of the Company, to conduct the cost audit for Steel and Power division of the Company for the financial year 2014-2015 and be paid the remuneration of ₹ 1,50,000/- (Rupees One Lakhs Fifty Thousand only) plus taxes and reimbursement of out-of-pocket expenses on actuals.

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
CIN: L27104MH1985PLC035806

Date: 30th May, 2014

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. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY FORM IS SENT HEREWITH. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.**

2. The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out material facts and details relating to Special Business to be transacted at the meeting, is annexed hereto.

3. Register of Members and Share Transfer Books of the Company shall remain closed from 19th August, 2014 to 23rd August, 2014 (both days inclusive).

4. Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company, so as to reach him at least seven days before the date of Meeting.

5. Members/Proxies attending the Meeting are requested to bring their Attendance Slip, sent herewith, duly filled in and also their copies of the Annual Report.

6. The Company's Shares are listed on BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE) and all applicable Listing Fees have been paid upto date.

7. The transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 205C of the Companies Act, 1956 (Section 125 of Companies Act, 2013 not notified) during the current Financial Year is not applicable.

8. The draft Appointment Letter setting out the terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member, without any fee, during normal business hours on working days up to the date of the Annual General Meeting .

9. 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.

10. As per the green initiative of Ministry of Corporate Affairs (MCA), members are requested to provide their E-mail addresses to the Registrar Share Transfer Agent of the Company namely **M/s Universal Capital Securities Private Limited,** in order to receive the various Notices and other Notifications from the Company, in electronic form.

11. E-mail address of the Company for communication is shares@uttamgalva.com.

12. All queries relating to Share Transfer and allied subjects should be addressed to:

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

INSTRUCTIONS FOR ELECTRONIC VOTING (E-VOTING)

Pursuant to provisions of the Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to cast their votes electronically on all resolutions set forth in the notice conveying the 29th Annual General Meeting to be held on 23rd August, 2014 at M. C. Ghia Hall, 18/20, K. Dubhash Marg, Mumbai- 400 001.

The e-voting facility is available at the link www.evotingindia.com.

The e-voting facility will be available on and from 17th August, 2014 at 9.30 a.m. and ends on 19th August, 2014 at 6.00 p.m.

Shri Jigar Kumar Gandhi, Proprietor of JNG & Co., Company Secretaries, Mumbai, has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

Steps for e-voting:

1. Log on to the e-voting website during the voting period.
2. Click on "Shareholders" tab.
3. Now, select the "UTTAM GALVA STEELS LIMITED" from the drop down menu and click on "SUBMIT"
4. Now Enter your User ID
   a) For CDSL: 16 digits beneficiary ID,
   b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
7. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the Sequence number which is mentioned in address Label affixed on Annual Report, in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. • Please enter the DOB or Dividend Bank details in order to login. If the details are not recorded with the depository or Company please enter the member id/ folio number in the Dividend Bank details field.

8. After entering these details appropriately, click on “SUBMIT” tab.

9. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

11. Click on the EVSN of “UTTAM GALVA STEELS LIMITED” on which you choose to vote.

12. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

13. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

14. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

15. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

16. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

17. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

    Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.

    They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

    - After receiving the login details they have to create a compliance user who would be able to link the account(s) which they wish to vote on.
    - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
    - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

18. The voting period begins on Sunday, 17th August, 2014 at 09.30 a.m. and ends on Tuesday, 19th August, 2014 at 6.00 p.m. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. Friday, 11th July, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

19. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

The Board of Directors of the Company, at its meeting held on 30th May, 2014 has, subject to the approval of members, re-appointed Shri Ankit Miglani (DIN 00444956) as Dy. Managing Director, for a period of 3 (Three) years from 29th July, 2014, at the remuneration and other Terms and Conditions as set out in the Ordinary Resolution at Item No. 4

Shri Ankit Miglani, 35 years, is a Graduate in Economics with specialization in Finance from Wharton School, University of Pennsylvania, Philadelphia, U.S.A. He has joined the Board of Uttam Galva Steels Limited on 29th July, 2005. He is overseeing all the major commercial functions such as Marketing and Procurement of Critical Raw Materials and is actively involved in formulating strategic alliances and undertaking strategic business initiatives.

Shri Ankit Miglani is the Member of the Corporate Social Responsibility Committee and Share transfer Committee of the Board.

Shri Ankit Miglani is not disqualified from being appointed as a Director in terms of Section 164 of the Act. He may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding. Shri Rajinder Miglani - Chairman and Shri Anuj R Miglani- Managing Director being Father and Brother, respectively, of Shri Ankit Miglani and their other relatives, to the extent of their shareholding interest in the Company, may be deemed to be concerned or interested in the appointment of Shri Ankit Miglani.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Ankit Miglani under Section 190 of the Companies Act, 2013.

The Board accordingly recommends the resolution set out in Item No. 4 for the approval of the Members of the Company.

Item No. 5 & 6

The Board of Directors of the Company, at its meeting held on 30th May, 2014 has appointed Shri Gursharan Singh Sawhney (DIN 02339467) as an Additional Director. He is also appointed, subject to the approval of members, as Whole-time Director designated as Director (Finance) & Group CFO with effect from 30th May, 2014 for a period of 3 (Three) years, at the remuneration and other Terms and Conditions as set out in the Ordinary Resolution in Item No. 6.

Shri Gursharan Singh Sawhney, 61 years, is a Science Graduate, qualified Chartered Accountant from the Institute of Chartered Accountants of India and a qualified Company Secretary from the Institute of Company Secretaries of India. He also has a post graduate diploma in business management from XLRI. He has over 36 years of experience in finance and accounts with Companies like Batliboi and Company and Ispat Industries. He specializes in project financing.

The Company has received notice in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature Shri Gursharan Singh Sawhney for the office of Director of the Company.

Shri Gursharan Singh Sawhney is not disqualified from being appointed as Director in Terms of Section 164 of the Act and has given his consent to act as Director. Shri Gursharan Singh Sawhney is interested in the resolutions set out respectively in Item Nos. 5 & 6 of the Notice with regard to his appointment. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, in these resolutions.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri Gursharan Singh Sawhney under Section 190 of the Companies Act, 2013.

The Board commends the Ordinary Resolutions set out in Item Nos. 5 & 6 of the Notice for the approval of Members of the Company.

Item No. 7

Shri S T Parikh (DIN 00941756) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in September, 1987. Shri S T Parikh is the Chairman of the Audit Committee, Stakeholder Relationship Committee and Nomination and Remuneration Committee.

Shri S T Parikh, 75 years, is a graduate in Civil Engineering. He is an eminent professional having over 53 years of varied experiences in conceptualization, planning and managing businesses and undertaking strategic initiatives. He had a long stints in senior management positions in organization like Gujarat Steel Tubes Limited and he possess impeccable business acumen and monitoring skills.

The Company has received declarations from Shri S T Parikh that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement as may be in force time to time.

Shri S T Parikh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and hence he is proposed to be appointed as an Independent Director for 5 (Five) consecutive years for a term upto 31st March, 2019. The Company has received notice in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature Shri S T Parikh for the office of Director of the Company.

In the opinion of the Board, Shri S T Parikh fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. Copy of the draft letter for appointment of Shri S T Parikh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri S T Parikh as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri S T Parikh as an Independent Director, for the approval of Members of the Company.

Except Shri S T Parikh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No.7. This Explanatory statement also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchange.

Item No. 8

Shri O P Gahrotra (DIN 00936696) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in January, 2012. He is the Member of the Audit Committee and Corporate Social Responsibility Committee of the Company.

Shri O P Gahrotra, 67 years, is a Science Graduate and has done Masters in Financial Management from Jamnalal Bajaj Institute of management, Bombay and Masters in Social Science (Development Finance) from Birmingham University, United Kingdom. He is a Member of the Indian Administrative Service (IAS) belonging to the 1969 Batch of the Maharashtra Cadre of the service. He retired in September, 2006 as Additional Chief Secretary, Finance to the Govenment of Maharashatra.

He has held the coveted positions such as Managing Director of Maharashtra State Textile Corporation, Senior Executive Director of The Securities and Exchange Board of India (SEBI), Managing Director of The Maharashtra State Co-operative Cotton Growers' Marketing Federation Limited and Other various assignments during his illustrious career of more than 41 years.

The Company has received declarations from Shri O P Gahrotra that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement as may be in force time to time.

Shri O P Gahrotra is not disqualified from being appointed as a Director in terms of Section 164 of the Act and hence he is proposed to be appointed as an Independent Director for 5 (Five) consecutive years for a term upto 31st March, 2019. The Company has received notice in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature Shri O P Gahrotra for the office of Director of the Company.

In the opinion of the Board, Shri O P Gahrotra fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. Copy of the draft letter for appointment of Shri O P Gahrotra as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri O P Gahrotra as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri O P Gahrotra as an Independent Director, for the approval of Members of the Company.

Except Shri O P Gahrotra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No.8. This Explanatory statement also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchange.

Item No. 9

Shri D L Rawal (DIN 00955797) is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May, 2013. He is the Member of the Audit Committee of the Company.

Shri D L Rawal, 63 years, is a Science Graduate (Hons.) and Certified Associate of Indian Institute of Banker (CAIIB). He has an experience of more than 40 years in Operational and Policy formulation in Corporate Banking. After serving in Punjab National Bank as General Manager and Canara Bank as an Executive Director, he retired as a Chairman & Managing Director of Dena Bank. He had also been on the Board and Executive Committee of Life Insurance Corporation of India, Agriculture Finance Corporation and many other such renowned Institutions.

The Company has received declarations from Shri D L Rawal that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement as may be in force time to time.

Shri D L Rawal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and hence he is proposed to be appointed as an Independent Director for 5 (Five) consecutive years for a term upto 31st March, 2019. The Company has received notice in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature Shri D L Rawal for the office of Director of the Company.

In the opinion of the Board, Shri D L Rawal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. Copy of the draft letter for appointment of Shri D L Rawal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri D L Rawal as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri D L Rawal as an Independent Director, for the approval of Members of the Company.

Except Shri D L Rawal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out in Item No.9. This Explanatory statement also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchange.

Item No. 10

The Members of the Company at their 28th Annual General Meeting held on 17th August, 2013 have approved an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, for borrowings over and above the aggregate of paid-up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 10,000 Crore (Rupees ten thousands crore only).

Section 180(1)(c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 10 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid-up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹10,000 Crore (Rupees ten thousands crore only).

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution set out at Item No. 10.

Item no. 11

The Board, on the recommendation of the Audit Committee in their meeting held on 30th May, 2014, has approved the appointment of M/s. Manisha & Associates, Cost Accountant, as Cost Auditor to conduct the cost audit for Steel and Power division of the Company for the financial year 2014-2015 at the remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus taxes and reimbursement of out-of-pocket expenses on actuals.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

None of the Directors and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 11 of the Notice.

The Board commends the Ordinary Resolution set out in Item No. 11 of the Notice for approval of Members of the Company.

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
CIN: L27104MH1985PLC035806

Date: 30th May, 2014

DIRECTORS' REPORT

To,

The Members

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of the Company, along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2014.

1. FINANCIAL RESULTS (Stand-alone Basis):

(₹ in Crore)

Particulars	**Year ended 31st March, 2014**	Year ended 31st March, 2013
Gross Revenue from Operations	**5754.56**	6252.34
Earning before Interest, Tax, Depreciation and Amortization (EBITDA)	**552.90**	593.99
Finance Cost	**289.09**	304.64
Depreciation & Amortisation	**214.82**	182.58
Profit Before Tax (PBT)	**81.26**	135.33
Provision for Tax	**45.94**	73.78
Profit After Tax (PAT)	**35.32**	61.55

2. OPERATIONS:

Amid sluggish macroeconomic situation and weak business sentiments, combined by lower GDP growth rate of 4.6% and depreciating Indian rupee with high volatility, the year 2013-2014 proved to be a challenging year.

During this year your Company has achieved a turnover of ₹ 5754.56 Crore as against ₹ 6252.34 Crore in the previous year. Your Company posted Profit before Tax of ₹ 81.26 Crore as against ₹ 135.33 Crore in the previous year. Reduction in Gross Revenue on account of shrinkage in International trading business, higher raw material cost and lower demand growth of your Company's products from Auto, Industrial and Construction Segments, led to decline in the Profit before Tax.

Your Company continued its long term strategy to invest in modernization and qualitative growth. The SAP system which was implemented with effect from 1st January, 2013 is now stabilized and process owners & users are carrying out all key activities through the system. Your Company is also in the process of implementing the Global Availability to Promise (GATP) module which is an advanced feature in the SAP system to improve the delivery performance to our customers.

Your Company has set up a Business Excellence Centre to drive operational excellence across all the functions which have yielded significant positive results. We have engaged M/s. Accenture to initiate the Marketing Transformation Program. This program will help your Company develop customer insight driven value proposition, optimize the sales & operations planning and improve our sales force productivity for better market visibility and net realization.

Your Company has always emphasized on achieving operational excellence and continues to focus on customer satisfaction and delight. Backed by strong fundamentals and robust plans, your Company is fully prepared to face current challenges and benefit from expected medium and long term growth in Indian economy.

In its pursuit to achieve its long term strategy of modernization, your Company has envisaged 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 your Company, the Board of Directors are of the opinion that Cash flow should be conserved and hence decided to plough back the entire profit earned by your Company and have not recommended any dividend.

3. EXPORT:

Your Company has registered Growth in exports volume by 15.2% with growth in sales of 25% in North America, 104% in Europe and 58% in Asia. Your Company has served 148 countries since its entry into the export business and is recognized as quality supplier in both developed and emerging markets. Your Company has continued to maintain its presence in the International Markets inspite of the Global slowdown and currency crisis in some of the countries.

The Global Economic situation is showing significant signs of revival. As per World Economic Outlook Report April, 2014 published by International Monetary Fund expected growth across mature economies is 2.25% for 2014-2015, an increase of 1% compared to year 2013. The outlook for emerging and developing economies is also showing positive trends in line with our expectations and the projected growth is about 5% for the year 2014. This positive trend is expected to provide wider base to our international business.

Your Company has been the recipient of 19 EEPC 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, your 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 made commendable gains in establishing the product for Refrigerators and Washing Machines panels and components with majors like Whirlpool, Samsung, Videocon Group and Godrej. For Vizi coolers and freezers segment your Company's products are firmly established with renowed brands like Bluestar, Voltas, Frigoglass and Western Refrigeration. Your Company has also been approved by Samsung and Whirlpool for their global supplies.

In the Automotive segment, though the Industry growth has been negative especially due to sluggish demand and slower economic growth, your Company has been able to retain its market share in the two, three and four wheeler segments. Your Company continues to cater to the requirements of Bajaj Auto, Mahindra & Mahindra, Force Motors, Eicher and also vendors of TATA Motors, Bajaj Auto, General Motors, Piaggio, and others. Your Company's products are firmly established in Western India.

In the building and construction segment your Company's products are well established with major PEB manufacturers like Tata Bluescope, Pennar, Everest, Interarch and Zamil. In the General Engineering segment, your Company continues to be an established supplier to Godrej & Boyce, Hematic Motors and Siemens through their vendors.

Continuous effort has been made to establish 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 and Chhattisgarh. In line with the surge in demand for Color Coated Roofing products. Your Company has recently launched Roofing Sheets under the brand name "TARANG" which will provide value and benefits to the rural consumer.

With High lending rates and slowdown in consumption, the Industrial growth in the near future is expected to register a marginal growth. However, the Company's special focus on niche areas and products will set the trend for higher 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

India is the 4th largest Steel producer in the world for the 4th year in a row with an output of 81.2 Million Tonne (MT). The Indian Steel Industry structure is divided into primary and secondary sectors. The primary sector comprises of Integrated Steel Producers, producing Slabs, Billets, Blooms and Hot Rolled among other and secondary sector comprises of units focussed on value added products like cold rolled, galvanizing, angles, columns, other re-rollers and sponge iron units.

India's consumption pattern of flat products to long products ratio currently stands at approximately 55% to 45% respectively. As per World Steel Association, The Steel demand in India is expected to grow by 3.3% in the year 2014 compared to1.8% in the year 2013 due to improved outlook in Construction and Manufacturing Sector.

Although slowdown is expected in demand for Capital Goods, Automotive & Construction and Durables are expected to show marginal growth. Positive signs are expected on back of modest recovery in economic growth. Likely Increase in Government spends in the Power sector & Infrastructure push will fuel segmental growth. Also with expected decline in inflation and interest rates, demand for consumer goods is expected to show some growth.

b) Opportunities & Threats

The per capita Steel consumption in India is still at 57.8 kgs as against the global average of 225.2 kgs for last year as per World Steel Association (WSA) publication, indicating huge potential demand in India. An expected recovery in Steel demand for the Financial Year 2015 and policy reforms from the New Government of India (GOI) brings in host of opportunities. Also 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 customers' stringent specifications and demands which will ultimately improve the Bottom-line. The overall presence in the Conventional, Construction & Infrastructure Segments will continue.

The cost of funding working capital remains high, given the lending rates and increased pressure on margins coupled with expectation of modest improvement in demand poses a challenge for the industry. The consistent slowdown in demand has resulted in oversupply and thereby leading to depressed Steel prices. The secondary Steel producers are price takers with prices being decided by variations in end user demand, thus limiting the ability to pass on the cost increases to end users. Your Company has high focus on efficient cost control to mitigate this external threat of price ceiling by end users.

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% to 8%. The need, however, for value added and niche products are likely to surge and have been identified as major focus area for your Company.

Economies like USA and Japan are expected to do well which will help in maintaining a balance in supply and demand. The commodity segment, however, will be under pressure due to overcapacity from Chinese mills.

e) Risks and Concerns

Your Directors have put in place critical risk management framework across the Company for identification and evaluation of all the potential risks. Your Company is continuously evolving and improving systems and measures to take care of all the risk exigencies involved in the business. All the inherent risks are identified, measured, monitored and regularly reported to management. The management decides measures required to overcome these risks and ensures implementation of proper risk mitigation plans. The risk report and mitigation plans are presented to the Board of Directors periodically.

f) Internal Control Systems and their adequacy

Your Company has an effective Internal Control System to prevent fraud and misuse of the Company's resources and protect shareholders' interest. Your Company has an independent Internal Audit Department to monitor and review and focus on the compliances of various business processes. The internal audit report alongwith audit findings and tracking of process improvements and compliances is presented for review to the Audit Committee of Board of Directors.

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. Due to replacement of rupee debt with ECB of $ 230 Million, the finance cost has marginally come down but due to higher Depreciation / Amortization, the overall profitability has been affected. The strong focus on credit control, inventory management has helped working capital and liquidity management thus helping in timely generation of internal cash flow to invest in strategic objectives of the company.

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.

Pursuant to the introduction of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", your Company has implemented the Policy.

i) <u>Material Financial and Commercial Transactions with related parties</u>

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 Corporate Governance. The Board of Directors ensures that your Company is in compliance with all the applicable provisions of the Clause 49 (as amended) of the Listing Agreement pertaining to 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 (CSR):

Pursuant to the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has constituted the Corporate Social Responsibility Committee to monitor the Corporate Social Responsibility Policy of the Company from time to time and to recommend the amount of expenditure to be incurred on the activities related to CSR.

Your Company is committed socially not only to compliances of all the statutory laws and regulations but also actively participates in the improvement of quality of life of society at large. 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 its area of operation thereby promoting upliftment of people in varied arenas of life.

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, your Company, across its various operations is committed to making a positive contribution.

8. DIRECTORS:

Shri Rajinder Miglani - Executive Chairman of the Company has expressed his desire to be Non-executive Chairman and not to draw any Remuneration from the Company. In deference to his wishes, the Board recommends his appointment as Non-executive Chairman of the Company effective from 1st April, 2014.

Shri Ankit Miglani - Dy. Managing Director of the Company is proposed to be re-appointed for three years commencing from 29th July, 2014, on the same terms and conditions as existing. The Board of Directors recommend his re-appointment.

Shri P G Kakodkar has resigned from the Board with effect from 30th May, 2014 due to his ill health. Your Directors wishes to take this opportunity to express their gratitude and sincere appreciation to Shri P G Kakodkar for his immense and invaluable contribution to the Company during his tenure of 15 years as Director on the Board.

After carefully examining the criteria and credentials of the Independent Directors, the Board recommends appointment of Shri O P Gahrotra, Shri S T Parikh and Shri D L Rawal as Independent Directors not liable to retire by rotation for 5 (Five) consecutive years for a term upto 31st March, 2019.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Pursuant to the provisions of the Section 152 of the Companies Act, 2013 and as per the Articles of Association of the Company, Shri S G Tudekar retires by rotation and being eligible has offered himself for re-appointment. The Board of Directors recommend his re-appointment.

None of the Directors of your Company is disqualified under Section 162 (2) of the Companies Act, 2013. 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 Act, 1956, the Directors confirm that:

i) In the preparation of the annual accounts, the applicable Accounting Standards have been followed along with the proper explanation relating to material departures.

ii) Appropriate Accounting Policies have been selected and applied consistently. Judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31^{st} March, 2014 and of the Profit and Loss Account for the Financial Year 2013-2014 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. Prakkash Muni & Associates, Chartered Accountants are the retiring Statutory Auditor of the Company, holding office till the conclusion of ensuing Annual General Meeting and eligible for re-appointment.

The Company has received necessary consent letter and the Certificates from the Auditor pursuant to regarding their eligibility under section 139 and section 141 of the Companies act, 2013 for their appointment. Accordingly, the approval of the Shareholders for the appointment of M/s. Prakkash Muni & Associates, Chartered Accountants as Statutory Auditors of the Company for the term of one year is being sought at the ensuing Annual General Meeting., as recommended by your Board.

13. COST AUDITOR:

Your Board of Directors has appointed M/s. Manisha & Associates, Cost Accountants as "Cost Auditors" to conduct Cost Audit for Steel and Power Division of the Company for the Financial Year 2014 2015.

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. Your Company has also taken the Directors and officers liability Insurance (D & O Policy) for the Directors and officers of the Company as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured suffers for any alleged wrongful acts in their capacity as directors and officers.

16. 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 2014-2015 to BSE and NSE.

17. DEMAT OF SECURITIES:

Nearly 98.9% of total Equity Share Capital is held in dematerialized form with NSDL/CDSL. The Secured Redeemable Non-Convertible Debentures are entirely held in dematerialized form.

18. 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, (V) Uttam Galva Steels BVI Limited in British Virgin Islands and (VI) Uttam Galva Steels FZE in Ras Al

Khaimah. Ferro Zinc International FZE in Jebel Ali free zone in United Arab Emirates is no longer the subsidiary of Uttam Galva Holdings Limited, Dubai.

As per the terms of the General Circular no. 2/2011, a statement containing brief financial information for the financial year ended 31st March, 2014 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 2013-2014 are being published pursuant to Clause 32 of the Listing Agreement.

