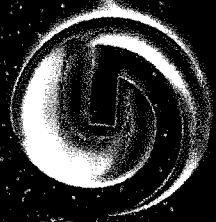
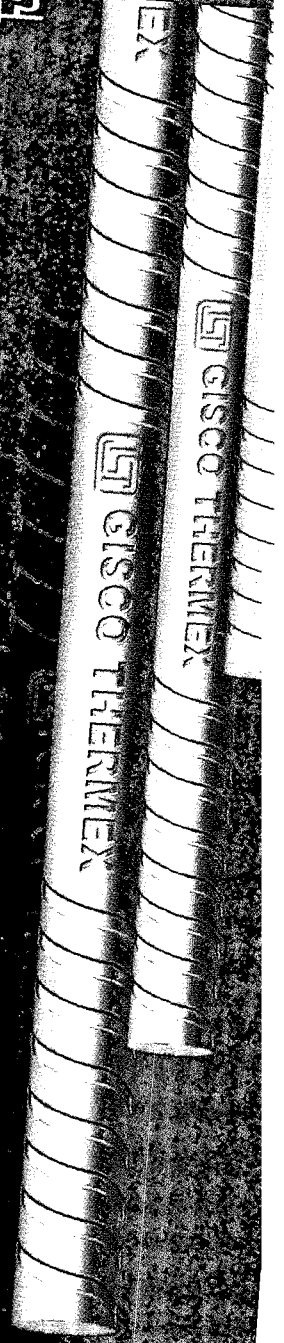
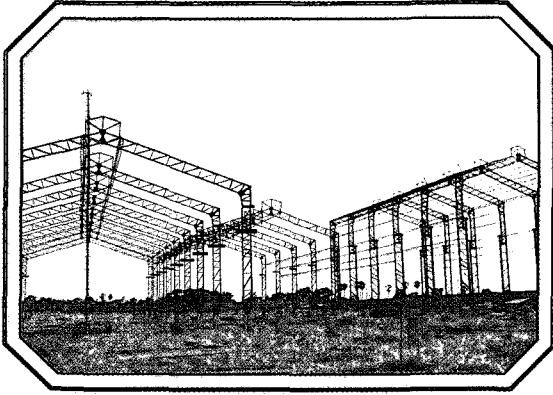


શ્રીલક્ષ્મી ગિસ્કો સ્ટીલ કોર્પોરેશન



GANGOTRI IRON & STEEL CO. LTD.
14th ANNUAL REPORT
2006-2007



◀ Bihta unit under Construction



Architect and Engineers meet at Patna ▶



◀ Launching of GISCO
THERMEX TMT Bar

BOARD OF DIRECTORS

Mr. Ramautar Jhunjhunwala	Chairman
Mr. Sanjiv Kumar Choudhary	Whole Time Director
Mr. Aditya Dalmiya	Director
Mr. Ashok Agarwal	Director
Mr. Debabrata Banerjee	Director
Mr. Narendra Kumar Jaiswal	Director
Mr. Debabrata Mukherjee	Director

COMPANY SECRETARY

Ms. Priti Somani

AUDITORS

M/s ARSK & Associates
10, Middleton Street
2nd Floor, Kolkata - 700 071

BANKERS

State Bank of India, Commercial Branch, Patliputra, Patna
The Federal Bank Ltd., Kolkata
IDBI Bank Ltd., Patna
Standard Chartered Bank, Patna

FACTORY

Phulwari Shariff
Nayatola, Patna

REGISTERED OFFICE

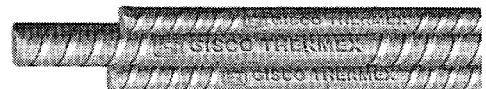
307, Ashiana Towers
Exhibition Road
Patna - 800 001

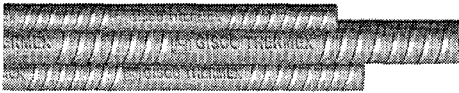
CORPORATE OFFICE

16B, Shakespeare Sarani
3rd Floor, Kolkata - 700 071

REGISTRAR & SHARE TRANSFER AGENT

S. K. Computers
34/1A Sudhir Chatterjee Street
Kolkata - 700 006





NOTICE TO MEMBERS

NOTICE is hereby given that the **14th Annual General Meeting** of the Members of **GANGOTRI IRON & STEEL COMPANY LIMITED** will be held on Friday, the **28th September, 2007 at 2.00 P.M., at 307, Ashiana Towers, Exhibition Road, Patna - 800 001**, the Registered Office of the Company to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 Profit and Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint Directors in place of Mr. Aditya Dalmiya and Mr. Debabrata Banerjee, who retires by rotation and, being eligible, offer themselves for re-appointment.
4. To appoint Auditors and fix their remuneration.