19. WHISTLE BLOWER POLICY AND VIGIL MECHANISM:

Your Company recognizes the value of transparency and accountability in its administrative and management practices. The Company promotes the ethical behavior in all its business activities. The Company has adopted the Whistle blower Policy and Vigil Mechanism in view to provide a mechanism for the directors and employees of the Company to approach Audit Committee of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

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 as an 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 : 30th May, 2014

Rajinder Miglani
Chairman
(DIN 00286788)

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, 2014

PARTICULARS	Year Ended 31st March, 2014	Year Ended 31st March, 2013
A. Power & Fuel Consumption		
1A Electricity (CPP+Purchased)		
a. CGL Unit		
Unit(KWH)	**3,79,26,940**	3,73,47,951
Total amount(₹ in Crore)	**28.86**	27.03
Rate/Unit (₹)	**7.61**	7.24
b. CRM Unit		
Unit(KWH)	**11,65,60,586**	11,79,49,802
Total amount(₹ in Crore)	**88.70**	85.36
Rate/Unit (₹)	**7.61**	7.24
c. CCL Unit		
Unit(KWH)	**1,02,44,244**	67,49,822
Total amount(₹ in Crore)	**7.80**	4.88
Rate/Unit (₹)	**7.61**	7.24
d. PRC Unit		
Unit(KWH)	**1,37,52,721**	1,78,96,913
Total amount(₹ in Crore)	**13.18**	13.26
Rate/Unit (₹)	**9.59**	7.41
1B Electricity (D.G. Set)		
Unit(KWH)	**41,012**	56,285
Total amount(₹ in Crore)	**0.10**	0.11
Rate/Unit (₹)	**23.20**	19.80
2 Fuels		
a. RLNG / Others		
Qty (MT)	**18,415.78**	17,855.22
Total amount (₹ in Crore)	**91.68**	65.92
Avg. Rate (Per MT ₹)	**49.79**	36.92
B. Consumption per unit of Production		
Product:		
a. Galvanised Plain/Corrugated		
Sheets/Coils(MT)	**5,97,601**	5,61,009
Electricity(KWH)	**86.48**	98.47
RLNG(MT)	**0.02**	0.03
b. Cold Rolled		
Sheets/Coils(MT)	**6,96,344**	6,44,114
Electricity(KWH)	**167.39**	183.12
RLNG(MT)	**0.01**	0.03
C. Color coated		
Sheets/Coils(MT)	**1,11,663**	76,695
Electricity(KWH)	**91.74**	88.01
RLNG(MT)	**0.03**	0.23
C. Technology Absorption:		
The Company has fully absorbed the technology.		
D. Foreign Exchange Earnings & Outgo:	**₹ in Crore**	₹ in Crore
Earnings(FOB Value)		
Exports	**1,923.99**	1,949.39
Outgo(Cost & CIF Value)		
1. Raw Material Imported	**1,877.69**	2,029.93
2. Import of Plant & Machinery	**32.53**	41.22
3. Import of Stores & Spares	**9.45**	10.77
4. Interest Cost & Upfront Fees	**92.60**	23.95
5. Expenditure on travelling	**0.58**	0.39
6. Legal Professional & Consultancy Fees	**3.80**	0.93
7. Commission	**1.10**	1.44
8. International Freight on Exports	**53.59**	39.16
9. Others	**0.12**	0.17

ANNEXURE – II

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 (AS AMEMDED) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

Employed for Full Year

Name	Age (Years)	Designation/ Nature of Duties	Remuneration (₹ in Crore)	Qualifiaction	Experience (Years)	Date of Commencement of Employment	Last Employment / Last Designation	Number of Shares Held (%)
Shri Rajinder Miglani	68	Executive Chairman	1.09	Science Graduate	48	30.12.1988	N.A	13,91,855 (0.98)
Shri Anuj R Miglani	40	Managing Director	1.16	Mechanical Engineer from Imperial College, London	19	01.02.1995	N.A	13,02,094 (0.92)
Shri Ankit Miglani	35	Dy. Manag ing Director	1.15	Graduate in Economics from Wharton School, U.S.A.	12	29.01.2003	N.A	13,00,000 (0.91)

Notes:

1. The above appointments are contractual.
2. Remunaration 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

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

We, Uttam Galva Steels Limited, feel that the 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, accountability, high degree of disclosures, emphasis on product quality and adopting best business practices.

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

2. **BOARD OF DIRECTORS:**

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 and Independent Directors. For effective discharge of its functions and proper deliberations, Board has constituted various committees.

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

Your Company maintains optimum combination of Executive and Non-executive directors. As on 31st March, 2014 the Board consisted of 9 Directors with considerable experience in their respective fields. Of these 5 are Non- Executive Independent Directors including one Nominee Director representing LIC of India. The details of the Directors with regard to their other directorship (excluding Private Limited Companies and Section 25 Companies under the Companies Act, 1956) and Committee Positions are as follows :-

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

ii. **Attendance of each Director at the Board Meeting during the Financial Year 2013-2014 and the last Annual General Meeting (AGM) :**

Sr. No.	Name of the Director(s)	Attendance at Board Meeting(s)	Attendance at Last AGM
1.	Shri Rajinder Miglani	5	Yes
2.	Shri P G Kakodkar	4	No
3.	Shri O P Gahrotra	4	Yes
4.	Shri D L Rawal	4	Yes

Sr. No.	Name of the Director(s)	Attendance at Board Meeting(s)	Attendance at Last AGM
5.	Shri S.T. Parikh	5	Yes
6.	Smt. Swarna Prabha Sukumar	3	No
7.	Shri Anuj R Miglani	4	Yes
8.	Shri Ankit Miglani	5	No
9.	Shri S. G.Tudekar	5	Yes

iii. The Board of Directors of the Company met five times during the Financial Year 2013-2014 on following dates:

1) 24.05.2013 2) 03.08.2013 3) 21.10.2013 4) 30.10.2013 5) 31.01.2014.

iii. 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 above-mentioned Directors, none of the other Directors are related to each other in any way.

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 177 of the Companies Act, 2013 (earlier Section 292A of the Companies Act, 1956).

The terms of reference, role 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 read with Section 177 of the Companies Act, 2013 (earlier Section 292A of the Companies Act, 1956) and includes overseeing of the Company's financial reporting process, reviewing with the management of 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 Independent Directors who are financially literate and possess sound knowledge of accounts, audit, finance etc.

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

Sr. No.	Name of Director(s)	No. of Meeting(s) attended
1.	Shri S T Parikh - Chairman	5
2.	Shri P G Kakodkar - Member	4
3.	Shri O P Gahrotra - Member	4

The Director & CEO, Director (Finance) & Group CFO, the Internal Auditor and 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 148 of the Companies Act, 2013 (earlier 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 to the Audit Committee.

iii. Meetings:

During the Financial Year 2013- 2014, the Audit Committee met five times on following dates:-

1) 24.05.2013 2) 03.08.2013 3) 21.10.2013 4) 30.10.2013 5) 31.01.2014

4. REMUNERATION COMMITTEE
(Now known as NOMINATION & 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 Whole-time 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 and details of meetings attended by the Directors during the year under review

Sr. No.	Name of Director(s)	Chairman/ Member
1.	Shri S T Parikh	Chairman
2.	Shri P G Kakodkar	Member
3.	Smt. Swarna Prabha Sukumar	Member

iii. Meeting :-

During the Financial Year 2013-2014, there was no appointment/reappointment of any Whole-Time Director or Managing Director. Hence no approval was required for payment of remuneration. No Meeting of Remuneration Committee was held during the Financial Year 2013-2014.

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 all directors are mentioned here below:

a. Non-Executive Directors:

The Non-Executive/Independent Directors of the Company play a crucial role for ensuring the quality of Corporate Governance in a Company. They constitute a necessary component of a balanced Board structure where the in-depth knowledge of the Executive Directors is blended with the wider experience, unbiased opinions and knowledge of the Independent Directors. The contribution of the Non-Executive Directors is rewarded by sitting fees as remuneration for attending the Meetings of Board of Directors, Audit 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 Director(s)	Sitting Fees (₹)	Equity Shares held in the Company
1.	Shri D L Rawal	80,000	-
2.	Shri P G Kakodkar	1,20,000	-
3.	Shri S T Parikh	1,51,000	53,300
4.	Shri O P Gahrotra	1,15,000	-
5.	Smt. Swarna Prabha Sukumar	60,000	-

b. **Whole-time/ Executive Directors:**

Sr. No.	Name of Director(s)	Position	All elements of remuneration i.e salary, benefits, allowances, bonus, contributions and perquisites. (₹ in Crore)
1.	Shri Rajinder Miglani	Executive Chairman	1.09
2.	Shri Anuj R Miglani	Managing Director	1.16
3.	Shri Ankit Miglani	Dy. Managing Director	1.15
4.	Shri S G Tudekar	Director (Works)	0.36

v. **Disclosures regarding Directors appointment & re-appointment:**

During the year Shri D L Rawal was appointed as an Additional Director with effect from 24th May, 2013. He was appointed as an Independent Director by the members of the Company in last Annual General Meeting held on 17th August, 2013 and Shri A K Mahendru has resigned from the Board with effect from 24th May, 2013.

In accordance with the requirements of the Companies Act, 1956 (Now Companies Act, 2013) and the Articles of Association of the Company, Shri S G Tudekar retire by rotation and being eligible have offered himself for re-appointment.

Brief profile of the Directors being appointed/ re-appointed are as follows:

Name of Director(s)	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 S G Tudekar	He is a Graduate Engineer in "Metallurgy" from Pune University. He joined the Company in 1998 as President (Works-Donvat & PRC) and was elevated to as Executive Director w.e.f. 01-04-2000. He got experience of 54 years in Steel Industry. He joined the Board on 28th October, 2005.	Technical	-	-
Shri S T Parikh	He is a graduate in Civil engineering. He is an eminent professional having over 53 years of varied experiences in conceptualization, planning and managing businesses and undertaking strategic initiatives. He had a long stints in senior management positions in organization like Gujarat Steel Tubes Limited and he possess impeccable business acumen and monitoring skills.	Techno Commercial	1. Uttam Galva Metallics Limited **Name of the Company Committee / Positions** 1. Uttam Galva Metallics Limited Audit (Chairman)	53,300

Name of Director(s)	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 O P Gahrotra	He is a Science Graduate and has done Masters in Financial Management from Jamnalal Bajaj Institute of management, Bombay and Masters in Social Science (Development Finance) from Birmingham University, United Kingdom. He is a Member of the Indian Administrative Service (IAS) belonging to the 1969 Batch of the Maharashtra Cadre of the service. He retired in September, 2006 as Additional Chief Secretary, Finance to the Government of Maharashatra.	Finance	1. Kalpataru Limited 2. Trimax IT Infrastructure & Services Limited 3. THDC India Limited 4. INTARVO Technologies Limited **Name of the Company Committee / Positions** 1. Trimax IT Infrastructure & Services Limited Audit (Chairman) 2. THDC India Limited Audit (Member)	-
Shri D L Rawal	He is a Science Graduate (Hons.) and Certified Associate of Indian Institute of Banker (CAIIB). He has an experience of more than 40 years in operational and policy formulation in Corporate Banking. After serving in Punjab National Bank as General Manager and Canara Bank as an Executive Director, he retired as a Chairman & Managing Director of Dena Bank. He had also been on the Boards and Executive Committee of Life Insurance Corporation of India, Agriculture Finance Corporation and many other such renowned Institutions.	Banking and Finance	1. Lanco Vidharbha Thermal Power Ltd. **Name of the Company Committee / Positions** 1. Lanco Vidharbha Thermal Power Ltd. Audit (Chairman)	-
Shri Ankit Miglani	He is a Graduate in Economics with specialization in Finance from Wharton School, University of Pennsylvania, Philadelphia, U.S.A. He has joined the Board of Uttam Galva Steels Limited on 29th July, 2005. He is overseeing all the major commercial functions such as Marketing and procurement of Critical Raw Materials and is actively involved in formulating strategic alliances and undertaking strategic business initiatives.	Commercial	1. Uttam Value Steels Limited 2. Uttam Galva Metallics Limited 3. Uttam Distribution Network Limited 4. Sindhudurg Iron and Steels Limited 5. Moira Madhujore Coal Limited 6. Kredence Multi Trading Limited	13,00,000

Name of Director(s)	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
			7. Metallurgical Engineering and Equipments Ltd 8. Uttam Utkal Steels Limited **Name of the Company Committee / Positions** 1. Uttam Value Steels Limited Stakeholder Investor Grievance Committee (Member)	
Shri Gursharan Singh Sawhney	He is a Science Graduate, qualified Chartered Accountant from the Institute of Chartered Accountants of India and a qualified Company Secretary from the Institute of Company Secretaries of India. He also has done post graduate diploma in business management from XLRI. He has over 36 years of experience in finance and accounts with Companies like Batliboi and Company and Ispat Industries. He specializes in project financing.	Banking and Finance	1. Uttam Galva Ferous Limited	14,234

5. **MANAGEMENT DISCUSSION AND ANALYSIS:**

This Directors' report has a detailed section on Management Discussion and Analysis.

6. **STAKEHOLDERS'/INVESTOR GRIEVANCE COMMITTEE (Now known as STAKEHOLDERS RELATIONSHIP COMMITTEE)**

Pursuant to the provisions of the Companies Act, 2013 and as per the provisions of the Clause 49 of the Listing Agreement (as amended), the Shareholders'/Investors Grievance Committee has been renamed as Stakeholders Relationship Committee with the same nomenclature of the Shareholders'/Investor Grievance Committee.

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

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

Sr. No.	Name of Director(s)	No. of Meetings attended
1.	Shri S T Parikh - Chairman	2
2.	Shri Rajinder Miglani - Member	2
3.	Shri Anuj R Miglani - Member	2

The Committee specifically look into the redressal of grievances of Shareholders, Debenture holders and other

Security holders. The committee considers and resolves the grievances of the Security holders of the Company including complaints related to Transfer of shares, Non-receipt of Balance Sheet, Non-receipt of declared Dividends etc.

During the Financial Year 2013-2014, the Committee had two Meetings i.e. on 30th October, 2013 and 31st January, 2014.

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

ii. Status of the Complaints:

Number of Shareholders complaints received during the Financial Year 2013-2014	2
Number of complaints not solved to the satisfaction of the Shareholders	-
Number of pending complaints	-

7. SUBSIDIARY COMPANIES:

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

8. 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.

9. GENERAL BODY MEETINGS:

i. Location and time when the Last three Annual General Meeting(s) held:

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

Year	Day, Date and Time	Location
2010-2011	26th AGM held on Saturday, the 20th August, 2011 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.
2011-2012	27th AGM held on Saturday, the 21st July, 2012 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.
2012-2013	28th AGM held on Saturday, the 17th August, 2013 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
2010-2011	-	-
2011-2012	Re-appointment of Shri S G Tudekar, Director (Works).	For a period of 3 years starting from 28th October, 2011.
2012-2013	Alteration of Articles of Association of the Company.	Alteration of Article 3 in respect of Increase in Authorized Share Capital of the Company.

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

The Board of Directors of the Company has proposed to pass the Special Resolution through postal ballot under section 180(1)(c) of the Companies Act, 2013 to authorize the Board of Directors to create the charge/ mortgage/ disposed of/ sale the property (ies) of the Company.

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.

10. 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 Accounts 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 Minimization 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.

11. 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. News papers 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 on 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 as and when appropriate.

vi. Email id: shares@uttamgalva.com

12. GENERAL SHAREHOLDERS' INFORMATION

i.	**Annual General Meeting**	:	
	Date, Time and Venue	:	23rd August, 2014, at 11.00 a.m. at M C Ghia Hall, 18/20,K Dubhash Marg, Mumbai- 400 001.
ii.	**Financial Year**	:	1st April, 2013 to 31st March, 2014
iii.	**Date of Book Closure**	:	From 19th August, 2014 to 23rd August, 2014 (both days inclusive)
iv.	**Dividend Payment Date**	:	Not Applicable
v.	**Listing on Stock Exchanges**	:	Equity Shares BSE Ltd. (BSE) & National Stock Exchange of India Ltd (NSE) Debentures BSE Ltd. (BSE)

vi. **Stock Code:**

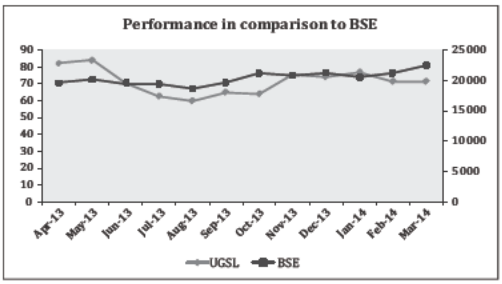
Name of the Stock Exchange (*Equity Shares)*	**Stock Code**
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	513216
National Stock Exchange of India Ltd Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051.	UTTAMSTL
Name of the Stock Exchange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

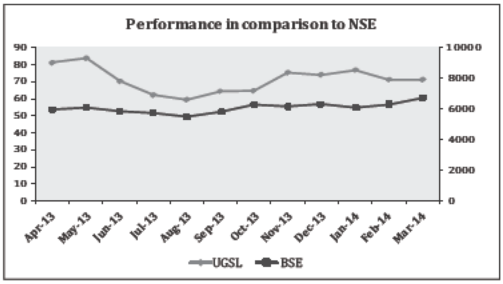
vii. **Debenture Trustees : Axis Trustee Services Limited,**
2nd floor, Axis House,Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

Market Price Data: High, Low of each month during the financial year 2013-2014:

Month	Quotation at BSE Ltd.		Quotation at National Stock Exchange of India Ltd.	
	HIGH	LOW	HIGH	LOW
April 2013	82.20	65.20	81.45	64.60
May 2013	83.90	68.05	83.80	68.30
June 2013	70.45	57.00	70.60	55.40
July 2013	62.50	44.50	62.45	44.15
August 2013	59.80	39.30	59.65	39.30
September 2013	64.75	52.50	64.60	52.00
October 2013	64.00	52.50	64.80	52.15
November 2013	75.20	58.25	75.30	58.55
December 2013	73.95	63.95	74.10	63.30
January 2014	76.80	61.20	76.80	61.10
February 2014	71.35	60.75	71.35	60.70
March 2014	71.30	62.10	71.25	62.50

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





viii. **Registrar and Share Transfer Agent:**

Universal Capital Securities Private Limited
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai - 400 093.
Tel No.: 28207203/05
E-mail: info@unisec.in

ix. **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.

x. **Distribution of Shareholding:**

The Shareholding distribution of Equity Shares as on 31st March, 2014 is given here below:

Sr. No.	Nominal value of shares	No. of Shareholders	No. of Shares	Percentage of Shareholding (%)
1	UPTO - 5,000	24,315	35,80,852	2.517
2	5,001 – 10,000	1,637	13,53,099	0.951
3	10,001 – 20,000	699	10,99,451	0.773
4	20,001 – 30,000	197	5,10,934	0.359
5	30,001 – 40,000	93	3,34,415	0.235
6	40,001 – 50,000	70	3,30,071	0.232
7	50,001 – 1,00,000	131	9,72,707	0.684
8	1,00,001 ABOVE	126	13,40,78,574	94.249
	TOTAL	**27,268**	**14,22,60,103**	**100.000**

xi. **Dematerialization of Shares and Liquidity:**

Nearly 98.93% of Total Equity Share Capital is held in dematerialized form with National Securities Depository Limited(NSDL)/Central Depository Services (India) Limited(CDSL).

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

Nil

xiii. **Plant Locations:**

Khopoli - Pen Road,
Donvat, Dist. - Raigad,
Maharashtra.

Khopoli - Pali Road,
Dahivali, Dist. - Raigad,
Maharashtra.

Taloja - 12, MIDC
Dist - Raigad, Maharashtra

xiv. **Address for correspondence:**

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

xv. 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:

Certificate on Compliance with Code of Conduct

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 2013-2014.

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

Anuj R Miglani

Managing Director

(DIN No 00287097)

xvi. 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.

xvii. CEO & CFO Certification:

Shri Anuj R Miglani, Managing Director and Shri Gursharan Singh 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 of the Listing Agreement. 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.

xviii. Adoption of Mandatory / Non- Mandatory Requirements of Clause 49:-

During the Financial Year ended 31st March, 2014, the Company has duly complied with all the mandatory requirements and has adopted certain non-mandatory requirements of Clause 49 of the Listing Agreement as mentioned below:

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

(ii) The Company has adopted the Whistle blower & Vigil Mechanism in view to provide a mechanism for the directors and employees of the Company to approach Authorized person of the Company to report existing/probable violations of laws, rules, regulations or unethical conduct.

xix. Shareholding Pattern:

Pattern of Equity Shares as on 31st March, 2014 is given here below:

Sr. No.	Category	No. of Shares Held	% of holding
A.	**Promoters' Holding**		
1.	Promoters		
	- Indian Promoters	4,52,66,220	31.82
	- Foreign Promoters	4,13,27,931	29.05
2.	Persons acting in concert	0	0
	Sub-Total (A)	**8,65,94,151**	**60.87**

Sr. No.	Category	No. of Shares Held	% of holding
B.	**Non-Promoters' Holding**		
1.	Institutional Investors		
	a. Mutual Funds and UTI	38,883	0.03
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non Govt. Inst.)	21,672	0.02
	c. FIIs	3,88,58,662	27.32
	Sub-Total (B) (1)	**3,89,19,217**	**27.38**
2.	Others		
	a. Bodies Corporate	26,56,260	1.87
	b. Indian Public	1,04,46,010	7.34
	c. NRIs/OCBs	32,73,772	2.30
	d. Others	3,70,693	0.26
	Sub-Total (B) (2)	**1,67,46,735**	**11.77**
C.	Shares held by Custodians and against which Depository Receipts have been issued	0	0
	GRAND TOTAL	**14,22,60,103**	**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, 2014, 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

Prakkash R. Muni
Partner
Membership No. 30544

Place: Mumbai
Date : 30th May, 2014

INDEPENDENT AUDITORS' 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, 2014**, 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") read with the General Circular 15/2013 dated 13th September, 2013 the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 risk of material misstatements 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the 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, 2014;**

(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, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

(e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014 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: 30th May 2014. Membership No. : 30544

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under the head "Report on Other Legal and Regulatory Requirements" of our report of even date.)

1. In respect of its Fixed Assets:

   a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets; site wise/ plant wise. With consideration to significant additions from time to time such records are being updated periodically.

   b) According to the information and explanations given to 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 off 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 (incl. interest free 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 ₹ 60.14 crore and the year-end balance is ₹ 58.27 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's 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 ₹ 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 for 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 31st March, 2014 for a period of more than six months from the date of becoming payable.

 b) The disputed statutory dues aggregating to ₹ 16.35 crore, that have not been deposited on account of disputed matters pending before appropriate authorities are referred below:

Sr. No.	Nature of Duty	Amount (₹)	Period	Forum where dispute is pending
1	Service Tax	35,29,749	July 05 to July 07	Central Excise and Service Tax Appellate Tribunal
2	Service Tax	1,61,751	April 06 to October 06	Central Excise and Service Tax Appellate Tribunal
3	Excise Duty	64,84,307	Dec 07 to June 08	Central Excise and Service Tax Appellate Tribunal
4	Excise Duty	30,82,563	Dec 07 to June 08	Central Excise and Service Tax Appellate Tribunal
5	Excise Duty	3,34,33,367	July 10 to Feb 11	Commissioner Appeals
6	Customs Duty	11,67,80,968	F.Y. 2008-09	Commissioner of Customs

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 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 to Commissioner of Customs of ₹87.54 crore for Export obligation of its Associate Company.

(b) The Company has given a corporate guarantee of ₹4.30 crore on behalf of its 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: 30th May 2014.

BALANCE SHEET AS AT 31ST MARCH, 2014.