Special Business

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby approves the appointment of and remuneration payable to Mr. Sanjiv Kumar Choudhary presently a Whole Time Director as the Managing Director of the Company for a period of five years with effect from 1st July, 2007, on the terms and conditions including remuneration as are set out in the explanatory statement to this resolution with liberty to the Board of Directors to alter or vary the terms and conditions of the said appointment in such manner as it may deem fit in the best interests of the Company so as not to exceed the limits in that behalf contained in Schedule XIII to the said Act."

"RESOLVED FURTHER THAT where in any financial year, the Company has no profit or its profits are inadequate, the Company may pay Mr. Sanjiv Kumar Choudhary remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit specified under Section 11 of Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, commission, perquisites and other allowances within such prescribed limit or ceiling without any further reference to the Company in general meeting."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board
For **GANGOTRI IRON & STEEL COMPANY LTD.**

Priti Somani
Company Secretary

Kolkata, 16th August, 2007

NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The proxies, to be effective should be deposited at the registered office of the Company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Register of the Company will remain closed from 24th September, 2007 to 28th September, 2007 (both days inclusive).
3. Members are requested to notify the Company immediately of any change in their address.
4. Members seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
5. The instrument of the share transfers, complete in all respects should reach the Company prior to closure of the Register of Members as stated above.
6. Members/proxies are requested to bring with them the printed Annual Report being sent to them, along with the Notice, to avoid inconvenience.

7. The Company has listed its shares at :

- i) The Magadh Stock Exchange Association, Ashiana Plaza, Patna - 800 001
- ii) Bombay Stock Exchange Ltd., 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
- iii) The Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Kolkata - 700 001

The Company has paid up to date Annual Listing Fees to each of the above-mentioned Stock Exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 1**

Keeping in view of the additional responsibilities and duties because of the new unit being set up at Bihta the Board of Directors of the Company at its meeting held on 16th August, 2007, subject to the approval of the members in the Annual General Meeting, approved the terms and conditions of appointment and remuneration payable to Mr. Sanjiv Kumar Choudhary, being designated as Managing Director of the Company w.e.f. 1st July, 2007, for a period of five years as under :

- Salary : Rs. 80,000/- per month.
- In addition to the salary, he shall also be entitled to perquisites which would include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, club fees, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities. The expenditure on such perquisites shall be valued as per Income Tax Act, 1961.

Requisite particulars in respect of Mr. Sanjiv Kumar Choudhary is as under :

Mr. Sanjiv Kumar Choudhary, aged 44 years is a Commerce Graduate from Calcutta University with an experience of 24 years in diverse business activities. He is associated with iron and steel industry for the last 14 years.

Mr. Sanjiv Kumar Choudhary is interested or concerned in the resolution to the extent of the remuneration relating to his appointment as Managing Director of the Company.

The Explanatory Statement together with the accompanying notice is and may be treated as an abstract of the terms of appointment and memorandum of interest under Section 302 of the Companies Act, 1956.

The Board of Directors commend the resolution for your approval.

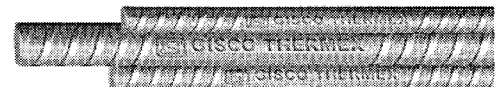
By order of the Board
For **GANGOTRI IRON & STEEL COMPANY LTD.**

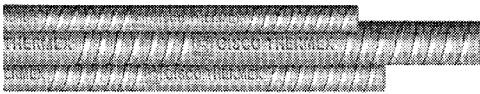
Priti Somani
Company Secretary

Kolkata, 16th August, 2007

Information as required under clause 49 IV (G)(i) of the Listing Agreement in respect of Directors retiring by rotation and being proposed to be reappointed.

- 1) Name of the Director : Mr. Aditya Dalmiya
Date of Birth : 25.04.1961
Date of Appointment : 22.02.2002
Expertise in specific functional areas : Mr. Aditya Dalmiya a commerce graduate & PGDBM, is a businessman and is working as partner and director in different concerns engaged in the business of C & F Agent of Castrol, Eternit Everest, Monsanto Chemicals, Lafarge India etc., stockist and distributor of cement, steel, water proofing chemicals, real estate development at Patna and Kolkata and in software development and IT business.
List of other Directorship held : Tara Ispat Ltd., and other private limited companies.
- 2) Name of the Director : Mr. Debabrata Banerjee
Date of Birth : 26.09.1955
Date of Appointment : 20.08.2005
Expertise in specific functional areas : Mr. Debabrata Banerjee is a Bachelor in Law from Calcutta University. He is a practising advocate for the last 26 years having specialization in Income Tax and property matters.





DIRECTORS' REPORT

To The Members

The Directors have pleasure in presenting the 14th Annual Report of the Company, together with the Audited Accounts, for the year ended 31st March, 2007.