₹ in Crore

	Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
A	**EQUITY AND LIABILITIES**			
1.	**Shareholders' Funds**			
	(a) Share Capital	1	142.26	142.26
	(b) Reserves and Surplus	2	1,139.62	1,104.30
			1,281.88	1,246.56
2.	**Non Current Liabilities**			
	(a) Long Term Borrowings	3	2,358.26	1,774.51
	(b) Deferred Tax Liabilities (Net)	4	195.88	168.25
	(c) Other Long Term Liabilities	5	571.00	325.75
	(d) Long Term Provisions	6	11.52	11.53
			3,136.66	2,280.04
3.	**Current Liabilities**			
	(a) Short Term Borrowings	7	294.50	265.80
	(b) Trade Payables	8	2,344.72	1,817.52
	(c) Other Current Liabilities	9	946.54	1,211.09
	(d) Short Term Provisions	10	0.30	11.72
			3,586.06	3,306.13
			8,004.60	6,832.73
B	**ASSETS**			
1.	**Non Current Assets**			
	(a) Fixed Assets			
	(i) Tangible Assets	11	3,984.20	3,217.51
	(ii) Intangible Assets		22.98	-
	(iii) Capital Work-in-Progress		694.11	546.80
			4,701.29	3,764.31
	(b) Non Current Investments	12	23.94	23.46
	(c) Long Term Loans and Advances	13	129.58	106.46
	(d) Other Non Current Assets	14	0.65	3.25
			4,855.46	3,897.48
2.	**Current Assets**			
	(a) Inventories	15	794.75	1,037.24
	(b) Trade Receivables	16	983.75	684.49
	(c) Cash and Bank Balances	17	46.34	169.64
	(d) Short Term Loans and Advances	18	1,324.30	1,043.88
			3,149.14	2,935.25
			8,004.60	6,832.73
Significant Accounting Policies & Notes on Financial Statements		1 to 41		

As per our Report of even date

For and on behalf of the Board

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 Singh Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

Place : Mumbai
Date : 30th May, 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
CONTINUING OPERATIONS			
Incomes:			
Gross Revenue from Operations	19	5,754.56	6,252.34
Less: Excise Duty		318.19	341.27
Net Revenue from Operations		**5,436.37**	5,911.07
Other Income - Operational	24	30.90	5.40
Total Revenue		5,467.27	5,916.47
Expenses:			
(a) Cost of Materials Consumed	20 A	2,878.32	3,252.16
(b) Purchase of Stock-in-Trade	20 B	1,147.92	1,609.46
(c) Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20 C	205.77	(186.20)
(d) Employee Benefit Expenses	21	88.29	76.33
(e) Other Expenses	22	594.07	570.73
Total		**4,914.37**	5,322.48
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		**552.90**	593.99
Finance Costs	23	289.09	304.64
Depreciation and Amortisation Expense	11	214.82	182.58
Other Income	24	29.53	8.56
Profit Before Extraordinary item		**78.52**	115.33
Extraordinary Income	25A	-	20.00
Profit Before Prior Period Items		**78.52**	135.33
Prior Period Income	25B	2.74	-
Profit Before Tax (PBT)		**81.26**	135.33
Tax Expenses:			
Current Tax		17.03	27.17
Wealth Tax		0.06	0.06
Net Current Tax		17.09	27.23
Prior Period Tax		1.22	-
Deferred Tax		27.63	46.55
Total		**45.94**	73.78
Profit for the Year		**35.32**	61.55
Earnings Per Share (EPS)			
Basic & Diluted including Extraordinary Item & Prior Period Items		**2.48**	5.03
Basic & Diluted excluding Extraordinary Item & Prior Period Items		**2.33**	3.72
Significant Accounting Policies & Notes on Financial Statements	1 to 41		

As per our Report of even date

For and on behalf of the Board

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 Singh Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

Place : Mumbai
Date : 30th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014.

₹ in Crore

	PARTICULARS	2013 2014	2012 2013
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) Before Tax and Extraordinary Items	81.26	135.33
	Provision for Doubtful Debts		1.55
	Adjustments for Depreciation	214.82	182.58
	(Profit) / Loss on Sale of Assets	0.12	
	Effects of Exchange Rate Change	(1.39)	
	Share Issue Expenses W/off	0.42	0.27
	Interest Income & Extraordinary Income	(23.61)	(31.60)
	Interest & Financial Charges	288.68	304.64
	Operating Profit Before Working Capital Changes	**560.31**	592.77
	Adjustments for :		
	(Increase)/Decrease in Trade and other Receivables	(598.00)	(505.90)
	(Increase)/Decrease in Inventories	242.49	47.90
	Increase/(Decrease) in Trade Payables and Other Liabilities	680.55	742.17
	Cash Generated from Operations	**885.35**	876.94
	Direct Taxes Paid (Net of Refunds)	(30.32)	(32.68)
	Net Cash Generated from Operating Activities	**855.03**	844.26
B	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Fixed Assets	(992.29)	(513.57)
	Sale of Fixed Assets	0.06	0.04
	Purchase of Investments / Investments in Subsidiaries	(0.15)	(11.43)
	Sale of Investments	1.05	
	Extraordinary Income Received		20.00
	Interest/Dividend Received	23.61	11.60
	Net Cash Used in Investing Activities	**(967.72)**	(493.36)
C	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from Issue of Equity Share Capital		20.00
	Securities Premium received		140.00
	Proceeds from Long Term Borrowings	1,893.85	150.00
	Repayments of Long Term Borrowings	(1,473.35)	(160.26)
	Interest & Financial Charges Paid	(439.67)	(456.89)
	Gain / (Loss) on Forward Contracts	(9.10)	(3.66)
	Share Issue Expense Paid	(1.26)	(1.34)
	Proceeds/(Repayments) of Deferred Sales Tax Loan/ICD/Unsecured Loans	18.92	(0.37)
	Net Cash Used in Financing Activities	**(10.61)**	(312.52)
	Net (Decrease)/Increase in Cash & Cash Equivalents (A+B+C)	**(123.30)**	38.38
	Cash & Cash Equivalents (Opening)	169.64	131.26
	Cash & Cash Equivalents (Closing)	46.34	169.64

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

Prakkash R. Muni
Partner
Membership No. 30544

Place : Mumbai
Date : 30th May, 2014

For and on behalf of the Board

Rajinder Miglani
Chairman

Anuj R Miglani
Managing Director

Gursharan Singh Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

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 a Co-Promoter in the year 2009-2010.

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 PPGI. Its current facilities are mainly in thicker and thinner guage 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.

A. SIGNIFICANT ACCOUNTING POLICIES

1.01 (a) Basis of Accounting:

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

(b) Use of Estimates:

The preparation of financial statements in conformity with 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:

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.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.

1.02 Foreign Currency Loans / Transactions:

(a) Import Transactions:

(i) Material imports are accounted at the custom exchange rates prevailing at the time of receipts. In case foreign exchange is covered, the exchange rate contracted is recognized as a part of purchase cost. Exchange Fluctuations, if any, at the time of retirement, are appropriately accounted as a part of material (purchase) cost. Similarly Bills Payable (balances) at year end are accounted at exchange rate prevailing at year end (As per Revised AS - 11).

(ii) Import contracts covered by 'foreign exchange cover' with banks are booked at contracted rates. Income / Expenditure incurred in cancellation of forward cover contracts, mainly due to variation in the bank involved / date of execution are treated as part of purchase cost.

(b) Export Transactions:

(i) Export transactions are accounted at the custom exchange rates prevailing at the time of shipments. Exchange fluctuations, if any, at the time of realisation are appropriately accounted.

(ii) Exports, contracts covered by foreign exchange cover with banks, are booked at contracted rates. Income / expenditure incurred in case of cancellation of forward cover contracts, mainly due to variation in bank involved / date of execution are treated as export realisation.

(iii) In case receipt of Export Advances, exchange rates prevailing on date of receipts of advances is treated as relevant exchange rate for exports.

(c) (i) Foreign Currency Term Loan Contracts, covered by Foreign Exchange Swaps are booked at contracted rates.

(ii) Other Foreign Currency Term Loan balances are accounted at Exchange Rate prevailing at the year end, and such gain / loss, where these relate to the acquisition of depreciable fixed assets, are adjusted to the carrying cost of such assets and in other cases are amortized over the period of such long term monetary item.

(iii) The company does not enter into derivative contracts for trading or speculative purposes.

(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.

1.03 Borrowing cost, Premium on Redemption of Debentures / Debts:

(a) Borrowing costs attributable to the acquisition or construction of qualifying assets as defined in Accounting Standard 16 "Borrowing Costs" are capitalized as part of the cost of such asset upto the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.

(b) 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.

(c) On rescheduling and realignment of term debts, financial cost incurred is treated as accrued on date of realignment of realigned term debts and provided in the relevant financial year.

1.04 Commodity Hedging Transactions:

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

1.05 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.

1.06 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'.

(e) Computer Software is depreciated over an estimated useful life of 5 Years.

1.06A 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.

1.07 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.

1.08 Inventories:

(a) Inventories are valued as under after providing for obsolescence:

(i)	Raw Materials	-	At Cost (Moving Weighted Average Method)
(ii)	Work-in-Progress	-	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)	Arisings	-	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.

1.09 Provision for Taxation:

Income tax expense is the aggregate amount of Current tax, Wealth Tax & Deferred Tax. Current year taxes are determined in accordance with the provisions of Income Tax Act, 1961 and Wealth Tax Act, 1957.

Deferred tax charged or credited reflects the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charged or credited and the corresponding deferred tax liability or asset are recognized using the tax rates that have been enacted or substantively enacted on the Balance Sheet date.

1.10 Earning per Share:

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

1.11 Accounting for Provisions, Contingent Liabilities and Contingent Assets:

(a) In conformity with AS-29, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the ICAI, 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.

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

1.12 Advances received from customers against exports, which is spilled over/ executable/ adjustable/ repayable beyond period of 12 months as on the date of Balance Sheet is treated as Non-Current Liabilities, under the sub head Other Long Term Liabilities.

1.13 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, Focus Market Scheme, Focus Product 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 & Spares 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.

1.14 (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.

1.15 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.

1.16 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.

1.17 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 under Reverse Charge Mechanism for various services availed by the company, at the time of booking an expenditure. The credit for Input Services Tax is claimed as per appropriate laws, rules and regulations.

1.18 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.

1.19 Inter Unit transactions are eliminated to the extent possible.

B. NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

Note 1 Share Capital ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Authorised Share Capital		
50,00,00,000 (17,50,00,000) Equity Shares of ₹10 each	500.00	175.00
(b) Issued, Subscribed and Paid up Share Capital		
14,22,60,103 (14,22,60,103) Equity Shares of ₹ 10 each	142.26	142.26
(Out of this 58,74,760 Equity Shares have been issued for consideration other than Cash and 2,18,57,924 Equity Shares have been issued on Conversion of Global Depository Receipts)		
Total - Issued, Subscribed and Paid up Equity Share Capital	**142.26**	142.26

Reconciliation of No. of Shares outstanding is set out below.	As at 31st March, 2014	As at 31st March, 2013
Equity Shares at the beginning of the year	14,22,60,103	12,22,60,103
Add: Shares Issued during the year (on QIP)	-	2,00,00,000
Equity Shares at the end of the year	14,22,60,103	14,22,60,103

Details of Shareholder holding more than 5% Equity Shares:

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares held	% holding	Number of shares held	% holding
Equity Shares with Voting Rights				
Kredence Multi Trading Limited	1,49,21,063	10.49	1,49,21,063	10.49
Uttam Exports Private Limited	73,24,379	5.15	73,24,379	5.15
ArcelorMittal Netherlands B.V.	4,13,27,931	29.05	4,13,27,931	29.05
Cresta Fund Limited	1,41,01,426	9.91	1,41,01,426	9.91
Albula Investment Fund Limited	1,28,56,750	9.04	1,08,06,750	7.60
Asia Investment Corporation (Mauritius) Limited	84,42,125	5.93	84,42,125	5.93
Evergreen Tradeplace Private Limited	78,85,600	5.54	78,85,600	5.54

Note 2 Reserves and Surplus ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
(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	309.16	169.16
Add : During the Year	-	140.00
Closing Balance	309.16	309.16

Particulars	As at 31st March, 2014	As at 31st March, 2013
(d) Debenture Redemption Reserve		
As per Last Balance Sheet	50.00	37.50
Less :Transferred to Profit & Loss Reserve Account	(25.00)	-
Add: Transferred from Profit & Loss Account	-	12.50
Closing Balance	25.00	50.00
(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	739.45	690.40
Add: Transferred from Debenture Redemption Reserve Account	25.00	-
Add: Profit for the year	35.32	61.55
Less: Appropriations	-	-
Less: Transferred to Debenture Redemption Reserve	-	12.50
Closing Balance	799.77	739.45
Total - Reserves and Surplus	**1,139.62**	1,104.30

Note 3 Long Term Borrowings **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured		
11.25 % Redeemable Non-Convertible Debentures	-	100.00
Term Loan from Banks and Financial Institutions	2,338.04	1,673.21
	2,338.04	1,773.21
Unsecured		
Other loans (SICOM & Others)	20.22	1.30
Total - Long Term Borrowings	**2,358.26**	1,774.51

(i) Details of Secured Debentures issued by the Company:

Particulars	Terms and conditions*	As at 31st March, 2014	As at 31st March, 2013
11.25 % Redeemable Non -Convertible Debentures		-	100.00
Total - Debentures		-	100.00

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

Particulars	Terms of repayment	As at 31st March, 2014	As at 31st March, 2013
Term loans from banks:			
Punjab National Bank, State Bank of India, Bank of Baroda & Exim Bank	Repayable in 36 quarterly installments ending on March, 2020	307.31	1,190.00
ICICI Bank Limited -I		-	25.00
ICICI Bank Limited -II		-	184.82
ICICI Bank Limited (OFCL) 0%		-	9.55

Particulars	Terms of repayment	As at 31st March, 2014	As at 31st March, 2013
State Bank of India		-	68.75
Vijaya Bank	Repayable in 28 quarterly installments ending on September, 2019	112.50	137.50
Syndicate Bank	Repayable in 20 quarterly installments ending on March, 2020	175.00	-
Oriental Bank of Commerce	Repayable in 24 quarterly installments ending on March, 2022	100.00	-
ECA : NORDEA Bank (USD 0.417 Million, Previous Year USD 0.83 Million)	Repayable in 16 half yearly installments ending on November, 2015	2.51	4.54
FCTL: Exim Bank (USD 14.625 Million, Previous Year USD Nil)	Repayable in 12 half yearly installments ending on July, 2020	87.90	-
ECB Loan : State Bank of India, Indian Overseas Bank, Bank of Baroda, Punjab National Bank, Union Bank of India, Indian Bank, Canara Bank, State Bank of Mauritius Limited, Afr Asia Bank Limited, Bank of India & ICICI Bank Limited. (USD 258.375 Million, Previous Year USD Nil)	Repayable in 12 half yearly installments ending on July, 2020	1,552.82	-
Total - Secured Long Term Loan From Banks		**2,338.04**	1,620.16
Secured term loans from Financial Institutions			
IFCI, LIC, GIC,UII		-	3.87
IDFC		-	49.18
Total - Term loans from Financial Institutions		-	53.05
Total - Secured Long Term Loan From Banks and Financial Institutions		**2,338.04**	1,673.20

1) 11.25 % Non Convertible Debentures are secured by mortgage and the lenders have first pari passu charge on 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 Loans, ECB & FCTL from Banks and Financial Institutions are secured by mortgage and the lenders have first 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 the Company's premises or lying at any other place of the Company's representative affiliates and all the intangible assets of the Company, except for Packing machine supplied by PESMEL, Finland.

3) ECA from Nordea Bank is secured by exclusive charge on Packing machine, supplied by PESMEL, Finland

4) 25,02,500 Equity Shares (Previous Year 25,02,500 Equity Shares) held by Promoters are pledged against term loan of ₹ 9.55 Crore availed from ICICI Bank.

Note 4 Deferred Tax Liability (Net) ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liabilty (Net):		
Deferred Tax Liabilities related to Fixed Assets	195.88	168.25
Total- Deferred Tax Liability (Net)	**195.88**	168.25

Note 5 Other Long Term Liabilities ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Others:		
Advances from Customers		
- from Subsidiaries	437.81	325.75
- from Others	133.19	-
Total- Other Long Term Liabilities	**571.00**	325.75

Note 6 Long Term Provisions ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits:		
(i) Provision for Gratuity	6.89	6.34
(ii) Provision for Leave Encashment	4.63	5.19
Total - Long Term Provisions	**11.52**	11.53

Note 7 Short Term Borrowings ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured		
Working Capital Loan from Banks	160.50	265.80
Unsecured		
Working Capital Loan from Bank	134.00	-
Total - Short Term Borrowings	**294.50**	265.80

Loans from Banks on Cash Credit & Packing Credit Accounts are secured by Hypothecation of all Tangible, Movable 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 ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Payables:		
Micro, Small and Medium Enterprises	2.10	0.74
Acceptances	793.52	930.88
Other than Acceptances	1,548.15	826.11
Subsidiary Companies	0.95	59.79
Total - Trade Payables	**2,344.72**	1,817.51

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
Principal amount due and remaining unpaid	2.10	0.74
Interest due on above and the unpaid interest	0.14	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Note 9 Other Current Liabilities **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Current maturities of Long Term Debt (Refer Note No. 3)	104.22	248.54
(b) Current maturities of NCD (Refer Note No. 3)	100.00	100.00
(c) Interest Accrued but not due on borrowings	26.31	5.04
(d) Other payables		
(i) Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, TDS, Excise Duty, VAT,Service Tax, etc.)	51.38	44.64
(ii) Advances from Customers		
- from Subsidiaries	227.66	45.35
- from Others	386.54	727.38
(iii) Provision for Freight & Other Expenses	50.43	40.14
Total - Other Current Liabilities	**946.54**	1,211.09

Note 10 Short Term Provisions **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Provision for Employee Benefits		
(i) Provision for Bonus	1.24	1.17
(ii) Provision for Gratuity	-	-
(iii) Provision for other Employee Benefits	0.10	0.51
	1.34	1.68
(b) Provision - Others:		
(i) Provision for Tax -Net of Advance Tax ₹ 18.13 Crore (As at 31st March, 2013 ₹ 17.19 Crore)	(1.04)	10.04
Total - Short Term Provisions	**0.30**	11.72

Note 11 Fixed Asset for the year ended 31st March, 2014 ₹ in Crore

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	NET BLOCK
	COST 1 Apr 13	ADDITIONS/ ADJUSTMENTS	DEDUCTIONS/ ADJUSTMENTS	COST 31 Mar 14	UP TO 1 Apr 13	FOR THE YEAR	DEDUCTIONS/ ADJUSTMENTS	TOTAL	AS AT 31 Mar 14	AS AT 31 Mar 13
(A) TANGIBLE ASSETS										
Land	42.01	4.60		46.61					46.61	42.01
Building & Site Dev.	684.09	119.17		803.26	119.56	22.91		142.47	660.79	564.54
Flats/Office Premises	2.96	1.97		4.93	0.33	0.05		0.38	4.55	2.63
Plant & Machinery	3,418.27	837.66		4,255.92	875.32	181.03		1056.35	3,199.57	2,542.94
Furniture & Fixtures	32.10	3.10		35.20	9.21	1.84		11.05	24.15	22.90
Office Equipments	7.40	0.12		7.52	4.89	0.64		5.54	1.98	2.52
Computer	12.81	2.66		15.47	8.92	1.38		10.30	5.17	3.89
Vehicles	10.14	1.18	0.38	10.94	3.87	0.91	0.21	4.57	6.37	6.25
Housing Complex	32.08	5.71		37.79	2.25	0.54		2.79	35.00	29.82
TOTAL (A)	4,241.86	976.17	0.38	5,217.64	1,024.35	209.30	0.21	1233.44	3,984.20	3,217.50
(B) INTANGIBLE ASSETS										
Computer Software		23.07		23.07		0.10		0.10	22.97	
TOTAL (B)		23.07		23.07		0.10		0.10	22.97	
TOTAL (A+B)	4,241.86	999.23	0.38	5,240.71	1,024.35	209.40	0.21	1233.54	4007.17	3,217.50
PREVIOUS YEAR	3,740.55	501.35	0.04	4,241.86	841.81	182.58	0.03	1024.35	3,217.50	

Note 12 Non Current Investments ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Investments (At cost):		
Others Investment		
In Equity Shares of Subsidiary Companies Unquoted, Fully Paid Up		
a) 5,000 Equity Shares of USD 10 each of Atlantis International Services Company Limited	0.30	0.27
b) 10,00,000 Equity Shares of UAE Dirham 1 each of Uttam Galva Holdings Limited	1.63	1.48
c) 18,000 Equity Shares of Euro 1 each of Uttam Galva Steels Netherlands B.V	0.15	0.13
d) 50,000 Equity Shares of USD 40 each of Uttam Galva Steels BVI Ltd	12.02	10.88
e) 1 Equity Share of AED 1,00,000 each of Uttam Galva Steels FZE	0.16	0.15
f) 1 Equity Share of USD 50,000 each of Neelraj International Trade Limited	0.30	0.27
In Equity Shares of Associate Companies Unquoted, Fully Paid Up		
9,994 Equity Shares of ₹ 10 each of Uttam Utkal Steels Limited	0.01	0.01
In Equity Shares of Joint Venture Companies Unquoted, Fully Paid Up		
a) 30,20,000 Equity Shares of ₹ 10 each of Texturing Technology Private Limited	3.02	3.02
b) 1,99,465 Equity Shares of ₹ 10 each of Moira Madhujore Coal Limited (Out of this, 1,35,284 Equity Shares are purchased at a premium of ₹.90 per share & 35,527 Equity Shares @ ₹ 10 each at a Premium of ₹ 75 per share)	1.69	1.68
	19.28	17.89
Investment in Debentures of others entities, Un-quoted Fully Paid Up		
3,00,000 Unsecured Optionally Fully Convertible Debentures of ₹ 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 ₹ 25 each of Punjab & Maharashtra Co-operative Bank Limited	0.05	0.05
ii) 515,000, Equity Shares of ₹10 each in Ansal Hi-Tech Township Ltd.	0.52	0.52
iii) Share Application Money in Shree Bhavani Infracon Private Limited	0.94	2.00
iv) Investment of Mutual Funds		
- 50,000 Units of Union KBC Capital Protection Oriented Fund of ₹10 each	0.05	-
- 99,900 Units of Union KBC Trigger Fund of ₹ 10 each	0.10	-
	1.66	2.57
Total - Non Current Investments	**23.94**	23.46

Note 13 Long Term Loans and Advances **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered Good		
Security Deposits:		
- To Related Parties	16.05	16.05
- To Others	2.57	2.49
Loans and advances to related parties	56.62	34.51
Advance Income Tax for Prior Years (Net of Provision As at 31st March, 2013)	13.01	12.08
MAT credit entitlement	41.33	41.33
Total - Long Term Loans Advances	**129.58**	106.46

Note 14 Other Non-Current Assets **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Accruals		
Interest Accrued on Deposits	0.65	3.25
Total - Other Non-Current Assets	**0.65**	3.25

Note 15 Inventories **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Raw Materials	238.03	293.43
Goods-in-Transit	90.14	70.25
Work-in-Progress	129.01	302.93
Finished Goods	212.21	274.61
Stock-in-Trade	67.91	38.32
Stores and Spares	48.56	49.89
Arising	8.89	7.81
Total - Inventories	**794.75**	1037.24

Details of inventory of Work-in-Progress

Particulars	As at 31st March, 2014	As at 31st March, 2013
Product CRC + Slab	65.25	206.23
Product GP/GC	44.41	86.69
Product PPGI	19.35	10.01
Total - Work-in-Progress	**129.01**	302.93

Note 16 Trade Receivables ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered Good		
Outstanding for a period exceeding six months	53.31	31.06
Other Receivables	858.08	656.74
Receivable from Subsidiaries	75.67	0.00
Less: Provision for Bad and Doubtful Debts	3.31	3.31
Total - Trade Receivables	**983.75**	684.49

Note 17 Cash and Bank Balances ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash and Cash Equivalents :		
Cash in hand	0.72	0.27
Bank Balances		
- In Current Accounts	45.31	169.08
- In EEFC Accounts	-	-
Other Bank Balances		
Balances held as Margin money or security against Borrowings, Guarantees and other Commitments	0.31	0.29
Total - Cash and Bank Balances	**46.34**	169.64

Note 18 Short-Term Loans and Advances ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good		
Loans and advances to Related Parties	1.80	11.67
Loans and advances to Employees	3.35	2.36
Prepaid Expenses	42.01	39.69
Balances with Government Authorities		0.00
(i) CENVAT Credit Receivable	244.18	214.31
(ii) VAT Refund Receivable	93.79	133.54
(iii) Service Tax Credit Receivable	8.01	18.28
Advances to Suppliers	834.89	526.92
Advances recoverable in cash or in kind or for value to be received	89.07	94.75
Deposits	7.20	2.36
Total - Short Term Loans and Advances	**1,324.30**	1,043.88

Note 19 Revenue from Operations ₹ in Crore

Particulars	2013-2014	2012-2013
Sale of Products #	4,319.45	4,116.45
Traded Goods	1,215.27	1,743.08
Other Operating Revenues	219.84	392.81
Gross Revenue from Operations	**5,754.56**	6,252.34
Less: Excise Duty	318.19	341.27
Total - Revenue from Operations (Net)	**5,436.37**	5,911.07

Particulars	2013-2014	2012-2013
Sale of Products Comprises		
Manufactured Goods **		
GP/GC*	2,478.64	2,385.31
PPGI	677.94	466.39
CRCA + HRPO + APC +Tube	1,162.87	1,264.75
Total - Sale of Manufactured Goods	**4,319.45**	4,116.45
Traded Goods		
Sales Domestic Service Centre	324.85	477.73
Sales Domestic Trading ***	202.98	515.23
Sales-Deemed Exports	162.30	0.00
Sales Merchandice Exports	525.14	750.12
Total - Sale of Traded Goods	**1,215.27**	1,743.08
Total - Sale of Products	**5,534.72**	5,859.53
Other Operating Revenues		
Sale of Scrap/ Arising	175.29	292.90
Duty Drawback and Other Export Incentives(FMS and SHIS)	26.92	29.63
Sale of Surplus Genrated Power	17.63	70.28
Total - Other Operating Revenues	**219.84**	392.81

Sales includes ₹ 529.92 Crore (Previous Year ₹ 834.10 Crore) towards sales from trial run/stabilisation of production, of 4 Hi Skin Pass Mill

* GP Sales includes ₹ 1147.63 Crore (Previous Year ₹ 1008.88 Crore) towards sales during stabilisation of Super Galvanising Line (SGL)

** Manufactured Sales includes Export Sales ₹ 1480.84 Crore (Previous Year ₹ 1236.41 Crore)

***Excludes ₹ 139.74 Crore, related to FY 2012-13, is disclosed seperately under the head 'Prior Period Item', as per AS-5.