1. Financial Results

(Rs. in Lacs)

	2006-2007	2005-2006
Sales & Other Income	3931.31	2798.46
Profit before Interest & Depreciation	287.47	204.29
Less : Interest & Other Financial Charges	66.81	37.40
Less : Depreciation	76.24	55.86
Profit after Interest & Depreciation	144.42	111.03
Less : Provision for Taxation	(46.16)	(25.23)
Less : Fringe Benefit Tax	(1.36)	(1.62)
Add/(Less) : Deferred Tax	7.32	(6.29)
Add : Excess provision of Income Tax	0.07	0.02
Net Profit/(Loss) after Tax	104.29	77.91
Balance as per last year	127.86	78.32
Less : Appropriations		
Interim Dividend (Proposed to be final)	21.58	24.88
Tax on Dividend	3.03	3.49
Balance Carried Forward	207.54	127.86

2. Operations

During the year under review the production of M.S. Bar was 16667 MT as against 12769 MT in the previous year representing an increase of 31%. Total Income, Profit before Tax and Profit after Tax have increased by 40%, 30% and 34% respectively, compared to previous year ended on 31.03.2006. This was achieved due to operational efficiencies despite several adverse factors, particularly substantial increase in prices of inputs and enhanced competition.

3. Future Prospects

Your Company throughout pursues the philosophy of enhancing customer satisfaction and all stakeholders values. The Company has taken necessary steps in the direction of building GISCO brand by continued emphasis on publicity in electronic media and arranging various meets with Engineers and Masons. The Company has acquired 14 acres of land at Bihta, 35 Kms. from Patna. Various development works were completed on that land at substantial costs. The Company has appointed leading consultant M/s VMS Engineering & Design Services (P) Ltd. of Ahmedabad as their civil and structural consultants for the unit on the said land. Based on the design and drawing furnished by them, and in conjunction with the parameters of the equipment suppliers, the structural work is in full progress. Your Directors believes that the various factory sheds shall be ready within September 2007 assuming favourable monsoon condition. Orders for most of the machinery and equipments have already been placed with leading suppliers.

The Company hopes to start the commercial production at the new unit by the end of this calendar year. The Company contemplates to manufacture 300 MT of GISCO Thermex TMT Bars and Wire Rods at the new unit and thus improve the value of stakeholders.

4. Management Discussion and Analysis

Business Segment-wise Performance

The Company's business consists production of Twisted and TMT M.S. Bar and it falls under single segment. Hence Segment wise operational performance is not applicable.

Outlook

As you all know, our country's economy is growing exceedingly well and, therefore, it is hoped that the consumption of steel will also grow correspondingly and significantly. The profitability of the Industry, particularly SME's, would be dependant upon supporting infrastructure like quality power, good roads, unhindered supply of raw materials, increase in demand for housing and favourable weather conditions. Over the years, secondary producers like us have made a significant contribution to the growth of the national economy. We hope that the secondary steel segment would continue to remain a driver in the future growth of the Steel Industry and as well as the Nation's Economy.

Risks and Concerns

It is apparent that with the strong demand for steel, the demand for raw materials will also go up which is a matter of concern, particularly if there is a shortage of raw material and fierce competition between the producers. It has been observed that in Bihar, during monsoon, flood like situation occurs oftenly, which affects supply of raw materials, production and transportation of finished products. As a consequence of which, the profitability of the industry may be affected. To overcome these concerns the Company would take necessary steps to improve its competitiveness in terms of product costs, range and quality and is preparing itself to meet the challenge.

Internal Control Systems and their Adequacy

There exists a proper and adequate internal control system in the Company for all its activities including safeguarding and protecting its assets against any loss from its unauthorized use or disposition. All transactions are properly documented, authorized, recorded and reported correctly. The above control is further supplemented by exhaustive scope of internal audit that is carried out by internal auditors. The policies, procedures and internal controls are further reviewed by the Audit Committee of Board of Directors on periodical basis.

Personnel

The industrial relations scenario continued to be stable during the period under review. The Company has been taking various initiatives for HR development, a process that will continue in the coming years. Your Company organises Architects and Masons meets on a regular basis in various areas where it markets its products. These meets are very well attended and have resulted in better demand for its products apart from popularising its brand image.

5. Dividend

Dividend aggregating to Rs. 21.58 Lacs @ 5% per equity shares of Rs. 10 each has been paid by the Company as interim dividend for the year 2006-07. To utilise the resources for the setting up of the new unit, your Directors recommend that the interim dividend be fully adjusted as final dividend for the year ended on 31st March, 2007.