Note 20A Cost of Materials Consumed ₹ in Crore

Particulars	2013-2014	2012-2013
Opening Stock	336.39	591.45
Add: Purchases	2,855.48	2,997.10
	3,191.87	3,588.55
Less: Closing Stock	313.55	336.39
Cost of Material Consumed	**2,878.32**	3,252.16
Cost of Materials Consumed		
Hot Rolled Coil	2,315.92	2422.35
Cold Rolled Full Hard	147.65	473.79
Zinc & Metal	356.99	322.23
Paint	57.76	33.79
Total - Cost of Material Consumed	**2,878.32**	3,252.16

Note 20B Purchase of Stock-in-Trade **₹ in Crore**

Particulars	2013-2014	2012-2013
Purchase of Stock-in-Trade		
Trading Purchases Hot Rolled Coil - Domestic	42.16	154.25
Trading Purchases Others - Domestic	67.69	50.25
Trading Purchases - Imports*	1,038.07	1,404.96
Total -Purchase of Stock-in-Trade	**1,147.92**	1,609.46

* Excludes ₹ 137 Crore related to FY 2012-13, which has been disclosed seperately under the head "Prior Period Item", as per AS-5.

Note 20C Changes in Inventories of Finished Goods, Work-in-Progress , Stock-in-Trade **₹ in Crore**

Particulars	2013-2014	2012-2013
Inventories at the end of the year:		
Finished Goods at Plant	175.70	179.40
Finished Goods at Port	36.40	95.21
Arisings	8.89	7.81
Work-in-Progress	129.01	302.93
Stock-in-Trade	67.91	38.32
	417.91	623.67
Inventories at the beginning of the year:		
Finished Goods at Plant	179.40	136.28
Finished Goods at Port	95.21	91.43
Arisings	7.81	8.65
Work-in-Progress	302.93	138.18
Stock-in-Trade	38.32	62.93
	623.67	437.47
Net Decrease/(Increase) in Inventories	**205.77**	(186.20)

Note 21 Employee Benefit Expenses **₹ in Crore**

Particulars	2013-2014	2012-2013
Salaries and Wages	75.52	66.01
Contributions to Provident and other Funds	4.25	3.03
Staff Welfare Expenses	8.52	7.29
Total - Employee Benefit Expenses	**88.29**	76.33

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:

₹ in Crore

Amount to be recognised in Balance Sheet As at 31st March 2014	As at 31-03-2014	As at 31-03-2013
Gratuity		
Present Value of Funded Obligations	16.37	14.01
Present Value of Unfunded Obligations	6.89	6.35
Fair Value of Plan Assets (managed by insurer)	9.48	7.66
Net Liability	**6.89**	7.66
Amounts in Balance Sheet		
Liability	16.37	14.01
Assets	9.48	6.35
Net Liability	**6.89**	7.66

₹ in Crore

Amount to be recognised in Balance Sheet As at 31st March 2014	As at 31-03-2014	As at 31-03-2013
Expenses to be recognised in the Statement of P&L		
Current Service Cost	1.98	1.72
Interest on Defined Benefit Obligation	1.12	0.97
Expected Return on Plan Assets	(0.67)	(0.62)
Net Actuarial Losses/(Gains) recognised during the Year	0.25	(0.28)
Total, included in "Employee Benefit Expense"	**2.68**	1.79
Actual Return on Plan Assets	0.67	0.62
Reconciliation of Benefit Obligations & Plan Assets For the Period		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**14.01**	12.08
Current Service Cost	1.98	1.72
Interest Cost	1.12	0.97
Actuarial Losses/ (Gains)	0.25	(0.28)
Benefits Paid/ Accrued but not paid	(0.99)	(0.48)
Closing Defined Benefit Obligation	**16.37**	14.01
Change in Fair Value of Assets		
Opening in Fair Value of Plan Assets	**7.66**	5.32
Expected Return on Plan Assets	0.67	0.62
Actuarial Gains / (Losses)	(0.25)	0.00
Contributions by Employer	2.25	1.81
Benefits Paid/ Accrued but not paid	(0.85)	(0.09)
Closing Fair Value of Plan Assets	**9.48**	7.66
Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount Rate (p.a.)	8.00%	8.00%
Expected Rate of Return on Assets (p.a.)	6.94%	8.51%
Salary Escalation Rate (p.a.)	7.00%	7.00%

Amount to be recognised in Balance Sheet As at 31st March 2014	As at 31-03-2014	As at 31-03-2013
Leave Encashment		
Present Value of Funded Obligations	-	-
Present Value of Unfunded Obligations	4.64	5.19
Fair Value of Plan Assets (managed by insurer)	-	-
Net Liability	**4.64**	5.19
Amounts in Balance Sheet		
Liability	4.64	5.19
Assets	-	-
Net Liability	**4.64**	5.19
Expenses to be recognised in the Statement of P&L		
Current Service Cost	1.19	1.20
Interest on Defined Benefit Obligation	0.42	0.48
Expected Return on Plan Assets	-	-
Net Actuarial Losses/(Gains) recognised during the Year	(1.41)	(1.75)
Total, included in "Employee Benefit Expense"	**0.20**	(0.07)

₹ in Crore

Amount to be recognised in Balance Sheet As at 31st March 2014	As at 31-03-2014	As at 31-03-2013
Actual Return on Plan Assets	-	-
Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount Rate (p.a.)	8.00%	8.00%
Expected Rate of Return on Assets (p.a.)	-	-
Salary Escalation Rate (p.a.)	7.00%	7.00%

Note 22 Other Expenses ₹ in Crore

Particulars	2013-2014	2012-2013
Manufacturing Expenses		
Power Consumption	138.54	130.53
Coal Consumed	83.34	145.30
Power Captively Consumed	(112.36)	(118.16)
Power Captively Consumed - Steam	(7.27)	(9.06)
Consumption of Steam	7.27	9.06
Fuel Consumption	91.78	66.03
Water Charges	2.30	2.59
Stores & Spares Consumed	58.75	49.79
Repairs & Maintenance to Plant	31.41	25.70
Other Manufacturing Expenses	27.32	42.82
Total - Manufacturing Expenses	**321.08**	344.60
Selling and Distribution Expenses		
International Freight	81.55	66.78
F.O.B. Expenses	25.44	19.11
Local Freight	30.28	26.56
Brokerage & Commission	2.49	2.70
Other Expenses	9.35	8.06
Packing Material Consumed	60.19	52.60
Total - Selling and Distribution Expenses	**209.30**	175.81
Administrative Expenses		
Insurance	9.97	7.01
Travelling & Conveyance	6.13	4.82
Rent, Rates & Taxes	5.13	4.02
Legal , Professional & Consultancy Charges	13.82	8.94
Repairs & Maintenance to Building	6.91	7.17
Repairs & Maintenance to others	2.58	1.92
Security charges	2.84	2.42
Other Expenses	12.67	11.35
Remuneration to CMD/DMD	3.12	3.12
Sundry Balance Written Off/(Written back)	0.02	(0.90)
Payment to Auditors		
- Audit Fees	0.30	0.30
- Tax Audit & Certifications	0.05	0.10

Particulars	2013-2014	2012-2013
- Expenses Reimbursed	0.03	0.05
Loss on Sale of Fixed Assets	0.12	0.00
Total - Administrative Expenses	**63.69**	50.32
Total - Other Expenses	**594.07**	570.73

Note 23 Finance Costs **₹ in Crore**

Particulars	2013-2014	2012-2013
Interest Expense on:		
(i) Borrowings - Long Term	185.29	256.99
(i) Borrowings - Short Term	192.77	159.45
Other Borrowing Costs (Upfront Fees)	61.61	40.45
Net Loss on Foreign Currency Transactions and Translation	9.10	3.66
Gross Interest and Financial Charges	**448.77**	460.55
Less :- Interest & Financial Charges Charged to Capital Work-in-Progress	159.68	155.91
Total - Finance Cost	**289.09**	304.64

Note 24 Other Income **₹ in Crore**

Particulars	2013-2014	2012-2013
Interest Income		
- Operational	30.90	5.40
- Non-Operational	9.23	6.20
Net Gain on Foreign Currency Transactions and Translation (other than considered as Finance Cost)	5.93	1.49
Other Non-Operating Income	14.38	0.87
Total - Other Income	**60.44**	13.96
Interest Income		
i) Income from Mutual Fund	-	0.83
ii) Interest Recieved on Fixed Deposits	0.01	5.37
iii) Interest Recieved Others	9.23	-
iv) Interest on Receivables	30.89	5.40
Total- Interest Income	**40.13**	11.60

Note 25A Extraordinary Income **₹ in Crore**

Particulars	2013-2014	2012-2013
Compensation on cancellation on Fixed Assets Contract	-	20.00
Total - Extraordinary Income	-	20.00

Note 25B Prior Period Income **₹ in Crore**

Particulars	2013-2014	2012-2013
Trading Domestic Sales	139.74	-
Less: Trading Purchases	(137.00)	-
Total - Prior Period Income	**2.74**	-

26. Contingent Liabilities not provided for in respect of:

₹ in Crore

Sr. No.	Particulars	31st March, 2014	31st March, 2013
(a)	Letters of Credit outstanding	988.64	754.88
(b)	Bank Guarantees	124.42	129.12
(c)	Estimated amount of contracts remaining to be executed on capital account and not provided for	83.21	86.31
(d)	Disputed Statutory Liabilities	16.35	16.37

The Company had given a corporate guarantee of ₹.87.54 Crore (Previous Year ₹ 87.54 Crore) to Commissioner of Customs against export obligation of Uttam Galva Metallics Limited.

The Company had given a corporate guarantee of ₹ 4.30 Crore (Previous Year ₹ 4.30 Crore) to Punjab National Bank Ltd, against Loan obtained by Moira Madhujore Coal Limited.

27. **(a)** The Company is being re-assessed, u/s 153A r/w section 132 of the Income Tax Act, 1961, for Assessment Years 2006-2007 to 2012-2013 relevant to Financial Years 2005-2006 to 2011-2012.

(b) The Sales Tax Assessments are completed up to 31st March, 2012.

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

28. Pursuant to revision of Accounting Standard 11 (AS 11), exchange fluctuation Loss of ₹ 76.69 Crore (Previous Year ₹ 8.82 Crore) on Foreign Currency Loans is adjusted against cost of fixed assets.

29. Taxation.

(a) 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).

(b) 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 ₹ 122.97 Crore (Previous year ₹ 132.23 Crore) for period upto 31st March, 2014. The Company has prepaid ₹ 34.44 Crore (Previous year ₹ 37.03 Crore) at net present value as prescribed, and consequential balance of ₹ 88.54 Crore (Previous year ₹ 93.83 Crore) is treated as sales and ₹ Nil (Previous Year ₹ 1.37 Crore) is credited to Fuel Account. This credit has accrued and arisen during the financial year 2013-2014.

30. During the year under review, the Company carried out modification / revamping of Super Galvanizing Line (SGL). Total expenditure includes Cost of Sales of ₹ 1419.44 Crore (Previous Year ₹ 1162.10 Crore) related to goods produced during trial run. Excess of expenditure over Sales realization is capitalized.

31. During the year under review, the Company carried out modification / revamping of 4HI WW Skin Pass Mill. Total expenditure includes cost of sales of ₹ 630.76 Crore (Previous Year ₹ 952.42 Crore) related to goods produced during trial run. Excess of expenditure over sales realization is capitalized.

32. Earnings Per Share (EPS)

Earnings Per Share (EPS) Basic and Diluted	2013-2014	2012-2013
a) Including Extraordinary Income & Prior Period Income		
Profit for the Year	35.32	61.55
Weighted Average No. of Ordinary Shares of ₹ 10 each for Basic EPS	14,22,60,103	12,24,79,281
Earnings Per Share (EPS) Basic & Diluted (Rupees)	**2.48**	**5.03**
b) Excluding Extraordinary Income & Prior Period Income		

Earnings Per Share (EPS) Basic and Diluted	2013-2014	2012-2013
Profit for the Year	33.13	45.55
Weighted Average No. of Ordinary Shares of ₹10 each for Basic EPS	14,22,60,103	12,24,79,281
Earnings Per Share (EPS) Basic & Diluted (₹)	**2.33**	3.72

33. Capital Work-in-progress:

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

₹ in Crore

Particulars	31st March, 2014	31st March, 2013
Land, Building and Site Development Expenses	341.16	276.94
Plant and Machinery	233.17	278.94
Consultant Fees	10.04	8.93
Other Fixed Assets	0.30	14.87
Pre-Operative Expenses	49.75	18.06
Advance to Suppliers	105.48	19.52
Sundry Creditors	(45.79)	(70.46)
Total	**694.11**	546.80

34. (a) List of Related Parties As per Accounting Standard 18 (AS-18) with whom the Company has 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 Sahwney

(ii) Other Related Parties

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

Wholly Owned Subsidiary:

Uttam Galva Holdings Limited
Atlantis International Services Company Limited
Uttam Galva Steels, Netherlands, B.V.
Neelraj International Trade Limited
Uttam Galva Steels (BVI) Limited
Uttam Galva Steels FZE

Co-Promoter

ArcelorMittal Netherlands, B.V.

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

Associates / Joint Ventures :
Grow Well Mercantile Limited
Evergreen Tradeplace Private 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 Lloyds Steel Industries Limited)
Kredence Multi Trading Limited
Archisha Steels Private Limited (Formerly known as Archisha Investment Private Limited)
Uttam Galva Ferous Limited

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

₹ in Crore

Particulars	2013-2014			2012-2013		
	Subsidiaries	Associates/ Joint Venture	Ability to Contol/ Exercise significant influence	Subsidiaries	Associates/ Joint Venture	Ability to Contol/ Exercise significant influence
Sale of Goods / Services	361.70	8.10	389.22	276.47	512.45	391.58
Purchase of Goods/ Services	-	683.80	52.78	406.77	148.76	27.88
Loan Given*	20.53	-	-	0.03	-	-
Export Advance Received (net)	434.89	-	-	189.71	-	-
Investment in Equity	-	-	-	11.16	-	-
Rent Income	-	0.21	-	-	-	-
Rent Payment	-	1.90	-	-	1.86	-
Interest Paid	9.04	-	-	5.36	-	-
Interest Received	-	14.80	-	-	-	-

*The Company has entered into transactions of fund transfers during the course of business on temporary/ current account transaction basis. Such transactions do not form part of loans.

35. (a) Value of Imported & Indigenous raw materials and Spare Parts consumed

Particulars	For the Year 2013-2014		For the Year 2012-2013	
	Value ₹ in Crore	% to total Consumption	Value ₹ in Crore	% to total Consumption
Raw Materials				
Imported	1,863.17	46.62%	3,313.77	67.82%
Indigenous	2,133.48	53.38%	1,572.45	32.18%
	3,996.65	**100.00%**	**4,886.22**	**100.00%**

Spare Parts and Components				
Imported	9.45	16.09%	6.34	12.74%
Indigenous	49.30	83.91%	43.45	87.26%
	58.75	**100.00%**	**49.79**	**100.00%**

(b) Value of imports on CIF basis **₹ in Crore**

Particulars	2013-2014	2012-2013
Raw materials	1877.69	2029.93
Spare Parts & Components	9.45	10.77
Capital Goods	32.53	41.22

36. 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:

₹ in Crore

Particulars	Balance as at 31st March, 2014	Balance as at 31st March, 2013	Maximum Balance during the year	
			2013-2014	2012-2013
Interest free loans without specified repayment schedule				
Uttam Galva Holdings Limited	0.23	0.21	0.24	0.21
Atlantis International Services Company Limited	19.95	15.61	20.74	15.61
Uttam Galva Steels Netherlands B.V.	24.49	10.18	25.04	11.74
Neelraj International Trade Limited	11.85	8.51	12.37	8.51
Uttam Galva Steels (BVI) Limited	1.72	-	1.72	-
Uttam Galva Steels FZE	0.03	0.03	0.03	0.03

37. Derivative Contracts entered into by the Company and outstanding as on 31st March, 2014.

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

The Company uses forward exchange contracts to hedge its exposure in foreign currency related to firm commitments and highly probable forecasted transactions. The nominal amount of derivative contract entered into by the Company and outstanding as on 31st March, 2014 is as follows:

Amount in Millions

Sr. No	Currency	Cross Currency	As at 31st March, 2014		As at 31st March, 2013	
			Buy	Sell	Buy	Sell
1	US Dollar	INR	81.64	56.21	-	-
2	EURO	INR	-	0.54	-	-
3	EURO	US Dollar	-	0.76	-	-

38. Segment Reporting

The Company is manufacturing Steel Products and also has a Captive Power Plant, hence it is reporting its results in single segment as required by AS-17.

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

40. (a) Expenditure in Foreign Currency **₹ in Crore**

Sr.No.	Particulars	2013-2014	2012-2013
(i)	Interest & Upfront Fees	92.60	23.95
(ii)	Legal, Professional & Consultation fee	3.80	0.93
(iii)	Commission	1.10	1.44
(iv)	International Freight	53.59	39.16
(v)	Travelling Expenses	0.58	0.39
(vi)	Others	0.12	0.17

(b) Earnings in Foreign Currency: **₹ in Crore**

Particulars	2013-2014	2012-2013
F.O.B. Value of Exports	1,923.99	1,919.76

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

As per our Report of even date

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

Prakkash R. Muni
Partner
Membership No. 30544

Place : Mumbai
Date : 30th May, 2014

For and on behalf of the Board

Rajinder Miglani
Chairman

Anuj R Miglani
Managing Director

Gursharan Singh Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

SUMMARY OF FINANCIAL INFORMATION PERTAINING TO THE SUBSIDIARY COMPANIES AS ON 31ST MARCH, 2014

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 sec 212(8) of the Companies Act, 1956 subject to fulfilment 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 Subsidiary Companies					
	Uttam Galva Holdings Limited	Atlantis International Services Company Limited	Uttam Galva Steels Netherlands B.V.	Neelraj International Trade Limited	Uttam Galva Steels (BVI) Limited	Uttam Galva Steels FZE
Capital	1,63,75,994	30,04,990	14,36,746	30,04,990	12,01,99,600	16,30,928
Reserves	6,06,11,550	(7,34,660)	(11,94,50,095)	(8,43,79,218)	(4,75,01,440)	(5,15,656)
Total Assets	8,01,03,118	2,00,05,66,082	2,22,91,63,244	1,01,33,94,594	2,19,35,92,817	16,27,683
Total Liabilities	31,15,574	1,99,82,95,752	2,34,71,76,594	1,09,47,68,822	2,12,08,94,657	5,12,411
Details of Investment (Except in case of investment in the Subsidiaries)	-	-	-	-	-	-
Turnover	-	-	1,03,83,56,193	-	2,39,07,48,362	-
Profit Before Taxation	6,03,84,753	(82,34,922)	(1,49,86,579)	(2,65,36,936)	(4,52,44,758)	(2,05,737)
Provision For taxation	-	-	-	-	-	-
Profit after taxation	6,03,84,753	(82,34,922)	(1,49,86,579)	(2,65,36,936)	(4,52,44,758)	(2,05,737)
Proposed Dividend	-	-	-	-	-	-
Country	Dubai	British Virgin Islands	Netherlands	British Virgin Islands	British Virgin Islands	Ras Al Khaimah

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 31st March, 2014,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 Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).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 risk of material misstatements 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the 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 ₹ 32.85 crore as at 31st March, 2014. Total revenue of ₹ 4.08 crore, net loss of ₹ 5.65 crore and net cash outflows amounting to ₹ 46.26 crore 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

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 31st March, 2014;

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

Prakkash R. Muni
Partner
Membership No: 30544

Place: Mumbai
Date: 30th May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

₹ in Crore

	PARTICULARS	Note No.	As at 31st March, 2014	As at 31st March, 2013
A	**EQUITY AND LIABILITIES**			
1.	**Shareholders' Funds**			
	(a) Share Capital	1	142.26	142.26
	(b) Reserves and Surplus	2	1,121.90	1,097.17
			1,264.16	1,239.43
2.	**Non Current Liabilities**			
	(a) Long Term Borrowings	3	2,358.26	1,775.66
	(b) Deferred Tax Liabilities	4	196.36	168.76
	(c) Other Long Term Liabilities	5	133.19	
	(d) Long Term Provisions	6	11.52	11.53
			2,699.33	1,955.95
3.	**Current Liabilities**			
	(a) Short Term Borrowings	7	1,009.41	920.19
	(b) Trade Payables	8	2,342.99	1,758.61
	(c) Other Current Liabilities	9	721.02	1,114.93
	(d) Short Term Provisions	10	0.54	11.73
			4,073.95	3,805.46
	TOTAL		**8,037.45**	7,000.84
B	**ASSETS**			
1.	**Non Current Assets**			
	(a) Fixed Assets			
	(i) Tangible Assets	11	3,989.73	3,223.94
	(ii) Intangible Assets		22.98	
	(iii) Capital Work in Progress		694.11	546.80
	(iv) Intangible Assets Under Development		0.91	0.85
			4,707.73	3,771.59
	(b) Non Current Investments	12	4.67	5.58
	(c) Long Term Loans and Advances	13	72.97	72.12
	(d) Other Non Current Assets	14	0.66	3.94
			4,786.03	3,853.23
2.	**Goodwill on Consolidation**		**1.48**	1.48
3.	**Current Assets**			
	(a) Inventories	15	795.12	1,037.75
	(b) Trade Receivables	16	976.82	767.20
	(c) Cash and Bank Balances	17	130.66	300.23
	(d) Short Term Loans and Advances	18	1,347.34	1,040.95
			3,249.94	3,146.13
	TOTAL		**8,037.45**	7,000.84
Significant Accounting Policies & Notes on Financial Statements		1 to 34		

As per our Report of even date

For and on behalf of the Board

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 Singh Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

Place : Mumbai
Date : 30th May, 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

₹ in Crore

PARTICULARS	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
CONTINUING OPERATIONS			
Incomes:			
Revenue from Operations (Gross)	19	5,758.64	6,612.13
Less: Excise Duty		318.19	341.27
Net Revenue from Operations		**5,440.45**	6,270.86
Other Operating Income	24	30.90	5.40
Total Revenue		5,471.35	6,276.26
Expenses:			
(a) Cost of Materials Consumed	20 A	2,878.32	3,252.16
(b) Purchase of Stock in Trade	20 B	1,148.25	1,960.47
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	20 C	205.77	(186.20)
(d) Employee Benefits Expense	21	88.06	76.34
(e) Other Expenses	22	592.97	567.80
Total		**4,913.37**	5,670.57
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		**557.98**	605.69
Finance Costs	23	304.02	330.72
Depreciation and Amortisation Expense	11	215.70	183.62
Other Income	24	31.79	17.83
Profit Before Exceptional and Extraordinary Items		**70.05**	109.18
Exceptional Income		3.25	
Profit Before Extraordinary Items		**73.30**	109.18
Extraordinary Income	25A		20.00
Profit Before Prior Period Items		**73.30**	129.18
Prior Period Income	25B	2.74	
Profit Before Tax (PBT)		**76.04**	129.18
Tax Expenses:			
Current Tax		17.50	27.83
Wealth Tax		0.06	0.06
Net Current Tax		17.56	27.89
Prior Period Tax		1.22	
Deferred Tax		27.59	46.49
Total		**46.37**	74.37
Profit for the Year		**29.67**	54.81
Earnings Per Share (EPS)			
Basic & Diluted including Exceptional Item, Extraordinary Item & Prior Period Items		**2.09**	4.48
Basic & Diluted excluding Exceptional Item, Extraordinary Item & Prior Period Items		**1.70**	3.17
Significant Accounting Policies & Notes on Financial Statements	1 to 34		

As per our Report of even date

For and on behalf of the Board

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 Singh Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

Place : Mumbai
Date : 30th May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014.