6. Finance

During the year, the Company raised credit facilities in Indian currency to the tune of Rs. 53.91 Crores (total of all advance limits) by way of overdrafts, cash credits, issuing of guarantees, including deferred payment guarantees and indemnities, negotiation and discounting of demand and/or usance bills and cheques, inland as well as foreign and such other facilities from State Bank of India, Commercial Branch, Patliputra, Patna for the existing and the upcoming Bihta unit.

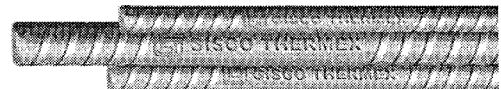
7. Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Aditya Dalmiya and Mr. Debabrata Banerjee are retiring by rotation and being eligible, offers themselves for re-appointment.

8. Directors' Responsibility Statement

In compliance with Section 217(2AA) of the Companies Act, 1956, the Directors confirm that :

- a) in preparation of the Annual Accounts, for the year ended 31st March 2007, all the applicable accounting standards prescribed by the ICAI have been followed.
- b) the Directors have adopted such accounting policies and have applied them consistently and have made judgments and estimates in a reasonable and prudent manner so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year.
- c) the Directors have taken proper and sufficient care 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 for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a going concern basis.





9. Auditors

M/s. ARSK & Associates, Chartered Accountants, Auditors of the Company are retiring at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate to the effect that their re-appointment if made will be within the prescribed limit under Section 224 (1-B) of the Companies Act, 1956.

10. Depository System

As the members are aware, your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the depositories, i.e. National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL). Members are requested to avail the facility of dematerialisation of the Company's shares on either of the Depositories as aforesaid, if not already done.

11. Voluntary Delisting of the Company's Equity Shares from the Stock Exchanges at Calcutta & Magadh

Consequent upon the approval of members at the Annual General Meeting held on September 29, 2003 and in pursuance of the delisting guidelines issued by SEBI, the Company has applied for delisting of shares. The delisting will not adversely affect the members of the Company as the equity shares continue to be listed on Bombay Stock Exchange Ltd. The Company hereby unconditionally and irrevocably undertakes to keep indemnified and harmless The Calcutta Stock Exchange Association Ltd. and The Magadh Stock Exchange Association, its officials against any action, claim, causes, proceedings, demands, whatsoever which may arise on account of voluntary delisting.

12. Public Deposit

The company has not invited/accepted any deposits from the public and as such there are no outstanding deposits, in terms of the Companies (Acceptance of Deposits) Rules, 1975.

13. Personnel

There is no employee in respect of whom particulars pursuant to Section 217(2A) of the Companies Act, 1956 are required to be given.

14. Conservation of Energy

The information relating to conservation of energy as required U/s. 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is given in the Annexure - A to this Report. The Company has no figure to disclose in respect of technology absorption and/or foreign exchange earning and outgo.

15. Industrial Relations

The relations between the employees, workers and the management were cordial and an atmosphere of understanding prevailed throughout the year.

16. Social Welfare Activities

The Company organises mason's meet from time to time at various centers and provides Personal Accident Cover to the masons attending the meeting under arrangement with Oriental Insurance Company.

17. Corporate Governance

Separate Report on Corporate Governance is annexed and marked "Annexure - B". The Auditors' Certificate on compliance with the conditions of Corporate Governance is annexed and marked "Annexure - C".

18. Acknowledgement

Your Directors wish to place their sincere appreciation to the co-operation extended by the Bank, State Government, Electricity Board, Customers, Suppliers and Shareholders and solicit their continued support. The Directors also wish to place on record the dedicated service rendered by the Management, Staffs and Workers.

For and on behalf of the Board

Ramautar Jhunjunwala
Chairman

Kolkata, 29th June, 2007

"Annexure - A" to the Directors' Report

Information in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

A) Power & Fuel Consumption	2006-07	2005-06
	M.S.Bar	M.S.Bar
1. Electricity		
a) Purchased Unit (KWH)	1959605	1270577
b) Total Amount (Rs.)	1,22,47,972	87,55,159
c) Rate/Unit (Rs.)	6.25	6.89
2. Coal		
a) Quantity (Kg.)	1323090	1023782
b) Total Amount (Rs.)	43,21,941	24,80,172
c) Average Rate (Rs.)	3.27	2.42
B) Consumption per unit of Production		
Product	M.S.Bar	M.S.Bar
a) Units (M.T.)	16667.122	12769.03
b) Electricity (KWH)	117.57	99.50
c) Coal (Kg.)	79.38	80.18

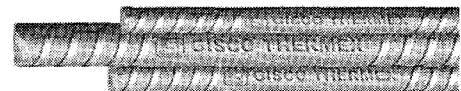
"Annexure - B" to the Directors' Report
Report on Corporate Governance
1. COMPANY'S PHILOSOPHY

The Company's philosophy of corporate governance is to enhance long-term shareholders value, achieve operational efficiencies and business results in all areas of Company's operations, with compliance of all statutory and regulatory provisions. The Company believes in transparency, openness and disclosure of information consistent with the business environment in which the Company operates.

2. BOARD OF DIRECTORS

The strength of Board of Directors is seven comprising Mr. Ramautar Jhunjhunwala, Chairman, Mr. Sanjiv Kumar Choudhary, Whole Time Director, Mr. Aditya Dalmiya, Mr. Ashok Agarwal, Mr. Debabrata Banerjee, Mr. Narendra Kumar Jaiswal & Mr. Debabrata Mukherjee. Total number of Board meetings held during the year were 5 and the dates are as follows: 30.06.06, 31.07.06, 31.10.06, 31.01.07 & 09.02.07. The details of attendance, Directorship and Membership are given as per table shown below :

Name	Category	Attendance		Number of other directorship & Committee member/chairman		
		Board Meeting	Last AGM	Other directorship	Committee membership	Committee Chairmanship
Mr. Ramautar Jhunjhunwala	Non Executive & Promoter	5	Yes	5	-	-
Mr. Sanjiv Kumar Choudhary	Executive	4	Yes	5	-	-
Mr. Aditya Dalmiya	Non Executive & Promoter	3	Yes	3	-	-
Mr. Ashok Agarwal	Non Executive & Promoter	3	Yes	-	-	-
Mr. Debabrata Banerjee	Non Executive & Independent	4	Yes	-	-	-
Mr. Narendra Kumar Jaiswal	Non Executive & Independent	3	Yes	-	-	-
Mr. Debabrata Mukherjee	Non Executive & Independent	5	Yes	-	-	-



3. AUDIT COMMITTEE

The Audit Committee consists of Directors Mr. Ramautar Jhunjunwala, Mr. Debabrata Banerjee, Mr. Ashok Agarwal & Mr. Narendra Kumar Jaiswal and the Company Secretary as the secretary of the audit committee. The Statutory Auditors, Internal Auditors and Heads of Finance, Marketing, Production and Commercial functions are invitees to the meetings. During the financial year ended 31.03.2007 four meetings were held on 29.06.06, 29.07.06, 30.10.06 & 29.01.07.

The Composition of the Audit Committee and attendance at its meeting is given hereunder :

Name	Position	Category	Attendance
Mr. Debabrata Banerjee	Chairman	Independent & Non Executive	4
Mr. Ramautar Jhunjunwala	Member	Non Executive	4
Mr. Ashok Agarwal	Member	Independent & Non Executive	4
Mr. Narendra Kumar Jaiswal	Member	Independent & Non Executive	3

4. REMUNERATION COMMITTEE

There is no remuneration committee as there is only one Whole Time Director, whose terms are approved by members of the Company. He is being paid a remuneration of Rs. 50,000/- p.m. Sitting fees is being paid @ Rs. 1,000/- per meeting to all the Directors other than the Whole Time Director.

Details of Number of shares and convertible instruments held by Non-Executive Directors of the Company is given below :

Name	Number of Equity Shares	Number of Convertible Warrants
Mr. Ramautar Jhunjunwala	21,100	1,00,000
Mr. Aditya Dalmiya	1,000	NIL

5. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The Committee consists of Mr. Ramautar Jhunjunwala and Mr. Ashok Agarwal, with the Company Secretary as the Compliance Officer. No transfers were pending at the end of the financial year.

During the year under review 5 shareholders complaints were received and all of them were resolved to the satisfaction of the shareholders, hence there were no pending complaints at the year-end.

6. GENERAL BODY MEETINGS

AGM No.	Date	Time	Venue
11th AGM	29.09.2004	2.00 P. M.	307, Ashiana Towers, Exhibition Road, Patna - 800001
12th AGM	30.09.2005	2.00 P. M.	307, Ashiana Towers, Exhibition Road, Patna - 800001
13th AGM	08.09.2006	2.00 P. M.	Bihar Industries Association, Industry House Sinha Library Road, Patna - 800001

Number of special resolutions passed in previous 3 AGMs :

AGM No.	No. of Special Resolutions passed
11th AGM	NIL
12th AGM	2 (Two)
13th AGM	NIL

No resolutions were put through postal ballot during the year 2006-2007 and presently there is no proposal for passing any resolution through postal ballot in the ensuing AGM.

7. DISCLOSURES

There are no materially significant transactions with related parties, viz., promoters, directors or the management or relatives etc. that may have a potential conflict with the interests of the Company. Suitable disclosures as required by the Accounting Standard (AS - 18) and others have been made in the Annual Accounts.