₹ In Crore

	PARTICULARS	2013-2014	2012 2013
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) Before Tax and Extraordinary Items	76.04	129.18
	Provision for Doubtful Debts		1.55
	Adjustments for Depreciation	215.70	183.62
	(Profit) / Loss on Sale of Assets	0.12	
	Effects of Exchange Rate Changes	(1.39)	
	Share Issue Expenses W/off	0.41	0.27
	Interest Income, Exceptional Income & Extraordinary Income	(29.12)	(43.23)
	Interest & Financial Charges	303.61	330.72
	Operating Profit Before Working Capital Changes	**565.37**	602.11
	Adjustments for :		
	(Increase)/Decrease in Trade and other Receivables	(513.90)	(490.27)
	(Increase)/Decrease in Inventories	242.63	47.41
	Increase/(Decrease) in Trade Payables and Other Liabilities	556.34	1046.46
	Cash Generated from Operations	**850.44**	1205.71
	Direct Taxes Paid (Net of Refunds)	(31.27)	(33.22)
	Net Cash Generated from Operating Activities	**819.17**	1172.49
B	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Fixed Assets	(992.35)	(513.85)
	Sale of Fixed Assets	0.06	0.04
	Purchase of Investments	(0.15)	0.01
	Sale of Investments	1.05	
	Extraordinary/Exceptional Income Received	3.25	20.00
	Interest/Dividend Received	25.87	23.23
	Net Cash Used in Investing Activities	**(962.27)**	(470.57)
C	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from Issue of Equity Shares		20.00
	Securities Premium received		140.34
	Proceeds from Long Term Borrowings	1893.87	150.00
	Repayments of Long Term Borrowings	(1,474.30)	(161.37)
	Interest & Financial Charges Paid	(454.60)	(482.97)
	Gain / (Loss) on Forward Contracts	(9.10)	(3.66)
	Share Issue Expense Paid	(1.26)	(1.34)
	Proceeds/(Repayments) of Deferred Sales Tax Loan/ICD/Unsecured Loans	18.92	(256.15)
	Net Cash Used in Financing Activities	**(26.47)**	(595.15)
	Net (Decrease)/Increase in Cash & Cash Equivalents (A+B+C)	**(169.57)**	106.77
	Cash & Cash Equivalents (Opening)	300.23	193.46
	Cash & Cash Equivalents (Closing)	130.66	300.23

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 the 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

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 Singh Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

Place : Mumbai
Date : 30th May, 2014

SIGNIFCANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR 2013-2014

1.0 Accounting Policies:

Most of the accounting policies of the Holding Company and that of the subsidiaries are similar.

2.0 Principal for Consolidation:

The consolidated financial statements relate to UTTAM GALVA STEELS LIMITED ("The Company"), its subsidiary companies and joint ventures. The consolidated financial statements have been prepared on the following basis:

(a) 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 Statements" notified by Companies (Accounting Standards) Rules, 2006.

(b) 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.

(c) 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 statements as Goodwill or Capital Reserve as the case may be.

(d) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

(e) 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.

(f) The financial statements of the subsidiaries and joint ventures are drawn up to the same reporting date as that of the Company i.e. 31st March, 2014 for the purpose of consolidation.

(g) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

3.0 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.

4.0 The list of Subsidiaries & Joint Ventures, which form 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 Limited	Dubai	100.00%
2.	Atlantis International Services Company Limited	BVI	100.00%
3	Uttam Galva Steels, Netherlands B.V.	Netherlands	100.00%
4	Neelraj International Trade Limited	BVI	100.00%
5	Uttam Galva Steels (BVI) Limited	BVI	100.00%
6	Uttam Galva Steel FZE	Ras Al Khaimah	100.00%
B.	**Joint Venture.**		
1.	Texturing Technology Private Limited (TTPL)	India	50.00%
2	Moira Madhujore Coal Limited	India	30.70%

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014.

Note 1 Share Capital

₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Authorised Share Capital		
50,00,00,000 (17,50,00,000) Equity Shares of ₹10 each	500.00	175.00
(b) Issued, Subscribed and Paid up Share Capital		
14,22,60,103 (14,22,60,103) Equity Shares of Rs 10 each	142.26	142.26
(Out of this 58,74,760 Equity Shares have been issued for consideration other than Cash and 2,18,57,924 Equity Shares have been issued on Conversion of Global Depository Receipts)		
Total - Issued, Subscribed and Paid up Equity Share Capital	**142.26**	142.26

Reconciliation of No. of Shares outstanding is set out below	As at 31st March, 2014	As at 31st March, 2013
Equity Shares at the beginning of the year	14,22,60,103	12,22,60,103
Add: Shares Issued during the year (on QIP)	-	20,000,000
Equity Shares at the end of the year	14,22,60,103	14,22,60,103

Details of Shareholders holding more than 5% Equity Shares:

Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
	Number of shares held	% holding	Number of shares held	% holding
Equity Shares with Voting Rights				
Kredence Multi Trading Limited	1,49,21,063	10.49	1,49,21,063	10.49
Uttam Exports Private Limited	73,24,379	5.15	73,24,379	5.15
ArcelorMittal Netherlands B.V.	4,13,27,931	29.05	4,13,27,931	29.05
Cresta Fund Limited	1,41,01,426	9.91	1,41,01,426	9.91
Albula Investment Fund Limited	1,28,56,750	9.04	1,08,06,750	7.60
Asia Investment Corporation (Mauritius) Limited	84,42,125	5.93	84,42,125	5.93
Evergreen Tradeplace Private Limited (Formerly Investment Division of Shree Uttam Steel & Power Limited)	78,85,600	5.54	78,85,600	5.54

Note 2 Reserves and Surplus ₹ **in Crore**

	Particulars	As at 31st March, 2014	As at 31st March, 2013
(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	310.09	169.75
	Add : During the Year		140.34
	Closing Balance	310.09	310.09
(d)	Debenture Redemption Reserve		
	As per Last Balance Sheet	50.00	37.50
	Less :Transferred to Profit & Loss Reserve Account	(25.00)	
	Add: Transferred from Profit & Loss Account		12.50
	Closing Balance	25.00	50.00
(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	731.90	689.59
	Add: Transferred from Debenture Redemption Reserve Account	25.00	
	Add: Profit for the year	29.65	54.81
	Less: Appropriations		
	Less: Transferred to Debenture Redemption Reserve	-	12.50
	Closing Balance	786.55	731.90
(g)	Foreign Currency Translation Reserve		
	As per Last Balance Sheet	(0.51)	
	Add : During the Year	(4.92)	(0.51)
	Closing Balance	(5.43)	(0.51)
	Total - Reserves and Surplus	**1,121.90**	1,097.17

Note 3 Long Term Borrowings ₹ **in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Secured		
11.25 % Redeemable Non-convertible Debentures	-	100.00
Term Loan from Banks and Financial Institutions	2,338.04	1,674.36
	2,338.04	**1,774.36**
Unsecured		
Other loans (SICOM & Others)	20.22	1.30
Total - Long Term Borrowings	**2,358.26**	**1,775.66**

(i) Details of Secured Debentures issued by the Company:

Particulars	Terms and conditions*	As at 31st March, 2014	As at 31st March, 2013
11.25 % Redeemable Non-Convertible Debentures	Redeemable in 4 half-yearly installments ending on March, 2015	-	100.00
Total - Debentures		-	100.00

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

Particulars	Terms of repayment	As at 31st March, 2014	As at 31st March, 2013
Term loans from banks:			
Punjab National Bank, State Bank of India, Bank of Baroda & Exim Bank	Repayable in 36 quarterly installments ending on March, 2020	307.31	1,190.00
ICICI Bank Limited -I		-	25.00
ICICI Bank Limited -II		-	184.82
ICICI Bank Limited (OFCL) 0%		-	9.55
State Bank of India		-	68.75
Vijaya Bank	Repayable in 28 quarterly installments ending on September, 2019	112.50	137.50
Syndicate Bank	Repayable in 20 quarterly installments ending on March, 2020	175.00	-
Oriental Bank of Commerce	Repayable in 24 quarterly installments ending on March, 2022	100.00	-
ECA : NORDEA Bank (USD 0.417 Million , Previous Year USD 0.83 Million)	Repayable in 16 half yearly installments ending on November, 2015	2.51	4.54
FCTL: Exim Bank (USD 14.625 Million, Previous Year USD Nil)	Repayable in 12 half yearly installments ending on July, 2020	87.90	-
ECB Loan : State Bank of India, Indian Overseas Bank, Bank of Baroda, Punjab National Bank, Union Bank of India, Indian Bank, Canara Bank, State Bank of Mauritius Limited, Afr Asia Bank Limited, Bank of India & ICICI Bank Limited. (USD 258.375 Million, Previous Year USD Nil)	Repayable in 12 half yearly installments ending on July, 2020	1,552.82	-
Total - Secured Long Term Loan From Banks		**2,338.04**	1,620.16

Secured term loans from Financial Institutions			
IFCI, LIC, GIC,UII		-	3.88
IDFC		-	49.18
Export Development Canada (Secured by Hypothecation of Waldrich Electro Discharge Texturing Machine - Profitex 60)			1.14
Total - Term loans from Financial Institutions		-	54.20
Total - Secured Long Term Loan From Banks and Financial Institutions		**2,338.04**	1,674.36

1) 11.25 % Non Convertible Debentures are secured by mortgage and the lendershave first pari passu charge on 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 Loans, ECBs & FCTL from Banks and Financial Institutions are secured by mortgage and the lenders have first 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 Company's premises or lying at any other place of the Company's representative affiliates and all the intangible assets of the Company, except for Packing machine supplied by PESMEL, Finland.

3) ECA from Nordea Bank is secured by exclusive charge on Packing machine, supplied by PESMEL, Finland

4) 25,02,500 Equity Shares (Previous Year 25,02,500 equity shares) held by Promoters are pledged against term loan of ₹9.55 Crore availed from ICICI Bank.

Note 4 Deferred Tax Liability (Net) **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liabilty (Net):		
Deferred Tax Liabilities related to Fixed Assets	196.36	168.76
Total- Deferred Tax Liability (Net)	**196.36**	168.76

Note 5 Other Long Term Liabilities **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Others:		
Advances		
- from Customers	-	-
- from Others	133.19	-
Total- Other Long Term Liabilities	**133.19**	-

Note 6 Long Term Provisions **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Employee Benefits:		
(i) Provision for Gratuity	6.89	6.34
(ii) Provision for Leave Encashment	4.63	5.19
Total - Long Term Provisions	**11.52**	11.53

Note 7 Short Term Borrowings ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
UnSecured		
Short Term Loan- Banks	848.91	654.39
Secured		
Working Capital Loan from Banks	160.50	265.80
Total - Short Term Borrowings	**1,009.41**	920.19

Loans from Banks on Cash Credit & Packing Credit Accounts are Secured by Hypothecation of all Tangible, Movable 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 ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade Payables:		
Micro, Small and Medium Enterprises	2.10	0.74
Acceptances	793.52	930.88
Other than Acceptances	1,547.37	826.99
Total - Trade Payables	2,342.99	1,758.61

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

Particulars	As at 31st March, 2014	As at 31st March, 2013
Principal amount due and remaining unpaid	2.10	0.74
Interest due on above and the unpaid interest	0.14	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

Note 9 Other Current Liabilities ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Current maturities of Long Term Debt (Refer Note No. 3)	105.60	249.70
(b) Current maturities of NCD (Refer Note No. 3)	100.00	100.00
(c) Interest Accrued but not due on borrowings	26.31	5.04
(d) Other payables		
(i) Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, TDS, Excise Duty, VAT,Service Tax, etc.)	51.38	44.64
(ii) Advances from Customers	386.54	675.41
(iii) Provision for Freight & Other Expenses	51.19	40.14
Total - Other Current Liabilities	**721.02**	1,114.93

Note 10 Short Term Provisions ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Provision for Employee Benefits		
(i) Provision for Bonus	1.24	1.17
(ii) Provision for Gratuity	-	-
(iii) Provision for other Employee Benefits	0.10	0.51
	1.34	1.68
(b) Provision - Others:		
(i) Provision for Tax -Net of Advance Tax ₹ 18.13 Crore (As at 31st March, 2013 ₹ 17.19 Crore)	(0.58)	10.04
(ii) Provision - Others	(0.22)	0.01
Total - Short Term Provisions	**0.54**	11.73

Note 11 Fixed Assets for the year ended 31st March 2014 ₹ in Crore

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	NET BLOCK
	COST 1 Apr 13	ADDITIONS/ ADJUSTMENTS	DEDUCTIONS/ ADJUSTMENTS	COST 31 Mar 14	UPTO 1 Apr 13	FOR THE YEAR ENDED 31 Mar 14	DEDUCTIONS	TOTAL	AS AT 31 Mar 14	AS AT 31 Mar 13
(A) TANGIBLE ASSETS										
Land	42.01	4.60		46.61					46.61	42.01
Bldg & Site Dev.	684.09	119.17		803.26	119.56	22.92		142.48	660.78	564.53
Flats/Off.Prem.	2.96	1.97		4.93	0.33	0.05		0.37	4.56	2.63
Plant & Mach	3,428.28	837.66		4,265.94	878.91	181.93		1,060.84	3,205.10	2,549.37
Fur.&Fix.	32.13	3.10		35.23	9.22	1.84		11.06	24.17	22.91
Off. Equip.	7.41	0.12		7.53	4.90	0.64		5.55	1.99	2.52
Computer	12.81	2.66		15.48	8.92	1.38		10.30	5.17	3.89
Vehicles	10.12	1.17	0.38	10.91	3.87	0.91	0.21	4.57	6.34	6.25
Hsg.Complex	32.09	5.72		37.80	2.27	0.52		2.79	35.01	29.83
TOTAL (A)	4,251.90	976.17	0.38	5,227.69	1,027.98	210.19	0.21	1,237.96	3,989.73	3,223.94
(B) INTANGIBLE ASSETS										
Computer Software		23.07		23.07		0.09		0.09	22.98	
TOTAL (B)		23.07		23.07		0.09		0.09	22.98	
TOTAL (A+B)	4,251.90	999.24	0.38	5,250.76	1,027.98	210.28	0.21	1,238.05	4,012.71	3,223.94
PREVIOUS YEAR	3,740.52	501.41	0.04	4,251.90	844.39	183.62	0.03	1,027.96	3,223.94	

Note 12 Non Current Investments ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Investments (At cost):		
In Equity Shares of Associate Companies Unquoted, Fully Paid up 9,994 Equity Shares of ₹ 10 each of Uttam Utkal Steels Limited	0.01	0.01
	0.01	0.01
Investment in Debentures of others entities, Un-quoted Fully Paid up 3,00,000 Unsecured Optionally Fully Convertible Debentures of ₹ 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 ₹ 25 each of Punjab & Maharashtra Co-op Bank Limited	0.05	0.05
ii) 5,15,000, Equity Shares of ₹10 each in Ansal Hi-Tech Township Ltd.	0.52	0.52
iii) Share Application Money in Shree Bhavani Infracon Private Limited	0.94	2.00
iv) Investment in Mutual Funds		
- 50,000 Units of Union KBC Capital Protection Oriented Fund of ₹10 each	0.05	-
- 99,900 Units of Union KBC Trigger Fund of ₹ 10 each	0.10	-
	1.66	2.57
Total - Non Current Investments	**4.67**	5.58

Note 13 Long Term Loans and Advances ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered Good		
Security Deposits :		
- To Related Parties	16.05	16.05
- To Others	2.58	2.66
Advance Income Tax for Prior Years (Net of Provision as at 31st March, 2013)	13.01	12.08
MAT credit entitlement	41.33	41.33
Total - Long Term Loans Advances	**72.97**	72.12

Note 14 Other Non-Current Assets ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Accruals		
Interest Accrued on Deposits	0.66	3.25
Others		
Other Receivables	0.00	0.69
Total - Other Non Current Assets	**0.66**	3.94

Note 15 Inventories ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Raw Materials	238.03	293.43
Goods-in-Transit	90.14	70.25
Work-in-Progress	129.01	302.93
Finished Goods	212.21	274.61
Stock-in-Trade	67.91	38.32
Stores and Spares	48.93	50.40
Arising	8.89	7.81
Total - Inventories	**795.12**	1,037.75
Note: Details of inventory of Work-in-Progress		
Particulars	**As at 31st March, 2014**	**As at 31st March, 2013**
Product CRC + Slab	65.25	206.23
Product GP/GC	44.41	86.69
Product PPGI	19.35	10.01
Total - Work in Progress	**129.01**	302.93

Note 16 Trade Receivables ₹ in Crore

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, Considered Good		
Outstanding for a period exceeding six months	53.31	31.06
Other Receivables	926.82	739.45
Less: Provision for Bad and Doubtful Debts	3.31	3.31
Total - Trade Receivables	**976.82**	767.20

Note 17 Cash and Bank Balances **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Cash and Cash Equivalents		
Cash in hand	0.72	0.27
Bank Balances		
- In Current Accounts	129.63	299.67
- In EEFC Accounts	-	-
Other Bank Balances		
Balances held as Margin money or security against Borrowings, Guarantees and other Commitments	0.31	0.29
Total - Cash and Bank Balances	**130.66**	300.23

Note 18 Short-term Loans and Advances **₹ in Crore**

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good		
Loans and advances to Related Parties	0.08	0.23
Loans and advances to Employees	3.35	2.36
Prepaid Expenses	42.01	39.69
Balances with Government Authorities		
(i) CENVAT Credit Receivable	244.18	214.31
(ii) VAT Refund Receivable	93.79	133.54
(iii) Service Tax Credit Receivable	8.01	18.28
Advances to Suppliers	859.64	535.43
Advances recoverable in cash or in kind or for value to be received	89.07	94.75
Deposits	7.21	2.36
Total - Short Term Loans and Advances	**1,347.34**	1,040.95

Note 19 Revenue from operations **₹ in Crore**

Particulars	2013-2014	2012-2013
Sale of Products #	4,319.45	4,116.45
Traded Goods	1,219.35	2,102.87
Other Operating Revenues	219.84	392.81
Gross Revenue from Operations	**5,758.64**	6,612.13
Less: Excise Duty	318.19	341.27
Total - Revenue from Operations (Net)	**5,440.45**	6,270.86

Particulars	2013-2014	2012-2013
Sale of Products Comprises		
Manufactured Goods **		
GP/GC*	2,478.64	2,385.31
PPGI	677.94	466.39
CRCA + HRPO + APC +Tube	1,162.87	1,264.75
Total - Sale of Manufactured Goods	**4,319.45**	4,116.45

Traded Goods		
Sales Domestic Service Centre	324.84	477.73
Sales Domestic Trading ***	202.98	875.02
Sales-Deemed Exports	162.30	-
Sales Merchandice Exports	529.23	750.12
Total - Sale of Traded Goods	**1,219.35**	2,102.87
Total - Sale of Products	**5,538.80**	6,219.32
Other Operating Revenues		
Sale of Scrap/ Arising	175.29	292.90
Duty Drawback and Other Export Incentives(FMS and SHIS)	26.92	29.63
Sale of Surplus Genrated Power	17.63	70.28
Total - Other Operating Revenues	**219.84**	392.81

Sales includes ₹ 529.92 Crore (Previous Year ₹ 834.10 Crore)towards sales from trial run/stabilisation of production, of 4 Hi Skin Pass Mill.

* GP Sales includes ₹ 1,147.63 Crores (Previous Year ₹ 1,008.88 Crore) towards sales during stabilisation of Super Galvanising Line (SGL).

** Manufactured Sales includes Export Sales ₹ 1,480.84 Crore (Previous Year ₹ 1,236.41 Crore).

*** Excludes ₹ 139.74 Crore, related to FY 2012-13, is disclosed seperately under the head 'Prior Period Item', as per AS-5.

Note 20A Cost of Materials Consumed **₹ in Crore**

Particulars	2013-2014	2012-2013
Opening Stock	336.39	591.45
Add: Purchases	2,855.48	2,997.10
	3,191.87	3,588.54
Less: Closing Stock	313.55	336.39
Cost of Material Consumed	**2,878.32**	3,252.16
Cost of Materials Consumed		
Hot Rolled Coil	2,315.91	2,422.35
Cold Rolled Full Hard	147.65	473.79
Zinc & Metal	356.99	322.23
Paint	57.76	33.79
Total - Cost of Material Consumed	**2,878.32**	3,252.16

Note 20B Purchase of Stock-in-Trade **₹ in Crore**

Particulars	2013-2014	2012-2013
Purchase of Stock-in-Trade		
Trading Purchases Hot Rolled Coil - Domestic	2.16	154.25
Trading Purchases Others - Domestic	67.69	401.26
Trading Purchases - Imports*	1,038.40	1,404.96
Total - Purchase of Stock-in-Trade	**1,148.25**	1,960.47

* Excludes ₹ 137 Crores related to FY 2012-13, which has been disclosed seperately under the head "Prior Period Item", as per AS-5.