Some part payments were received during the year from the allottees to whom preferential convertible warrants were allotted in the previous year and the same were utilised for permissible purposes and for the new unit at Bihta.

The Stock Exchanges or The Securities & Exchange Board of India or any other statutory authority has not imposed any penalty or stricture on the Company for non-compliance on any matter related to capital markets during the last three years.

The Company does not have any Whistle Blower Policy as of now but no personnel is being denied any access to the Audit Committee.

8. MEANS OF COMMUNICATION

Quarterly, Half-yearly and Annual results of the Company are published in The Times of India/Hindustan Times, Patna (English) and Hindustan, Patna (Hindi). Annual results are sent to each household of shareholders. Management Discussion and Analysis Report forms part of this Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

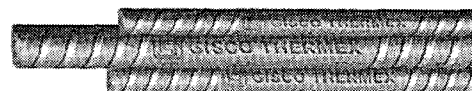
Next AGM date, time & venue	:	September 28, 2007 at 2.00 P.M at 307, Ashiana Towers, Exhibition Road, Patna - 800 001
Financial Calendar	:	April to March
First Quarter Result	:	Last week of July 2007
Second Quarter Result	:	Last week of October 2007
Third Quarter Result	:	Last week of January 2008
Fourth Quarter & Annual Results	:	End May/June 2008
Book Closure Date	:	24th September, 2007 to 28th September, 2007
Dividend Payment Date	:	Interim Dividend already paid has been proposed as final dividend by the Company.

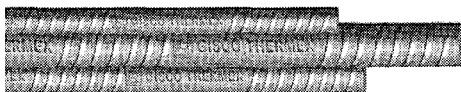
Mr. Ramautar Jhunjhunwala, Non Executive Director, was the Chairman of Share Transfer & Investor Grievance Committee, with the Company Secretary as the Compliance Officer.

Listing on Stock Exchanges	:	The Calcutta Stock Exchange Association Ltd. 7 Lyons Range, Kolkata - 700 001 Bombay Stock Exchange Ltd. 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 The Magadh Stock Exchange Association Ashiana Plaza, Patna - 800 001
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Notes : The Company has made an application for delisting of Equity Shares from the Calcutta and Magadh Stock Exchanges and active follow up is being made with the said Stock Exchanges.

Stock Code	:	Bombay Stock Exchange Ltd. - 530945
ISIN Number for NSDL & CDSL	:	INE437F01015
Dematerialisation of shares	:	41,72,288 out of 43,17,100 equity shares have been dematerialised upto 31.03.2007 representing 96.65% demated shares.
Outstanding convertible instrument	:	40,00,000 warrants, each convertible into 1 equity share of Rs. 10 each. Warrants to be converted into equity shares on or before 24.07.2007.





The manufacturing facilities of the Company are located at Naya Tola, Khagaul Road, Phulwari Sharif, Patna - 801 505

Address for Correspondence :

For Share Transfer to our Share Registrar and Transfer Agents :

M/s S.K.Computers
34/1A, Sudhir Chatterjee Street
Kolkata - 700 006

For General Assistance

307, Ashiana Towers
Exhibition Road, Patna - 800 001

MARKET PRICE DATA

Details of trading done on Bombay Stock Exchange Ltd. from April'06 to March'07 is given below :

MONTH	HIGH (Rs.)	LOW (Rs.)	VOLUME	BSE SENSEX	
				HIGH	LOW
APRIL - 2006	25.95	19.00	462297	12102.00	11008.43
MAY - 2006	25.70	17.25	456172	12671.11	9826.91
JUNE - 2006	19.50	13.00	102246	10626.84	8799.01
JULY - 2006	16.75	13.55	56896	10940.45	9875.35
AUGUST - 2006	17.25	14.00	107018	11794.43	10645.99
SEPTEMBER - 2006	21.25	15.00	107014	12485.17	11444.18
OCTOBER - 2006	22.20	15.20	134496	13075.85	12178.83
NOVEMBER - 2006	20.80	17.00	64572	13799.08	12937.30
DECEMBER - 2006	22.00	16.00	121806	14035.30	12801.65
JANUARY - 2007	26.85	19.75	383002	14325.92	13303.22
FEBRUARY - 2007	30.70	22.55	445533	14723.88	12800.91
MARCH - 2007	28.15	23.50	345361	13386.95	12316.10

Performance of the Company's Share price in comparison to BSE Sensex :

Particulars	GISCO Share Price v/s BSE	
	Share Price (Rs.)	BSE Sensex
As on April 1, 2006	19.50	11342.96
As on April 1, 2007	27.20	12811.93
% Change	39.49	12.95

Shareholding Pattern (As on 31.03.2007)

Category	No. of equity shares	% of shareholding
Promoters	642030	14.87
Private Corporate Bodies	1539907	35.67
Indian Public	2133500	49.42
NRI/OCB	1663	00.04
Total	4317100	100.00