Note 20C Changes in Inventories of Finished Goods, Work-in-Progress , Stock-in-Trade ₹ in Crore

Particulars	2013-2014	2012-2013
Inventories at the end of the year:		
Finished Goods at Plant	175.70	179.40
Finished Goods at Port	36.39	95.21
Arisings	8.89	7.81
Work-in-Progress	129.01	302.93
Stock-in-Trade	67.91	38.32
	417.90	623.67
Inventories at the beginning of the year:		
Finished Goods at Plant	179.40	136.28
Finished Goods at Port	95.21	91.43
Arisings	7.81	8.65
Work-in-Progress	302.93	138.18
Stock-in-Trade	38.32	62.93
	623.67	437.47
Net Decrease/(Increase) in Inventories	**205.77**	(186.20)

Note 21 Employee Benefit Expenses ₹ in Crore

Particulars	2013-2014	2012-2013
Salaries and Wages	75.29	66.02
Contributions to Provident and other Funds	4.25	3.03
Staff Welfare Expenses	8.52	7.29
Total - Employee Benefit Expenses	**88.06**	76.34

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:

₹ in Crore

Amount to be recognised in Balance Sheet As at 31st March, 2014	31-03-2014	31-03-2013
Gratuity		
Present Value of Funded Obligations	16.37	14.01
Present Value of Unfunded Obligations	6.89	6.35
Fair Value of Plan Assets (managed by insurer)	9.48	7.66
Net Liability	**6.89**	7.66
Amounts in Balance Sheet		
Liability	16.37	14.01
Assets	9.48	6.35
Net Liability	**6.89**	7.66
Expenses to be recognised in the Statement of Profit & Loss		
Current Service Cost	1.98	1.72
Interest on Defined Benefit Obligation	1.12	0.97
Expected Return on Plan Assets	(0.67)	(0.62)
Net Actuarial Losses/(Gains) recognised during the Year	0.25	(0.28)
Total, included in "Employee Benefit Expense"	**2.68**	1.79
Actual Return on Plan Assets	0.67	0.62

Reconciliation of Benefit Obligations & Plan Assets For the Period		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	**14.01**	12.08
Current Service Cost	1.98	1.72
Interest Cost	1.12	0.97
Actuarial Losses/ (Gains)	0.25	(0.28)
Benefits Paid/ Accrued but not paid	(0.99)	(0.48)
Closing Defined Benefit Obligation	**16.37**	14.01
Change in Fair Value of Assets		
Opening in Fair Value of Plan Assets	**7.66**	5.32
Expected Return on Plan Assets	0.67	0.62
Actuarial Gains / (Losses)	(0.25)	-
Contributions by Employer	2.25	1.81
Benefits Paid/ Accrued but not paid	(0.85)	(0.09)
Closing Fair Value of Plan Assets	**9.48**	7.66
Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount Rate (p.a.)	8.00%	8.00%
Expected Rate of Return on Assets (p.a.)	6.94%	8.51%
Salary Escalation Rate (p.a.)	7.00%	7.00%

₹ in Crore

Amount to be recognised in Balance Sheet As at 31st March, 2014	31-03-2014	31-03-2013
Leave Encashment		
Present Value of Funded Obligations	-	-
Present Value of Unfunded Obligations	4.64	5.19
Fair Value of Plan Assets (managed by insurer)	-	-
Net Liability	**4.64**	5.19
Amounts in Balance Sheet		
Liability	4.64	5.19
Assets	-	-
Net Liability	**4.64**	5.19
Expenses to be recognised in the Statement of Profit & Loss		
Current Service Cost	1.19	1.20
Interest on Defined Benefit Obligation	0.42	0.48
Expected Return on Plan Assets	-	-
Net Actuarial Losses/(Gains) recognised during the Year	(1.41)	(1.75)
Total, included in "Employee Benefit Expense"	**0.20**	(0.07)
Actual Return on Plan Assets	-	-
Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount Rate (p.a.)	8.00%	8.00%
Expected Rate of Return on Assets (p.a.)	-	-
Salary Escalation Rate (p.a.)	7.00%	7.00%

Note 22 Other Expenses ₹ in Crore

Particulars	2013-2014	2012-2013
Manufacturing Expenses		
Power Consumption	138.54	130.53
Coal Consumed	83.34	145.30
Power Captively Consumed	(112.36)	(118.16)
Power Captively Consumed - Steam	(7.27)	(9.06)
Consumption of Steam	7.27	9.06
Fuel Consumption	91.78	66.03
Water Charges	2.30	2.59
Stores & Spares Consumed	58.75	46.44
Repairs & Maintenance to Plant	31.42	25.74
Other Manufacturing Expenses	23.69	42.81
Total - Manufacturing Expenses	**317.46**	341.28
Selling and Distribution Expenses		
International Freight	81.55	66.78
F.O.B. Expenses	25.44	19.11
Local Freight	30.28	26.56
Brokerage & Commission	2.49	2.70
Other Expenses	9.35	8.06
Packing Material Consumed	60.19	52.60
Total - Selling and Distribution Expenses	**209.30**	175.81
Administrative Expenses		
Insurance	9.98	7.02
Travelling & Conveyance	6.28	4.93
Rent, Rates & Taxes	5.13	4.02
Legal , Professional & Consultancy Charges	13.91	9.20
Repairs & Maintenance to Building	6.91	7.17
Repairs & Maintenance to others	2.63	1.92
Security charges	2.84	2.42
Other Expenses	14.88	11.35
Remuneration to CMD/DMD	3.12	3.12
Sundry Balance Written Off/(Written back)	0.02	-0.90
Payment to Auditors - Audit Fees	0.31	0.31
- Tax Audit & Certifications	0.05	0.10
- Expenses Reimbursed	0.03	0.05
Loss on Sale of Fixed Assets	0.12	0.00
Total - Administrative Expenses	**66.21**	50.71
Total - Other Expenses	**592.97**	567.80

Note 23 Finance Costs ₹ in Crore

Particulars	2013-2014	2012-2013
Interest Expense on:		
(i) Borrowings - Long Term	185.29	256.99
(i) Borrowings - Short Term	207.70	185.53

Other Borrowing Costs (Upfront Fees)	61.61	40.45
Net Loss on Foreign Currency Transactions and Translation	9.10	3.66
Gross Interest and Financial Charges	**463.70**	486.63
Interest & Financial Charges Charged to Capital Work In Progress	159.68	155.91
Total - Finance Cost	**304.02**	330.72

Note 24 Other Income **₹ in Crore**

Particulars	2013-2014	2012-2013
Interest Income		
- Operational	30.90	5.40
- Non-Operational	9.23	6.20
Net Gain on Foreign Currency Transactions and Translation (other than considered as Finance Cost)	5.92	1.49
Other Non-Operating Income	16.64	10.14
Total - Other Income	**62.69**	23.23
Interest income		
i) Income from Mutual Fund	-	0.83
ii) Interest Received on Fixed Deposits	0.01	5.37
iii) Interest Received Others	9.23	-
iv) Interest on Receivables	30.89	5.40
Total- Interest Income	**40.13**	11.60

Note 25A Extraordinary Incomes/ Exceptional Incomes **₹ in Crore**

Particulars	2013-2014	2012-2013
Sale of Investment in Step- down Subsidiary	3.25	-
Compensation on cancellation on Fixed Assets Contract	-	20.00
Total - Extraordinary Income	**3.25**	20.00

Note 25B Prior Period Incomes **₹ in Crore**

Particulars	2013-2014	2012-2013
Trading Domestic Sales	139.74	-
Less: Trading Purchases	(137.00)	-
Total - Prior Period Income	**2.74**	-

Note 26. Contingent Liabilities not provided for in respect of: **₹ in Crore**

Sr. No.	Particulars	31st March, 2014	31st March, 2013
(a)	Letters of Credit outstanding	988.64	754.88
(b)	Bank Guarantees	124.42	129.12
(c)	Estimated amount of contracts remaining to be executed on capital account and not provided for	83.21	86.31
(d)	Disputed Statutory Liabilities	16.35	16.37

The Company has given a Corporate Guarantee aggregating to ₹91.84 Crore (Previous Year ₹ 472.58 Crore) to Banks & Government Authorities on behalf of others.

27. Pursuant to revision of Accounting Standard 11 (AS -11), Exchange Fluctuation Loss of ₹ 76.69 Crore (Previous Year Loss ₹ 8.82 Crore on Foreign Currency Loans is adjusted against cost of relevant fixed assets.

28. Taxation.

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

(b) The Company has provided for deferred tax liability to the tune of ₹ 27.60 Crore (Previous Year ₹ 46.49 Crore) 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.

29. Earnings Per Share (EPS)

Earnings Per Share (EPS) Basic and Diluted		2013-2014	2012-2013
a)	**Including Extraordinary Income, Exceptional Income & Prior Period Income**		
	Profit for the Year	29.67	54.81
	Weighted Average No. of Ordinary Shares of ₹10 each for Basic EPS	14,22,60,103	12,24,79,281
	Earnings Per Share (EPS) Basic & Diluted (Rupees)	**2.09**	4.48
b)	**Excluding Extraordinary Income, Exceptional Income & Prior Period Income**		
	Profit for the Year	24.23	38.81
	Weighted Average No. of Ordinary Shares of ₹10 each for Basic EPS	14,22,60,103	12,24,79,281
	Earnings Per Share (EPS) Basic & Diluted (Rupees)	**1.70**	3.17

30. In all the companies under consolidation, depreciation is charged on Straight Line Method (SLM), where as in case of TTPL depreciation of ` 0.90 Crore is charged on Written Down Value Method (WDV), which is 0.42 % of total depreciation.

31. In respect of Jointly Controlled Entities, the Company's share of assets, liabilities, incomes and expenditures of Joint Venture Company is as follows:

₹ in Crore

Particulars	Moira Madhujore Coal Limited		Texturing Technology Private Limited	
	As on 31st March, 2014	As on 31st March, 2013	**As on 31st March, 2014**	As on 31st March, 2013
1. Assets				
a) Fixed Assets (Incl. CWIP)	0.91	8.52	5.54	6.43
b) Non - Current Assets	0.10	7.77	0.27	0.09
c) Current Assets	0.83	2.08	2.22	1.79
2. Liabilities				
a) Secured / Unsecured Loans	-	-	-	1.16
b) Non - Current Liabilities	-	-	0.48	0.51
c) Current Liabilities	0.06	0.10	1.67	1.37
3. Income	0.06	0.06	3.52	3.60
4. Expenditure	0.01	0.02	2.49	1.88

32. (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 Sahwney

(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.

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

Associates

Grow Well Mercantile Limited

Evergreen Tradeplace Private Limited

Shree Uttam Steel and Power Limited

Uttam Galva Metallics Limited

Uttam Distribution Network Limited

Uttam Utkal Steels Limited.

Sainath Trading Company Private Limited

Uttam Galva Ferous Limited

Kredence Multi Trading Limited

Archisha Steels Private Limited (Formerly known as Archisha Investment Private Limited)

Uttam Value Steels Limited (Formerly known as Lloyds Steel Industries Limited)

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

Particulars	Ability to Control/Exercise significant influence	Associates	Ability to Control/Exercise significant influence	Associates
	2013-2014		2012-2013	
Sale of goods / services	389.22	8.10	496.33	522.15
Purchase of goods / services	52.78	676.78	320.15	139.06
Rent Payment	-	1.90	-	1.86
Interest Received	-	14.80	-	-

33. Ferro Zinc International (FZE) has ceased to be a step-down Subsidiary of the Company during the year ended 31st March, 2014. Therefore the financial statement of Ferro Zinc International (FZE) will not form part of consolidated financial statements of the Company with effect from 1st April, 2013.

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

As per our Report of even date

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

Prakkash R. Muni
Partner
Membership No. 30544

Place : Mumbai
Date : 30th May, 2014

For and on behalf of the Board

Rajinder Miglani
Chairman

Anuj R Miglani
Managing Director

Gursharan Singh Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

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***

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 FORM

[Pursuant to this Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L27104MH1985PLC035806
Name of the Company : Uttam Galva Steels Limited
Registered office : Uttam House, 69, P. D'mello Road, Mumbai : 400 009.
Tel. No. 022 66563500, Fax No.: 022 23485025, E Mail : shares@uttamgalva.com, Website: www.uttamgalva.com

Name of the Member (s):			
Registered Address:			
Email Id:			
Folio No./Client ID:		DP ID:	

I/We, being the member (s) of ____________________ shares of the above named company, hereby appoint

1. Name: ____________________
   Address: ____________________
   E mail Id: ____________________
   Signature: ____________________, or failing him
2. Name: ____________________
   Address: ____________________
   E mail Id: ____________________
   Signature: ____________________, or failing him
3. Name: ____________________
   Address: ____________________
   E mail Id: ____________________
   Signature: ____________________, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of Uttam Galva Steels Limited to be held on the 23rd day of August, 2014 at 11.00 a.m. on Saturday at "M C Ghia Hall, 18/20, K. Dubhash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary Business	
1	Adoption of Audited Financial Statements for the year ended 31st March, 2014.
2	Re appointment of Shri S G Tudekar, (DIN 00138678) who retires by rotation and being eligible, offers himself for re appointment
3	Re appointment of M/s. Prakkash Muni & Associates, Chartered Accountants as Statutory Auditor and fixing their remuneration.
Special Business	
4	Re appointment of Shri Ankit Midlani (DIN 00444956) as a Dy. Managing Director of the Company.
5	Appointment of Shri Gursharan Singh Sawhney (DIN 02339467) as a Director of the Company.
6	Appointment of Shri Gursharan Singh Sawhney (DIN 02339467) as a Whole time Director of the Company.
7	Appointment of Shri S T Parikh (DIN 00941756) as an Independent Director of the Company.
8	Appointment of Shri O P Gahrotra (DIN 00936696) as an Independent Director of the Company.
9	Appointment of Shri D L Rawal (DIN 00955797) as an Independent Director of the Company.
10	Approval of borrowing limits of Rs. 10,000 Crore of the Company.
11	Approval of the remuneration of the cost auditor for the financial year 2014 2015.

Signed this…………………………… day of…………………… 2014

Signature of shareholder ……………………………………………………

Signature of Proxy holder(s) …………………………………………………

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) before submission.

UTTAM GALVA STEELS LIMITED

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

ATTENDANCE SLIP

CIN : L27104MH1985PLC035806

Name of the Company : Uttam Galva Steels Limited

Registered office : Uttam House, 69, P. D'mello Road, Mumbai : 400 009.

Tel. No. 022 66563500, Fax No.: 022 23485025,

E-Mail : shares@uttamgalva.com, Website: www.uttamgalva.com

Name and Address of Shareholder or Proxy	
Folio No.	
DP ID - Client ID	
No. of Shares	

I / We, hereby record my / our attendance at the **29th Annual General Meeting** at 11.00 a.m. on **Saturday, 23rd August, 2014** at M C Ghia Hall, 18/20 K Dubhash Marg, Mumbai: 400 001.

Signature of Shareholder or Proxy

E-mail address

Note:

1. Please fill up this attendance slip and hand it over at the entrance of the meeting hall.
2. Members are requested to bring their copies of the Annual Report at the meeting.
3. Please strike of whichever is not applicable.

This page is intentionally kept blank

If undelivered please return to:

M/S UNIVERSAL CAPITAL SECURITIES PVT. LTD.
(UNIT: UGSL)
21, SHAKIL NIWAS,
MAHAKALI CAVES ROAD,
ANDHERI (EAST),
MUMBAI - 400 093.
Tel. No.: 022 28207203 / 05

Printed by www.westernpress.in

A winner all the way

As a result of dedicated efforts, UGSL has achieved success internationally resulting in it being the recipient of the highest export awards for 11 successive years. By receiving the Maharashtra State Award for Excellence In Exports for the year 2006-2007, UGSL achieved a double distinction.

UTTAM
The Best that Steel can be

We welcome your enquiries
Please write to us at :
Uttam Galva Steels Limited
Uttam House, 69 P. D' Mello Road
Mumbai - 400 009.
Maharashtra, INDIA

Tel: +91-22-66563500 Fax: +91-22-66311949
E mail: export@uttamgalva.com
www.uttamgalva.com

UTTAM
The Best that Steel can be

COMMITTED TO EXCELLENCE

VISION

Become The World's Favoured Flat Steel Products Brand

At Uttam, we believe that our customers and suppliers are our partners. We do not see our business as transactions but as partnerships that go a long way in ensuring the growth of our respective organisations. It is these partnerships that will be instrumental in us achieving our vision.

MISSION

To Consistently Provide Quality Steel Products Ensuring Customer Satisfaction

We firmly believe that our success depends on our customers and our suppliers choosing us. Our strength lies in working closely with them, enhancing value and creating trust with superior products, services and ideas.

VALUES

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

Uttam has always sought to be a values-driven organisation. These values continue to direct Uttam's growth and business. Our success is a result of our commitment to our customers. Ensuring continuous supplies and meeting demanding delivery deadlines are the cornerstone of our work ethic.

INTRODUCTION

The story of Uttam Galva Steels Limited (UGSL) is best described by a single word - Commitment.

Commitment to:

- Scale the peaks of customer satisfaction
- Deliver products of excellent quality
- Being a responsible corporate citizen
- Ensuring prosperity for all stakeholders

From its production bases at our Donvat and Pali Road plants, in Khopoli, near Mumbai in Maharashtra, India, Uttam produces over 1 million tonnes of value added finished steel products annually.

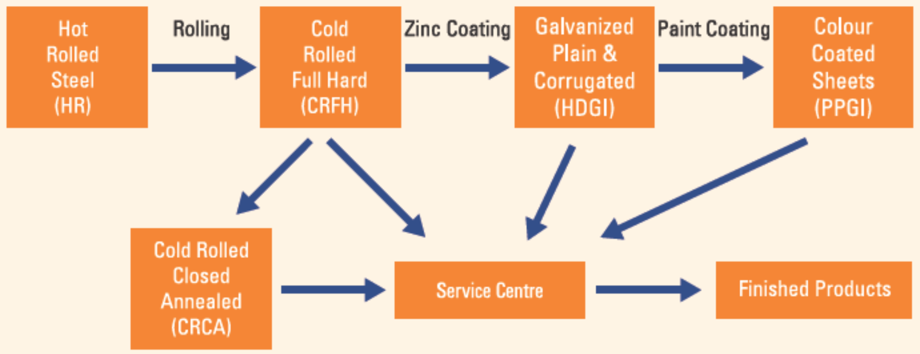
A recipient of the Highest Exporter Award for more than a decade from the Government of India and with clients spread across India and over 138 countries, UGSL is India's leading manufacturer-exporter of cold-rolled, pre-painted and galvanized steel.

The company is expanding rapidly and is pro-actively adopting new technologies to ensure continuous excellence in quality and service. The 1650mm Super Galvanizing Line is the widest line in India. This adds to the product range capability making UGSL probably the only mill in the world having galvanizing range from 0.13mm to 3mm thickness under one roof.

Uttam's strength lies in its personalised business approach, one-on-one relationship with each client and ever increasing standards of customer service and quality.

Under the stewardship of its Chairman & Managing Director Rajinder Miglani, Uttam has become a respected name synonymous with quality in the global steel industry.

MANUFACTURING PROCESS FLOW



The Cutting Edge of Technology

Cold Rolling -The first step towards production of galvanized and Cold Rolled Close Annealed (CRCA). In addition to the conventional 20-Hi, 6-Hi & 4-Hi mills, Uttam has a state-of-the-art 1650 mm wide 6-Hi twin-stand reversible mill.

The mills have the following special features :

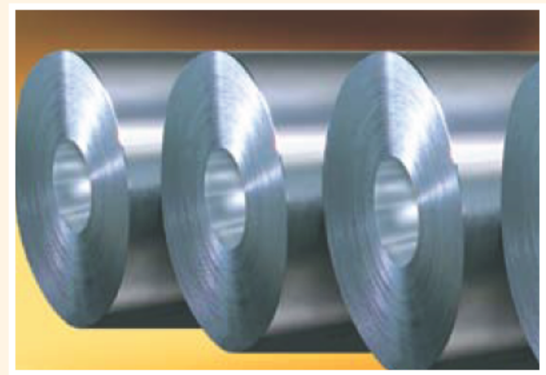
- Rolling to precise requirements within very close tolerances
- Auto shape control and automatic spot cooling supplied by M/s Sundwig, Germany
- Both positive and negative roll bending features to control strip shape

The Eb-Tech Advantage

Uttam's technical facilities include the HICON/H2® Bell Annealing furnaces from M/s Ebner Industrieofenbau Gasellschaft m.b.h.
HICON/H2® furnaces use convection technology. The facility comprises 4 work bases, 2 gas-fired heating bells and 2 air/water cooling bells. It is designed to anneal cold-rolled steel strips, in DQ, DDQ, EDDQ, SEDDQ and other special grades.
Control and visualization tasks are accomplished using a modern operating system, via the VISUAL FURNACES® software application.

The Eb-Tech advantage benefits Uttam's customers with :

- Uniform metallurgical properties
- Soot-free bright finish (electrolytically cleaned)
- Continuous availability of the latest Thermal Technology for product upgradation.



Strength and Resistance - The Uttam Advantage

Galvanizing

Uttam's best quality steel is also available with zinc-coating for added corrosion resistance. Uttam is India's No.1 stand alone single site producer of galvanized value added steel products. Its multiple continuous non ox type hot-dip galvanizing lines are fully automated and computer controlled. Zinc coating is meticulously controlled by the use of special air knives, which facilitate uniform coating thickness and controlled spangles. These lines have facilities for stretch leveling, skin-passing and controlled oiling.

Galvanized Plain Products

To avoid any corrosion and white rust formation and to retain shine and gleam, surface treatment is done using a specially formulated chromating solution.
Uttam caters to a range of thicknesses from 0.12mm to 3mm. Notably Uttam's products are used in a wide range of applications across industries including:

- Construction - Light steel framing, Building studs, False ceilings, Sandwich panels, Ducting, HVAC applications (Heating, Ventilation & Air Conditioning)
- White Goods - Refrigerators, Microwave ovens, Washing machines, Dish washers, Air coolers, Water coolers
- Office Equipment - Furniture, Computers & Peripherals
- Transport - Bus bodies
- Containers - Grain storage bins, Drums and Barrels

Galvanized steel can be used in almost every field of human activity, depending on the capacity for innovation.

MANUFACTURING RANGE

CONTINUOUS GALVANIZING CAPACITIES

Thickness Range	0.12mm - 0.6mm	0.21mm - 0.6mm	0.25mm - 1.00mm	0.40mm - 3.00mm
Width	700mm - 1320mm	700mm - 1040mm	900mm -1250mm	900mm - 1650mm
Coil Weight	5 - 18MT	5 - 20MT	5 - 20MT	10 - 35MT
Coating Weight	80 - 275GSM	80 - 275GSM	80 - 275GSM	80 - 350GSM
Surface Finish	Regular/Minimised Spangles		Regular/Minimised Spangles/Skin Passed	
Type	Roofing	Roofing, Commercial Light Drawing and Structural		
Surface Treatment	Chromating and Electrostatic Oiling			
Passivation	CR 6	CR 6	CR 6/CR 3	CR 6/CR 3
Coil ID	508	508	508	508/610

TOLERANCES FOR GALVANIZED PRODUCTS

Thickness Tolerance	mm
Thickness range mm	
<0.025	+/- 0.020
>0.025 to 0.40	+/- 0.025
>0.40 to 0.60	+/- 0.030
>0.60 to 0.80	+/- 0.035
>0.80 to 1.00	+/- 0.040
>1.00 +	+/- 0.045

Length Tolerance	mm
Upto 600mm	+1.5/0
>600mm	+3/0

Camber	
Upto 2000 mm length (coils)	2mm max
Cut Length Sheets	0.1 % x Length

Width Tolerance	mm
>600	
Mill Edge	+ 5/0
Slit Edge	+3/0
150 upto 600mm*	+/-0.5

Diagonal Difference
1.5mm max

Flatness	
BOW (width 600 mm & below)	2
BOW (width > 600mm)	5
Edge wavy in sheet	3
Edge wavy in coil	4
Buckling	5

* Lower widths on request

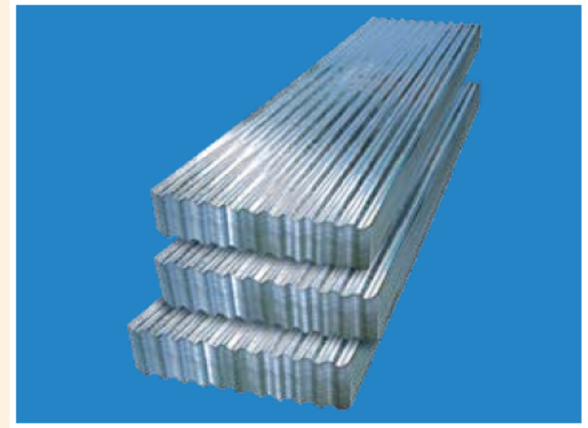
GALVANIZED PRODUCTS

Applications	International Specifications			Zn Coating GSM	Surface	Dimension Range (mm)	Dimension Range (Inches)	Indian Specification Standards
	Euro Norm	American Standards	JIS Standards					
General fabrication and light drawing (Soft Commercial Quality)	EN 10142/ 10292 FE P02GZ (DX51D)	ASTM A 653/ 653M CS A CS B CS C	JIS G 3302 SGCC	80-350	Spangles : Regular / Minimised / Skin passed. Treatment : Chromated Dry / Non Chromated & oiled. Oiling : Electrostatically oiled 200mg to 1500mg on each side Stretch levelled.	Thickness : 0.21 to 3.00 Widths : Upto 0.28: 700-1045 0.29 to 0.50: 900-1250 0.50 to 2.00: 900-1650 2.00 to 2.50: 900-1250	Thk.: 0.0082 TO 0.118 Upto 0.0110: 27.55- 41.14 0.0114 to 0.0196: 35.43 - 49.21 0.0196 to 0.0787: 35.43 - 64.96 0.0787 to 0.0984: 35.43 - 49.21	IS 277-0 (GP)
Drawing	EN 10142/ 10292 FE P03GZ (DX52D)	ASTM A 653 653M FS A & B	JIS G 3302 SG CD 1	80-275	Spangles : Normal / Minimised / Skin passed. Treatment : Chromated Dry / Non Chromated & oiled. Oiling : Electrostatically oiled 200mg to 1500mg on each side Stretch levelled.	Thickness : 0.21 to 3.00 Width : Upto 0.28: 700-1045 0.29 to 0.50: 900-1250 0.50 to 2.00: 900-1650 2.00 to 2.50: 900-1250	Thk.: 0.0082 TO 0.118 Upto 0.0110: 27.55 - 41.14 0.0114 to 0.0196 : 35.43 - 49.21 0.0196 to 0.0787 : 35.43 - 64.96 0.0787 to 0.0984 : 35.43 - 49.21	IS 277 GPL-D
Structural	EN 10147/ 10327 S 220 GD S 250 GD S 280 GD S 320 GD S 350 GD S 550 GD	ASTM A 653 653M SS 230 (Gr 33) SS 255 (Gr 37) SS 275 (Gr 40) SS 340 (Gr 50) Class 1,2,3 & 4 SS 550 (Gr 80)	JIS G 3302 SGC 340 SGC 400 SGC 440 SGC 490 SGC 570	80-350	Spangles : Normal / Minimised / Skin passed. Treatment : Chromated Dry / Non Chromated & oiled. Oiling : Electrostatically oiled 200mg to 1500mg on each side Stretch levelled.	Thickness : 0.21 to 3.00 Width : Upto 0.28: 700-1045 0.29 to 0.50: 900-1250 0.50 to 2.00: 900-1650 2.00 to 2.50: 900-1250	Thk.: 0.0082 to 0.118 Upto 0.0110 : 27.55 - 41.14 0.0114 to 0.0196 : 35.43 - 49.21 0.0196 to 0.0787 : 35.43 - 64.96 0.0787 to 0.0984 : 35.43 - 49.21	
Roofing			JIS G 3302 SGCH	80-275	Spangles : Normal Treatment : Chromated Dry	Thickness : 0.12 to 0.70 Corrugated width : 665 - 1050 Length : 1500 - 4800	Thk :0.0047 to 0.02755 Corrugated width : 26.11 - 41.338 Length: 59.0551 - 188.976	GC-0 GCH-0 Hard

The Reliable Shelter

Galvanized Corrugated Products

Uttam supplies Galvanized Corrugated (GC) sheets to specific customer requirements. It not only specialises in thin guage corrugated sheets with thicknesses as low as 0.12mm suitable for low cost roofing for residential homes and industrial sheds but also roofing for heavy industrial housing with thickness upto 0.70mm. The brand 'Uttam Swan' is a dominant force in the domestic market and is available through a wide distribution network.



All weather-proof

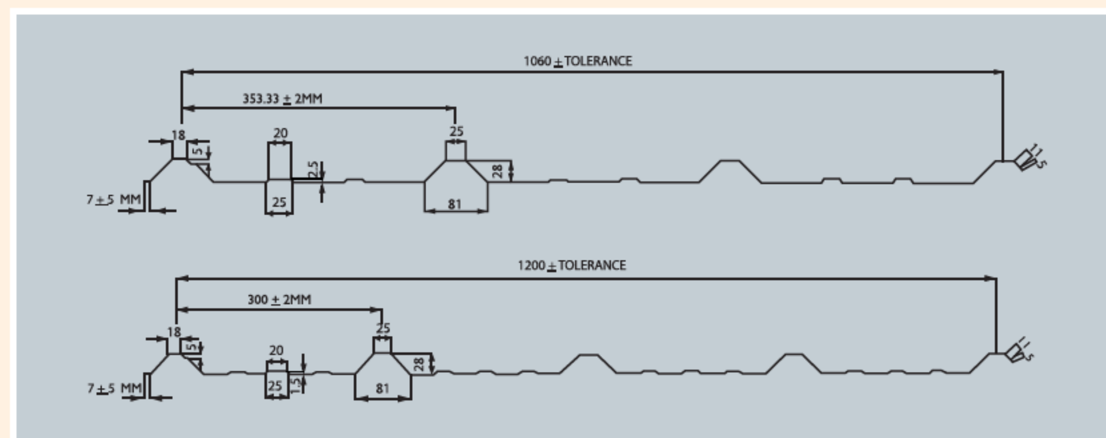
The Galvanized substrate is available in a wide range of zinc coating to provide supreme corrosion protection in various environmental conditions. GC products are subjected to strict quality control tests to assure performance in all climatic conditions.

Light weight and High strength

The above attributes have made "Uttam Swan" a household name as people trust it implicitly. Because of these user-friendly attributes, the brand has been a great success with the customer.

Convenient to install and maintenance free

Uttam GC and trapezoidal sheets are easy and quick to install for roofing and cladding applications and totally maintenance free.



CUSTOMER SERVICES

We provide an extensive range of services to our customers including latest product information, after sales support and technical assistance.

A satisfied client is of utmost importance to our business and priorities are given to all such activities which enable us to meet this goal.

Qualified metallurgists, experienced engineers and marketing representatives are available to assist our clients. Our trained personnel are well equipped to provide technical, product and order information to our customers.

In addition to providing quality assurance services to our manufacturing operations our technical personnel also provide specialised assistance to our clients to ensure they get the optimum benefits from the latest available technologies.

Our research in coordination with our suppliers is focussed on keeping us at the forefront of new product development and steel manufacturing technology.

We also have in-house transport facilities to enable cost-effective deliveries & flexible logistics solutions to our customers.

APPLICATIONS

Construction

- HVAC (Heating, Ventilation & Air Conditioning)
- Claddings/Slidings
- Roofings
- Building Accessories
- Sliding Shutters
- Doors
- Partitions
- Canopies of Gas Stations
- False Ceilings
- Prefabricated Buildings
- Sandwich Panels
- Bill Boards

Household Appliances

- Washing Machines and Tumble Dryers
- Ovens and Microwaves
- Refrigerators, Freezers and Coolers
- Grillers, Toasters and Air Conditioners

Transport

- Railway Carriages
- Bus-Body Building
- Lorry Containers
- Dash Boards
- Road Signs

Miscellaneous

- Containers
- Packaging
- Furniture
- Light Fixtures
- Computer Peripherals

UTTAM®

The Best that Steel can be

GLOBAL MARKET PRESENCE

UTTAM

28th Annual Report 2012 - 2013

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

CONTENTS ... **PAGE NO.**

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

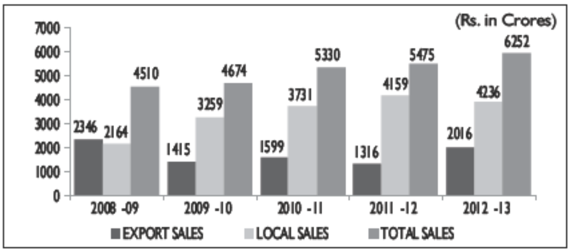
Integrity	:	Honouring all commitments
Value for Time	:	Business at supersonic speed
Ethics	:	Ethical business practices with all stakeholders

FINANCIAL HIGHLIGHTS

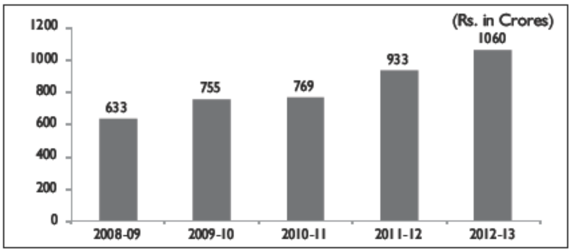
Rs. in Crores

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

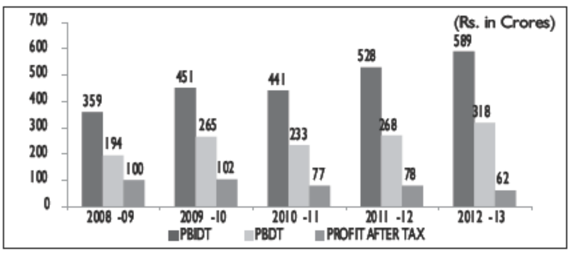
TOTAL SALES



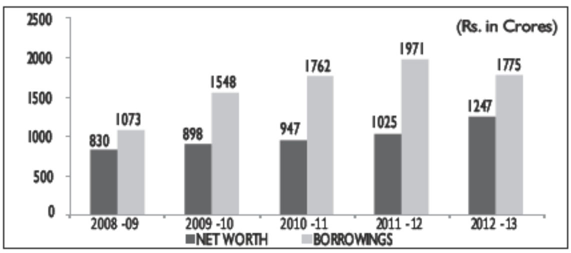
VALUE ADDITION



PBIDT/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 16th Annual General Meeting of the Company held on 10th November 2001, 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, P.D'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 31st 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 EEPC 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 by1.3%. 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. Prakkash Muni & Associates, Chartered Accountants, the retiring Auditor is eligible for re-appointment. The Company has received necessary certificates from the Auditor pursuant to Section 224(1B) of the Companies Act, 1956, regarding their eligibility for re-appointment. Accordingly, the approval of the Shareholders for the re-appointment of M/s. Prakkash 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. Prakkash 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 wihin 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 31st March 2013	Year Ended 31st March 2012
A. Power & Fuel Consumption		
1A 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
1B 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 amemded) 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)	Qual fiaction	Experience (Years)	Date of Commencement of Employment	Last Employ-ment / 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

1. 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 31 t 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	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 Ferous 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	o Shree Uttam Steel & Power Ltd. o Uttam Utkal Steels Limited o Uttam Galva Metallics Limited o Uttam Distribution Network Limited o Sindhudurg 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	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 **Name of the Company Committee / Positions** 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

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	25th AGM held on Saturday, the 18th September, 2010 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.
2010-2011	26th AGM held on Saturday, the 20th August, 2011 at 11:00 a.m.	M C Ghia Hall, 18/20, K Dubhash Marg, Mumbai 400 001.
2011-2012	27th AGM held on Saturday, the 21st 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 28th 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

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

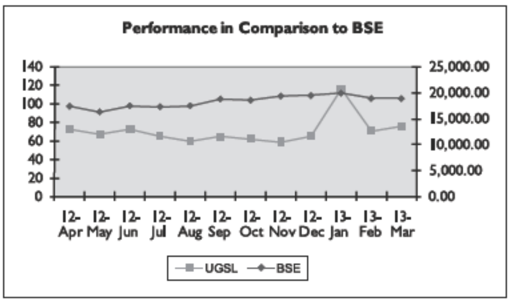
vi. **Stock Code:**

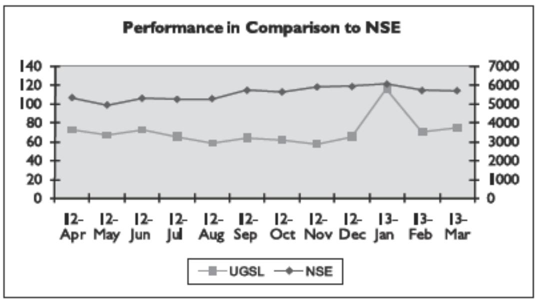
Name of the Stock Exchange (*Equity Shares*)	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	513216
National Stock Exchange of India Limited Exchange Plaza, 5th floor, Plot No. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051.	UTTAMSTL
Name of the Stock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

xv. **Address for correspondence:**

Registered office : Uttam House, 69, P.D'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. FIIs	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
PARTNER
Membership No: 30544

Place: Mumbai
Date: 24th May 2013.

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 under the head "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. In respect of its Fixed Assets:

   a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets; site wise/ plant wise. With consideration to significant additions from time to time such records are being updated periodically.

   b) According to the information and explanations given to 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 31st March, 2013	As at 31st March, 2012
A	**EQUITY AND LIABILITIES**			
1	**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**			
1	**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 31st March, 2013	For the year ended 31st 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	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

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 & Finacial 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 :

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 begining 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

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 PPGI. Its current facilities are mainly in thicker and thinner guage 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, Automative, 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

1.01 (a) Basis of Accounting:

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

(b) Use of Estimates:

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

(c) Revenue Recognition:

The Company recognizes revenue on the sale of products when the products are 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.

1.02 Foreign Currency Loans / Transactions:

(a) Import Transactions:

(i) Material imports are accounted at the custom exchange rates prevailing at the time of receipts. In case foreign exchange is covered, the exchange rate contracted is recognized as a part of purchase cost. Exchange Fluctuations, if any, at the time of retirement, are appropriately accounted as a part of material (purchase) cost. Similarly Bills Payable (balances) at year end are accounted at exchange rate prevailing at year end (As per Revised AS - 11).

(ii) Import contracts covered by 'foreign exchange cover' with banks are booked at contracted rates. Income / Expenditure incurred in cancellation of forward cover contracts, mainly due to variation in the bank involved / date of execution are treated as part of purchase cost.

(b) Export Transactions:

(i) Export transactions are accounted at the custom exchange rates prevailing at the time of shipments. Exchange fluctuations, if any, at the time of realisation are appropriately accounted.

(ii) Exports, contracts covered by foreign exchange cover with banks, are booked at contracted rates. Income / expenditure incurred in case of cancellation of forward cover contracts, mainly due to variation in bank involved / date of execution are treated as export realisation.

(iii) In case receipt of Export Advances, exchange rates prevailing on date of receipts of advances is treated as relevant exchange rate for exports.

(c) (i) Foreign Currency Term Loan Contracts, covered by Foreign Exchange Swaps are booked at contracted rates.

(ii) Other Foreign Currency Term Loans balances are accounted at Exchange Rate prevailing at the year end, and such gain / loss is considered as finance cost.

(d) Such gain / loss in transactions referred in para (c) above, and other foreign currency contracts and / or derivative contracts and relevant exchange gain / loss thereto, are considered as finance cost.

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

(i) Pursuant to the Reschedule / Realignment Scheme, interest payable during 2000-2009 financial years is lower than the average interest rate during 2000-2014 financial years. The company is treating interest payable (yearly rate) as interest accrued.

(ii) On reschedulement and realignment of term debts, financial cost incurred is treated as accrued on date of realignment of realigned term debts and provided in the relevant financial year.

1.04 Employee Benefits:

A. Short Term Employee Benefits

All employee benefits payable / available within 12 months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, bonus etc, are recognized in the P&L account in the period in which the employee renders the related services.

B. Long Term Employee Benefits

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.

1.05 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.

1.06 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'.

1.06A 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.

1.07 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.

1.08 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.

1.09 Provision for Taxation

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

1.10 Earning per Share:

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

1.11 Accounting for Provisions, Contingent liabilities and Contingent Assets

(a) In conformity with AS-29, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the Institute of Chartered Accountants of India. The Company recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

(b) No provision is recognised for:

(i) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; *or*

(ii) Any present obligation that arises from past events but is not recognised because:

(1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; *or*

(2) A reliable estimate of the amount of obligation cannot be made.

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

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

1.12 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.

1.13 (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.

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 Inter Unit transactions are eliminated to the extent possible.

Note 1 Share Capital

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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	**142.26**	122.26
(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)		
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 31st March, 2013	As at 31st 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 31st March, 2013		As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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
V jaya 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 pasu 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.

Note 4 Deferred Tax Liability (Net)

Rs. in Crores

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

Note 5 Other Long Term Liabilities

Rs in Crores

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

Note 6 Long Term Provisions

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March , 2013	As at 31st 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 31st March , 2013	As at 31st 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 31st March , 2013	As at 31st 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
Land	42.01	0.00	0.00	**42.01**	0.00	**0.00**	0.00	0.00	**42.01**	42.01
Building & Site Development	668.51	15.58	0.00	**684.09**	97.22	**22.33**	0.00	119.56	**564.54**	571.29
Flats & Office Premises	2.96	0.00	0.00	**2.96**	0.28	**0.05**	0.00	0.33	**2.63**	2.68
Plant & Machinery	2936.66	481.62	0.00	**3418.28**	720.38	**154.94**	0.00	875.32	**2542.95**	2216.28
Furniture & Fixtures	30.84	1.26	0.00	**32.10**	7.45	**1.75**	0.00	9.21	**22.90**	23.39
Office Equipments	7.29	0.11	0.00	**7.40**	4.25	**0.65**	0.00	4.90	**2.51**	3.04
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 31st March, 2013	As at 31st 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 Subsidary 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	**1.68**	1.30
(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)		
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
Investment in Debentures of others entities, Un quoted Fully Paid Up		

Particulars	As at 31st March, 2013	As at 31st March, 2012
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

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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 31st 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

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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	As at 31st March, 2013	As at 31st 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

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 Merchandice 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 Genrated Power	**70.28**	66.92
Total - Other Operating Revenues	**392.81**	301.27

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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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	**(0.09)**	(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 31st March , 2013	As at 31st 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

Rs. in Crores

Particulars	As at 31st March , 2013	As at 31st 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

Rs. in Crores

Particulars	As at 31st March , 2013	As at 31st 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

Rs. in Crores

Particulars	As at 31st March , 2013	As at 31st 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 31st March, 2013	As at 31st 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 Metallics 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 31st March, 2013	As at 31st 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 31st March , 2013	As at 31st 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)

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 Ferous 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**

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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	
	31st March 2013	31st 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 31st March, 2013	As at 31st March, 2012
1	Forward Contracts	**Nil**	3.35

(ii) For Hedging Commodity Related Risks:

Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012
1	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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 **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

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 Subsidaries)	-	-	-	-	-	-	-
Trunover	-	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 Prakkash Muni & Associates,
Chartered Accountants
Firm Registration No: **111792W**

Prakkash 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 31st March, 2013	As at 31st March, 2012
A	**EQUITY AND LIABILITIES**			
1	**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**			
1	**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 31st March, 2013	For the year ended 31st 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	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

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 & Fianacial 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 & Finacial 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 begining 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 **Prakkash Muni & Associates**
Chartered Accountants
Firm Registration No 111792 W

Prakkash R. Muni
Partner
Membership No 30544

Place : Mumbai
Date : 24th May, 2013

For and on behalf of the Board of Directors

Rajinder Miglani
Chairman

Anuj R Miglani
Managing Director

Gursharan S Sawhney
Director (Finance) & Group CFO

R Agrawal
Sr. Vice President & Company Secretary

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:

a) 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.

b) 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.

c) 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.

d) 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.

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

Sr.	Particulars	31st March 2013 Rs. Crores	31st 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

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 Metallics Limited

Uttam Distribution Network Limited

Uttam Utkal Steels Limited.

Sainath Trading Company Private Ltd

Uttam Galva Ferous 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 1 Share Capital

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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	142.26	122.26
(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)		
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 31st March, 2013	As at 31st 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 31st March, 2013		As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st March, 2012
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 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
V jaya 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**
Secured term loans from Financial Institutions			
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

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 UII ranking pari pasu 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.

Note 4 Deferred Tax Liability (Net)

Rs. in Crores

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

Note 5 Other Long Term Liabilities

Rs. in Crores

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

Note 6 Long Term Provisions

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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**

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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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	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**
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 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

Rs. in Crores

Particulars	As at 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st 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 31st March, 2013	As at 31st March, 2012
Inventories at the end of the year:		
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**
Inventories at the beginning of the year:		
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 31st March, 2013	As at 31st 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	-

Notes

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***

Cut here

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

Affix ₹ 1.00
Revenue
Stamp

Signature ____________________________________

E–mail address ________________________________

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**

----------------✂--Cut here--✂--------------------

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

If undelivered please return to:

M/S UNIVERSAL CAPITAL SECURITIES PVT. LTD.
(UNIT: UGSL)
21, SHAKIL NIWAS,
MAHAKALI CAVES ROAD,
ANDHERI (EAST),
MUMBAI - 400 093.
Tel. No.: 022 28207203 / 05
E-mail : info@unisec.in

Printed by: www.westernpress.in

Uttam Galva Steels Limited

CIN: L27104MH1985PLC035806

REGISTERED OFFICE :
UTTAM HOUSE,
69, P. D'MELLO ROAD,
MUMBAI - 400 009.
PHONE : 91-22-6656 3500
FAX : 91-22-2348 5025
6752 9295
auction portal: uttamgalva.com/auction

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2014

Rs. In Crore

Sr. No.	Particulars	For 3 Months Ended	Previous 3 Months Ended	Corresponding 3 Months ended In the Previous Year	Previous Accounting Year Ended
		30.06.2014	31.03.2014	30.06.2013	31.03.2014
		Reviewed	Audited	Reviewed	Audited
1.(a)	Net Sales / Income from Operations	1,614.13	1,488.40	1,336.76	5,436.37
(b)	Other Operating Income	4.92	15.31	-	30.90
	Total Operating Income (a+b)	1,619.05	1503.71	1,336.76	5,467.27
2	Expenditure				
	a) Consumption of Raw Materials	1177.18	837.59	688.80	2,878.32
	b) Purchase of Traded Goods	208.90	294.41	176.71	1,147.92
	c) (Increase) / Decrease in FG, WIP & Stock In Trade	(87.34)	42.98	204.82	205.77
	d) Employees Cost	23.43	24.54	20.80	88.29
	e) Depreciation	52.22	44.53	51.98	214.82
	f) Other Expenditure	143.04	160.34	137.11	594.07
	Total (a to f)	1,517.43	1,404.39	1,280.22	5,129.19
3	Profit from Operations before Other Income, Interest and Exceptional Items (1-2)	101.62	99.32	56.54	338.08
4	Other Income	0.07	17.07	10.89	29.53
5	Profit before Interest and Exceptional Items (3+4)	101.69	116.39	67.43	367.61
6	Interest & Finance Charges (net)	76.96	94.14	51.37	289.09
7	Profit after Interest but before Exceptional Items (5-6)	24.72	22.25	16.06	78.52
8	Exceptional Items	-	-	-	-
9	Profit (+)/Loss (-) from Ordinary Activities before Tax (7+8)	24.72	22.25	16.06	78.52
10	Tax Expense - Current Tax	5.18	4.66	3.21	16.48
	- MAT Credit				
	- Wealth Tax	-	0.06		0.06
	- Deferred Tax	10.00	1.19	8.72	27.63
	- Prior Period Tax		1.22		1.22
11	Net Profit (+) / Loss (-) From Ordinary Activities after Tax (9-10)	9.54	15.12	4.13	33.13
12	Extra Ordinary Items - Prior Year Items (Net of Tax)			2.19	2.19
13	Net Profit (+) / Loss (-) for the period (11+12)	9.54	15.12	6.32	35.32
14	Paid up Equity Share Capital (of Rs 10/-each)	142.26	142.26	142.26	142.26
15	Paid up Debentures	100.00	100.00	200.00	100.00
16	Reserves excluding Revaluation Reserves		1,139.62		1,139.62
17	Debenture Redemption Reserve		25.00		25.00
18	Basic & Diluted EPS (in Rs) before Extraordinary Items (not annualised)	0.67	1.06	0.29	2.33
	Basic & Diluted EPS (in Rs) after Extraordinary Items (not annualised)	0.67	1.06	0.44	2.48
	Select Information for the Quarter ended 30th June, 2014				
A	**Particulars of Shareholding**				
1	Public shareholding				
	- Number of shares	55665952	55665952	55665952	55665952
	- Percentage of shareholding	39.13%	39.13%	39.13%	39.13%
2	Promoters & Promoter Group Share holding	86594151	86594151	86594151	86594151
	a) Pledged/Encumbered				
	Number of Shares	2502500	2502500	7302500	2502500
	% on Promoters & Promoter Group Share holding	2.89%	2.89%	8.43%	2.89%
	% on Total Share Capital of the Company	1.76%	1.76%	5.13%	1.76%
	b) Non Encumbered				
	Number of Shares	84091651	84091651	79291651	84091651
	% on Promoters & Promoter Group Share holding	97.11%	97.11%	91.57%	97.11%
	% on Total Share Capital of the Company	59.11%	59.11%	55.74%	59.11%
B	**Investor Complaints**				
	Pending at the beginning of the quarter	Nil			
	Received during the quarter	01			
	Disposed of the during the quarter	01			
	Remaining unresolved at the end of the quarter	Nil			

Notes :

1. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on August 8, 2014.
2. Pursuant to Companies Act 2013 (the Act) becoming effective from April 1, 2014,the Company has re-worked depreciation with reference to the estimated useful lives of fixed assets prescribed under Schedule II to the Act or useful life of fixed assets as per technical evaluation and componentization. As a result, the charge for depreciation subject to revision, if any, is lower by Rs. 14.25 Crore for the quarter ended June 30, 2014. Further based on transitional provision in Note 7 (b) of Schedule II ,an amount of Rs. 2.74 Crore is being adjusted against the retained earnings.
3. Previous year's figures have been regrouped / rearranged wherever necessary.

UTTAM GALVA STEELS LIMITED MUMBAI

FOR AND ON BEHALF OF THE BOARD

Anuj R Miglani
Managing Director

PLACE : MUMBAI
DATE : 8th August 2014.

Accounting Standard (AS) 11
(revised 2003)

The Effects of Changes in Foreign Exchange Rates

Contents

Continued./..