DISTRIBUTION OF SHARE HOLDING (AS ON 31.03.2007)

No. of equity shares held			No. of Folios	% to total	No. of shares	% to total
UPTO	500		568	59.49	132010	3.06
501 to	1000		170	17.80	150003	3.47
1001 to	2000		64	6.70	105047	2.43
2001 to	3000		21	2.20	56827	1.32
3001 to	4000		21	2.20	78959	1.83
4001 to	5000		18	1.88	85482	1.98
5001 to	10000		35	3.66	296108	6.86
10001 to	50000		39	4.08	877439	20.32
50001 to	100000		11	1.15	810194	18.77
100001 and	above		8	0.84	1725031	39.96
Grand Total			955	100.00	4317100	100.00

For and on behalf of the Board

Ramautar Jhunjhunwala
Chairman

Kolkata, 29th June, 2007

**“Annexure - C” to the Directors’ Report
Auditors’ Report on Corporate Governance**

To the Members,
GANGOTRI IRON & STEEL COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by Gangotri Iron & Steel Company Limited for the year ended on 31st March, 2007 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. 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 based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

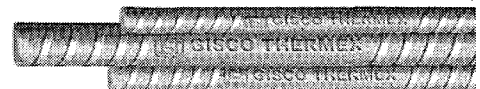
As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders/ Investor’s Grievance Committee.

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

For **ARSK & ASSOCIATES**
Chartered Accountants

CA. Ravindra Khandelwal
Partner
Membership No.: 054615

Place : Kolkata
Date : 29th June, 2007





Certification by CEO of the Company

I, Sanjiv Kumar Choudhary, Whole Time Director and Chief Executive Officer, to the best of my knowledge and belief, certify that :

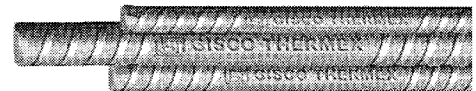
1. I have reviewed the Balance Sheet as at 31st March, 2007 and Profit & Loss Account, and all its Schedules and Notes on Account, as well as the Cash Flow Statements and Directors' Report for the year ended on that date.
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or does not contain any statement that might be misleading.
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all materials respects, a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this Report and are in compliance with the existing Accounting Standards and/or applicable laws and regulations;
4. To the best of my knowledge and belief, no transactions entered into by the Company during the aforesaid period are fraudulent, illegal or violative of the Company's Code of Conduct.
5. I am responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and I have
 - a. Evaluated the effectiveness of the Company's disclosure, controls and procedures over financial reporting, and
 - b. Disclosed in this report any change in Company's internal control over financial reporting that occurred during the Company's most recent accounting period that may have materially affected, or is reasonably likely to affect, the Company's internal control over financial reporting.
6. I have disclosed based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors.
 - a. All deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors, any material weakness in internal control over financial reporting including any corrective actions with regard to such deficiencies, if any;
 - b. Significant changes in internal controls during the period covered by this report, if any;
 - c. All significant changes in accounting policies during the period, if any, and that the same have been disclosed in the notes to the financial statements.
 - d. No instances of significant fraud of which I am aware, involving management or other employees who have significant role in the Company's internal controls system.
7. I further declare that all board members and senior management personnel have affirmed compliance with the Code of Conduct (since its adoption) during the period under review.

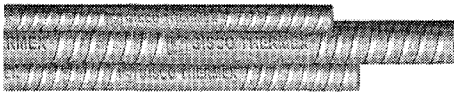
Place : Patna
Date : 29.06.2007

Sanjiv Kumar Choudhary
Whole Time Director & CEO

AUDITORS' REPORT**The Members****Gangotri Iron & Steel Company Limited**

1. We have audited the attached Balance Sheet of Gangotri Iron & Steel Company Limited, as at 31st March 2007 and the related Profit and Loss Account annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 of India (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that :-
 - 3.1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and the discrepancies between the book records and the physical inventory noticed on such verification, have been properly dealt with in the books of accounts.
 - (c) The Company has not disposed off substantial part of the fixed assets during the year.
 - 3.2 (a) The Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventories are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company has maintained proper records of inventories and the discrepancies noticed on the physical verification of inventories carried out during the year are not material.
 - 3.3 (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or parties covered in register maintained under Section 301 of the Act and as such clause (iii) (b), (iii) (c) and (iii) (d) of paragraph 4 of the aforesaid order are not applicable.
 - (b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act, 1956 and as such clause (iii) (f) and (iii) (g) of paragraph 4 of the aforesaid order are not applicable.
 - 3.4 In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, during the course of our audit we have neither come across nor have we been informed of any continuing failure to correct major weakness in the internal controls.
 - 3.5 (a) According to the information and explanations provided by the management we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act, that need to be entered into the register maintained under Section 301 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 or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000.00 (Rupees Five Lacs only) or more in respect of any party, have been made at prices which are reasonable having regard to the market prices prevailing at the relevant time.