Accounting Standard (AS) 11*
(revised 2003)

The Effects of Changes in Foreign Exchange Rates

*(This Accounting Standard includes paragraphs set in **bold italic** type and plain type, which have equal authority. Paragraphs in bold italic type indicate the main principles. This Accounting Standard should be read in the context of its objective and the Preface to the Statements of Accounting Standards[1].)*

Accounting Standard (AS) 11, The Effects of Changes in Foreign Exchange Rates (revised 2003), issued by the Council of the Institute of Chartered Accountants of India, comes into effect in respect of accounting periods commencing on or after 1-4-2004 and is mandatory in nature[2] from that date. The revised Standard supersedes Accounting Standard (AS) 11, Accounting for the Effects of Changes in Foreign Exchange Rates (1994), except that in respect of accounting for transactions in foreign currencies entered into by the reporting enterprise itself or through its branches before the date this Standard comes into effect, AS 11 (1994) will continue to be applicable.

The following is the text of the revised Accounting Standard.

Objective

An enterprise may carry on activities involving foreign exchange in two ways. It may have transactions in foreign currencies or it may have foreign operations. In order to include foreign currency transactions and foreign

* Originally issued in 1989 and revised in 1994. The standard has been revised again in 2003.

[1] Attention is specifically drawn to paragraph 4.3 of the Preface, according to which Accounting Standards are intended to apply only to items which are material.

[2] Reference may be made to the section titled 'Announcements of the Council regarding status of various documents issued by the Institute of Chartered Accountants of India' appearing at the beginning of this Compendium for a detailed discussion on the implications of the mandatory status of an accounting standard.

operations in the financial statements of an enterprise, transactions must be expressed in the enterprise's reporting currency and the financial statements of foreign operations must be translated into the enterprise's reporting currency.

The principal issues in accounting for foreign currency transactions and foreign operations are to decide which exchange rate to use and how to recognise in the financial statements the financial effect of changes in exchange rates.

Scope

1. This Statement should be applied:

(a) in accounting for transactions in foreign currencies; and

(b) in translating the financial statements of foreign operations.

2. This Statement also deals with accounting for foreign currency transactions in the nature of forward exchange contracts.[3]

---

[3] It may be noted that on the basis of a decision of the Council at its meeting held on June 24-26, 2004, an Announcement titled 'Applicability of Accounting Standard (AS) 11 (revised 2003), The Effects of Changes in Foreign Exchange Rates, in respect of exchange differences arising on a forward exchange contract entered into to hedge the foreign currency risk of a firm commitment or a highly probable forecast transaction' has been issued. The Announcement clarifies that AS 11 (revised 2003) does not deal with the accounting of exchange difference arising on a forward exchange contract entered into to hedge the foreign currency risk of a firm commitment or a highly probable forecast transaction. It has also been separately clarified that AS 11 (revised 2003) continues to be applicable to exchange differences on all other forward exchange contracts. The Institute, in January 2006, issued an Announcement on '*Accounting for exchange differences arising on a forward exchange contract entered into to hedge the foreign currency risk of a firm commitment or a highly probable forecast transaction'* (published in 'The Chartered Accountant' January 2006 (pp.1090-1091)). As per the subsequent Announcements issued in this regard, the said Announcement would be applicable in respect of accounting period(s) commencing on or after April 1, 2007. [For full text of the Announcements issued in this regard, reference may be made to the section titled 'Announcements of the Council regarding status of various documents issued by the Institute of Chartered Accountants of India' appearing at the beginning of this Compendium.]

3. This Statement does not specify the currency in which an enterprise presents its financial statements. However, an enterprise normally uses the currency of the country in which it is domiciled. If it uses a different currency, this Statement requires disclosure of the reason for using that currency. This Statement also requires disclosure of the reason for any change in the reporting currency.

4. This Statement does not deal with the restatement of an enterprise's financial statements from its reporting currency into another currency for the convenience of users accustomed to that currency or for similar purposes.

5. This Statement does not deal with the presentation in a cash flow statement of cash flows arising from transactions in a foreign currency and the translation of cash flows of a foreign operation (see AS 3, Cash Flow Statements).

6. This Statement does not deal with exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs (see paragraph 4(e) of AS 16, Borrowing Costs).

Definitions

7. The following terms are used in this Statement with the meanings specified:

***Average rate** is the mean of the exchange rates in force during a period.*

***Closing rate** is the exchange rate at the balance sheet date.*

***Exchange difference** is the difference resulting from reporting the same number of units of a foreign currency in the reporting currency at different exchange rates.*

***Exchange rate** is the ratio for exchange of two currencies.*

***Fair value** is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.*

***Foreign currency** is a currency other than the reporting currency of an enterprise.*

***Foreign operation* is a subsidiary[4], associate[5], joint venture[6] or branch of the reporting enterprise, the activities of which are based or conducted in a country other than the country of the reporting enterprise.**

***Forward exchange contract* means an agreement to exchange different currencies at a forward rate.**

***Forward rate* is the specified exchange rate for exchange of two currencies at a specified future date.**

***Integral foreign operation* is a foreign operation, the activities of which are an integral part of those of the reporting enterprise.**

***Monetary items* are money held and assets and liabilities to be received or paid in fixed or determinable amounts of money.**

***Net investment in a non-integral foreign operation* is the reporting enterprise's share in the net assets of that operation.**

***Non-integral foreign operation* is a foreign operation that is not an integral foreign operation.**

***Non-monetary items* are assets and liabilities other than monetary items.**

***Reporting currency* is the currency used in presenting the financial statements.**

Foreign Currency Transactions

Initial Recognition

8. A foreign currency transaction is a transaction which is denominated in or requires settlement in a foreign currency, including transactions arising when an enterprise either:

---

[4]As defined in AS 21, Consolidated Financial Statements.

[5]As defined in AS 23, Accounting for Investments in Associates in Consolidated Financial Statements.

[6]As defined in AS 27, Financial Reporting of Interests in Joint Ventures.

(a) buys or sells goods or services whose price is denominated in a foreign currency;

(b) borrows or lends funds when the amounts payable or receivable are denominated in a foreign currency;

(c) becomes a party to an unperformed forward exchange contract; or

(d) otherwise acquires or disposes of assets, or incurs or settles liabilities, denominated in a foreign currency.

9. A foreign currency transaction should be recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

10. For practical reasons, a rate that approximates the actual rate at the date of the transaction is often used, for example, an average rate for a week or a month might be used for all transactions in each foreign currency occurring during that period. However, if exchange rates fluctuate significantly, the use of the average rate for a period is unreliable.

Reporting at Subsequent Balance Sheet Dates

11. At each balance sheet date:

(a) foreign currency monetary items should be reported using the closing rate. However, in certain circumstances, the closing rate may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realised from, or required to disburse, a foreign currency monetary item at the balance sheet date, e.g., where there are restrictions on remittances or where the closing rate is unrealistic and it is not possible to effect an exchange of currencies at that rate at the balance sheet date. In such circumstances, the relevant monetary item should be reported in the reporting currency at the amount which is likely to be realised from, or required to disburse, such item at the balance sheet date;

(b) non-monetary items which are carried in terms of historical

cost denominated in a foreign currency should be reported using the exchange rate at the date of the transaction; and

(c) non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency should be reported using the exchange rates that existed when the values were determined.

12. Cash, receivables, and payables are examples of monetary items. Fixed assets, inventories, and investments in equity shares are examples of non-monetary items. The carrying amount of an item is determined in accordance with the relevant Accounting Standards. For example, certain assets may be measured at fair value or other similar valuation (e.g., net realisable value) or at historical cost. Whether the carrying amount is determined based on fair value or other similar valuation or at historical cost, the amounts so determined for foreign currency items are then reported in the reporting currency in accordance with this Statement. The contingent liability denominated in foreign currency at the balance sheet date is disclosed by using the closing rate.

Recognition of Exchange Differences[7]

13. Exchange differences arising on the settlement of monetary items

[7] It may be noted that the Institute has issued in 2003 an Announcement titled 'Treatment of exchange differences under Accounting Standard (AS) 11 (revised 2003), The Effects of Changes in Foreign Exchange Rates vis-a-vis Schedule VI to the Companies Act, 1956'. As per the Announcement, the requirement with regard to treatment of exchange differences contained in AS 11 (revised 2003), is different from Schedule VI to the Companies Act, 1956, since AS 11 (revised 2003) does not require the adjustment of exchange differences in the carrying amount of the fixed assets, in the situations envisaged in Schedule VI. It has been clarified that pending the amendment, if any, to Schedule VI to the Companies Act, 1956, in respect of the matter, a company adopting the treatment described in Schedule VI will still be considered to be complying with AS 11 (revised 2003) for the purposes of section 211 of the Act. Accordingly, the auditor of the company should not assert non-compliance with AS 11 (2003) under section 227(3)(d) of the Act in such a case and should not qualify his report in this regard on the true and fair view of the state of the company's affairs and profit or loss of the company under section 227(2) of the Act. (published in 'The Chartered Accountant', November, 2003, pp. 497.) The full text of the Announcement has been reproduced in the section titled 'Announcements of the Council regarding status of various documents issued by the Institute of Chartered Accountants of India' appearing at the beginning of this Compendium.

or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, should be recognised as income or as expenses in the period in which they arise, with the exception of exchange differences dealt with in accordance with paragraph 15.

14. An exchange difference results when there is a change in the exchange rate between the transaction date and the date of settlement of any monetary items arising from a foreign currency transaction. When the transaction is settled within the same accounting period as that in which it occurred, all the exchange difference is recognised in that period. However, when the transaction is settled in a subsequent accounting period, the exchange difference recognised in each intervening period up to the period of settlement is determined by the change in exchange rates during that period.

Net Investment in a Non-integral Foreign Operation

15. Exchange differences arising on a monetary item that, in substance, forms part of an enterprise's net investment in a non-integral foreign operation should be accumulated in a foreign currency translation reserve in the enterprise's financial statements until the disposal of the net investment, at which time they should be recognised as income or as expenses in accordance with paragraph 31.

16. An enterprise may have a monetary item that is receivable from, or payable to, a non-integral foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, an extension to, or deduction from, the enterprise's net investment in that non-integral foreign operation. Such monetary items may include long-term receivables or loans but do not include trade receivables or trade payables.

Financial Statements of Foreign Operations

Classification of Foreign Operations

17. The method used to translate the financial statements of a foreign operation depends on the way in which it is financed and operates in relation to the reporting enterprise. For this purpose, foreign operations are classified as either "integral foreign operations" or "non-integral foreign operations".

18. A foreign operation that is integral to the operations of the reporting enterprise carries on its business as if it were an extension of the reporting enterprise's operations. For example, such a foreign operation might only sell goods imported from the reporting enterprise and remit the proceeds to the reporting enterprise. In such cases, a change in the exchange rate between the reporting currency and the currency in the country of foreign operation has an almost immediate effect on the reporting enterprise's cash flow from operations. Therefore, the change in the exchange rate affects the individual monetary items held by the foreign operation rather than the reporting enterprise's net investment in that operation.

19. In contrast, a non-integral foreign operation accumulates cash and other monetary items, incurs expenses, generates income and perhaps arranges borrowings, all substantially in its local currency. It may also enter into transactions in foreign currencies, including transactions in the reporting currency. When there is a change in the exchange rate between the reporting currency and the local currency, there is little or no direct effect on the present and future cash flows from operations of either the non-integral foreign operation or the reporting enterprise. The change in the exchange rate affects the reporting enterprise's net investment in the non-integral foreign operation rather than the individual monetary and non-monetary items held by the non-integral foreign operation.

20. The following are indications that a foreign operation is a non-integral foreign operation rather than an integral foreign operation:

(a) while the reporting enterprise may control the foreign operation, the activities of the foreign operation are carried out with a significant degree of autonomy from those of the reporting enterprise;

(b) transactions with the reporting enterprise are not a high proportion of the foreign operation's activities;

(c) the activities of the foreign operation are financed mainly from its own operations or local borrowings rather than from the reporting enterprise;

(d) costs of labour, material and other components of the foreign operation's products or services are primarily paid or settled in the local currency rather than in the reporting currency;

(e) the foreign operation's sales are mainly in currencies other than the reporting currency;

(f) cash flows of the reporting enterprise are insulated from the day-to-day activities of the foreign operation rather than being directly affected by the activities of the foreign operation;

(g) sales prices for the foreign operation's products are not primarily responsive on a short-term basis to changes in exchange rates but are determined more by local competition or local government regulation; and

(h) there is an active local sales market for the foreign operation's products, although there also might be significant amounts of exports.

The appropriate classification for each operation can, in principle, be established from factual information related to the indicators listed above. In some cases, the classification of a foreign operation as either a non-integral foreign operation or an integral foreign operation of the reporting enterprise may not be clear, and judgement is necessary to determine the appropriate classification.

Integral Foreign Operations

21. The financial statements of an integral foreign operation should be translated using the principles and procedures in paragraphs 8 to 16 as if the transactions of the foreign operation had been those of the reporting enterprise itself.

22. The individual items in the financial statements of the foreign operation are translated as if all its transactions had been entered into by the reporting enterprise itself. The cost and depreciation of tangible fixed assets is translated using the exchange rate at the date of purchase of the asset or, if the asset is carried at fair value or other similar valuation, using the rate that existed on the date of the valuation. The cost of inventories is translated at the exchange rates that existed when those costs were incurred. The recoverable amount or realisable value of an asset is translated using the exchange rate that existed when the recoverable amount or net realisable value was determined. For example, when the net realisable value of an item of inventory is determined in a foreign currency, that value is translated

using the exchange rate at the date as at which the net realisable value is determined. The rate used is therefore usually the closing rate. An adjustment may be required to reduce the carrying amount of an asset in the financial statements of the reporting enterprise to its recoverable amount or net realisable value even when no such adjustment is necessary in the financial statements of the foreign operation. Alternatively, an adjustment in the financial statements of the foreign operation may need to be reversed in the financial statements of the reporting enterprise.

23. For practical reasons, a rate that approximates the actual rate at the date of the transaction is often used, for example, an average rate for a week or a month might be used for all transactions in each foreign currency occurring during that period. However, if exchange rates fluctuate significantly, the use of the average rate for a period is unreliable.

Non-integral Foreign Operations

24. In translating the financial statements of a non-integral foreign operation for incorporation in its financial statements, the reporting enterprise should use the following procedures:

- ***(a) the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation should be translated at the closing rate;***

- ***(b) income and expense items of the non-integral foreign operation should be translated at exchange rates at the dates of the transactions; and***

- ***(c) all resulting exchange differences should be accumulated in a foreign currency translation reserve until the disposal of the net investment.***

25. For practical reasons, a rate that approximates the actual exchange rates, for example an average rate for the period, is often used to translate income and expense items of a foreign operation.

26. The translation of the financial statements of a non-integral foreign operation results in the recognition of exchange differences arising from:

- (a) translating income and expense items at the exchange rates at the dates of transactions and assets and liabilities at the closing rate;

(b) translating the opening net investment in the non-integral foreign operation at an exchange rate different from that at which it was previously reported; and

(c) other changes to equity in the non-integral foreign operation.

These exchange differences are not recognised as income or expenses for the period because the changes in the exchange rates have little or no direct effect on the present and future cash flows from operations of either the non-integral foreign operation or the reporting enterprise. When a non-integral foreign operation is consolidated but is not wholly owned, accumulated exchange differences arising from translation and attributable to minority interests are allocated to, and reported as part of, the minority interest in the consolidated balance sheet.

27. Any goodwill or capital reserve arising on the acquisition of a non-integral foreign operation is translated at the closing rate in accordance with paragraph 24.

28. A contingent liability disclosed in the financial statements of a non-integral foreign operation is translated at the closing rate for its disclosure in the financial statements of the reporting enterprise.

29. The incorporation of the financial statements of a non-integral foreign operation in those of the reporting enterprise follows normal consolidation procedures, such as the elimination of intra-group balances and intra-group transactions of a subsidiary (see AS 21, Consolidated Financial Statements, and AS 27, Financial Reporting of Interests in Joint Ventures). However, an exchange difference arising on an intra-group monetary item, whether short-term or long-term, cannot be eliminated against a corresponding amount arising on other intra-group balances because the monetary item represents a commitment to convert one currency into another and exposes the reporting enterprise to a gain or loss through currency fluctuations. Accordingly, in the consolidated financial statements of the reporting enterprise, such an exchange difference continues to be recognised as income or an expense or, if it arises from the circumstances described in paragraph 15, it is accumulated in a foreign currency translation reserve until the disposal of the net investment.

30. When the financial statements of a non-integral foreign operation are drawn up to a different reporting date from that of the reporting enterprise, the non-integral foreign operation often prepares, for purposes of incorporation in the financial statements of the reporting enterprise, statements as at the same date as the reporting enterprise. When it is impracticable to do this, AS 21, Consolidated Financial Statements, allows the use of financial statements drawn up to a different reporting date provided that the difference is no greater than six months and adjustments are made for the effects of any significant transactions or other events that occur between the different reporting dates. In such a case, the assets and liabilities of the non-integral foreign operation are translated at the exchange rate at the balance sheet date of the non-integral foreign operation and adjustments are made when appropriate for significant movements in exchange rates up to the balance sheet date of the reporting enterprises in accordance with AS 21. The same approach is used in applying the equity method to associates and in applying proportionate consolidation to joint ventures in accordance with AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 27, Financial Reporting of Interests in Joint Ventures.

Disposal of a Non-integral Foreign Operation

31. On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation should be recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

32. An enterprise may dispose of its interest in a non-integral foreign operation through sale, liquidation, repayment of share capital, or abandonment of all, or part of, that operation. The payment of a dividend forms part of a disposal only when it constitutes a return of the investment. In the case of a partial disposal, only the proportionate share of the related accumulated exchange differences is included in the gain or loss. A write-down of the carrying amount of a non-integral foreign operation does not constitute a partial disposal. Accordingly, no part of the deferred foreign exchange gain or loss is recognised at the time of a write-down.

Change in the Classification of a Foreign Operation

33. When there is a change in the classification of a foreign operation,

the translation procedures applicable to the revised classification should be applied from the date of the change in the classification.

34. The consistency principle requires that foreign operation once classified as integral or non-integral is continued to be so classified. However, a change in the way in which a foreign operation is financed and operates in relation to the reporting enterprise may lead to a change in the classification of that foreign operation. When a foreign operation that is integral to the operations of the reporting enterprise is reclassified as a non-integral foreign operation, exchange differences arising on the translation of non-monetary assets at the date of the reclassification are accumulated in a foreign currency translation reserve. When a non-integral foreign operation is reclassified as an integral foreign operation, the translated amounts for non-monetary items at the date of the change are treated as the historical cost for those items in the period of change and subsequent periods. Exchange differences which have been deferred are not recognised as income or expenses until the disposal of the operation.

All Changes in Foreign Exchange Rates

Tax Effects of Exchange Differences

35. Gains and losses on foreign currency transactions and exchange differences arising on the translation of the financial statements of foreign operations may have associated tax effects which are accounted for in accordance with AS 22, Accounting for Taxes on Income.

Forward Exchange Contracts[8]

36. An enterprise may enter into a forward exchange contract or another financial instrument that is in substance a forward exchange contract, which is not intended for trading or speculation purposes, to establish the amount of the reporting currency required or available at the settlement date of a transaction. The premium or discount arising at the inception of such a forward exchange contract should be amortised as expense or income over the life of the contract. Exchange differences on such a contract should be recognised in the statement of profit and loss in the reporting period in which the

[8] See footnote 3.

exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract should be recognised as income or as expense for the period.

37. The risks associated with changes in exchange rates may be mitigated by entering into forward exchange contracts. Any premium or discount arising at the inception of a forward exchange contract is accounted for separately from the exchange differences on the forward exchange contract. The premium or discount that arises on entering into the contract is measured by the difference between the exchange rate at the date of the inception of the forward exchange contract and the forward rate specified in the contract. Exchange difference on a forward exchange contract is the difference between (a) the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and (b) the same foreign currency amount translated at the latter of the date of inception of the forward exchange contract and the last reporting date.

38. A gain or loss on a forward exchange contract to which paragraph 36 does not apply should be computed by multiplying the foreign currency amount of the forward exchange contract by the difference between the forward rate available at the reporting date for the remaining maturity of the contract and the contracted forward rate (or the forward rate last used to measure a gain or loss on that contract for an earlier period). The gain or loss so computed should be recognised in the statement of profit and loss for the period. The premium or discount on the forward exchange contract is not recognised separately.

39. In recording a forward exchange contract intended for trading or speculation purposes, the premium or discount on the contract is ignored and at each balance sheet date, the value of the contract is marked to its current market value and the gain or loss on the contract is recognised.

Disclosure

40. An enterprise should disclose:

(a) the amount of exchange differences included in the net profit or loss for the period; and

***(b)* net exchange differences accumulated in foreign currency translation reserve as a separate component of shareholders' funds, and a reconciliation of the amount of such exchange differences at the beginning and end of the period.**

41. When the reporting currency is different from the currency of the country in which the enterprise is domiciled, the reason for using a different currency should be disclosed. The reason for any change in the reporting currency should also be disclosed.

42. When there is a change in the classification of a significant foreign operation, an enterprise should disclose:

(a) the nature of the change in classification;

(b) the reason for the change;

(c) the impact of the change in classification on shareholders' funds; and

(d) the impact on net profit or loss for each prior period presented had the change in classification occurred at the beginning of the earliest period presented.

43. The effect on foreign currency monetary items or on the financial statements of a foreign operation of a change in exchange rates occurring after the balance sheet date is disclosed in accordance with AS 4, Contingencies and Events Occurring After the Balance Sheet Date.

44. Disclosure is also encouraged of an enterprise's foreign currency risk management policy.

Transitional Provisions

45. On the first time application of this Statement, if a foreign branch is classified as a non-integral foreign operation in accordance with the requirements of this Statement, the accounting treatment prescribed in paragraphs 33 and 34 of the Statement in respect of change in the classification of a foreign operation should be applied.

Appendix

Note: This Appendix is not a part of the Accounting Standard. The purpose of this appendix is only to bring out the major differences between Accounting Standard 11 (revised 2003) and corresponding International Accounting Standard (IAS) 21 (revised 1993).

Comparison with IAS 21, The Effects of Changes in Foreign Exchange Rates (revised 1993)

Revised AS 11 (2003) differs from International Accounting Standard (IAS) 21, The Effects of Changes in Foreign Exchange Rates, in the following major respects in terms of scope, accounting treatment, and terminology.

1. Scope

Inclusion of forward exchange contracts

Revised AS 11 (2003) deals with forward exchange contracts both intended for hedging and for trading or speculation. IAS 21 does not deal with hedge accounting for foreign currency items other than the classification of exchange differences arising on a foreign currency liability accounted for as a hedge of a net investment in a foreign entity. It also does not deal with forward exchange contracts for trading or speculation. The aforesaid aspects are dealt with in IAS 39, Financial Instruments: Recognition and Measurement. Although, an Indian accounting standard corresponding to IAS 39 is under preparation, it has been decided to deal with accounting for forward exchange contracts in the revised AS 11 (2003), since the existing AS 11 deals with the same. Thus, accounting for forward exchange contracts would not remain unaddressed untill the issuance of the Indian accounting standard on financial instruments.

2. Accounting treatment

Recognition of exchange differences resulting from severe currency devaluations

IAS 21, as a benchmark treatment, requires, in general, that exchange differences on transactions be recognised as income or as expenses in the

period in which they arise. IAS 21, however, also permits as an allowed alternative treatment, that exchange differences that arise from a severe devaluation or depreciation of a currency be included in the carrying amount
of an asset, if certain conditions are satisfied. In line with the preference of the Council of the Institute of Chartered Accountants of India, to eliminate alternatives, where possible, revised AS 11 (2003) adopts the benchmark treatment as the only acceptable treatment.

3. Terminology

Foreign operation

The revised AS 11 (2003) uses the terms, *integral foreign operation* and *non-integral foreign operation* respectively for the expressions "foreign operations that are integral to the operations of the reporting enterprise" and "foreign entity" used in IAS 21. The intention is to communicate the meaning of these terms concisely. This change has no effect on the requirements in revised AS 11 (2003). Revised AS 11 (2003) provides additional implementation guidance by including two more indicators for the classification of a foreign operation as a non-integral foreign operation.