- 3.6 (a) The Company has not accepted any deposits during the year from the public under Sections 58A and 58AA or any other relevant provisions of the Companies Act 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (b) During the course of our audit, we have neither come across nor have been informed of any order passed under the aforesaid Sections by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

3.7 In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.

3.8 According to the books and records as produced and examined by us and also as per management representations:

- (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities though *there has been slight delay in a few cases*.
- (b) As at 31st March, 2007 there are no undisputed statutory dues payable *except Entry Tax under Bihar Finance Act, of Rs. 12,046/-* for a period of more than six month from the date of they become payable.
- (c) As at 31st March, 2007 according to the records of the Company, the following are the particulars of the disputed dues on account of Excise Duty are as follows :

Nature of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	14,43,471.00	1998-2001	High Court, Patna

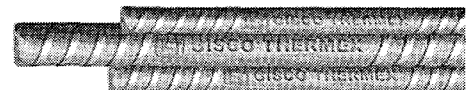
- 3.9 As per the books of account, the Company has neither accumulated loss as at 31st March, 2007 nor it has incurred any cash loss either during the financial year ended on that date and in the immediately preceding financial year.
- 3.10 The Company has not defaulted during the year in repayment of its dues to any financial institution or bank. The Company does not have any debentures outstanding as on 31st March, 2007.
- 3.11 The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 3.12 In our opinion proper records have been maintained of the transactions and contracts for investments and timely entries have been made therein. The shares, securities, debentures and other investments, which are held by the Company and also pledged to banks, are in the Company's name.
- 3.13 The Company has not given any guarantee for the loans taken by others from banks or financial institutions.
- 3.14 On the basis of review of utilization of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company have been applied for the purposes for which they are obtained.
- 3.15 On the basis of review of utilization of funds on overall basis, related information as made available to us and as represented to us by the management, the funds raised on short-term basis have not been applied during the year for long-term basis.
- 3.16 The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 3.17 The Company has not issued any debentures and accordingly the question of creation of securities or charge in this regard does not arise.
- 3.18 During the course of examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.
- 3.19 In view of the nature of activities carried out by the Company during the year, in our opinion, the requirements of clauses (viii), (xiii) and (xx) of paragraph 4 of the Order are not applicable to the Company.

4. Further to our comments in the paragraph 3 above, we report that :
- 4.1 We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- 4.2 In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books;
- 4.3 The Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- 4.4 In our opinion, the Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with by this report have been in compliance with the applicable accounting standards referred to in Section 211(3C) of the Act;
- 4.5 On the basis of written representation received from the Directors, we report that none of the Directors are prima-facie disqualified as on 31st March, 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Companies Act 1956, and also give a true and fair view in conformity with the accounting principles generally accepted in India;
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007;
 - ii) in case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Kolkata
Date : 29th June, 2007

For **ARSK & ASSOCIATES**
Chartered Accountants

CA. Ravindra Khandelwal
Partner
Membership No. 054615





BALANCE SHEET AS AT 31ST MARCH, 2007

(Amount in Rs.)

Schedule		As at 31.03.2007		As at 31.03.2006	
I. SOURCES OF FUNDS					
1) Shareholder's Fund					
a) Share Capital	A	52,571,000		52,571,000	
b) Reserve & Surplus	B	38,794,953	91,365,953	30,827,042	83,398,042
2) Loan Funds					
a) Secured Loan	C	40,702,947		49,659,406	
b) Unsecured Loan	D	6,600,000	47,302,947	576,537	50,235,943
3) Deferred Tax Liability					
			5,569,603		6,302,059
			144,238,503		139,936,044
II. APPLICATION OF FUNDS					
1) Fixed Assets					
a) Gross Block	E	76,819,989		62,571,762	
b) Less : Depreciation		16,495,145		13,990,921	
c) Net Block			60,324,844		48,580,841
d) Capital Work in Progress			2,461,897		385,022
2) Investments					
	F		4,835,162		4,993,409
3) Current Assets, Loans & Advances					
a) Current Assets					
– Inventories	G	26,826,973		23,644,480	
– Sundry Debtors	H	44,567,915		69,105,958	
– Cash & Bank Balances	I	8,865,501		10,422,528	
b) Loans & Advances	J	35,536,786		27,967,427	
		115,797,175		131,140,393	
c) Less : Current Liabilities & Provisions					
	K	42,900,975	72,896,200	45,182,950	85,957,443
4) Miscellaneous Expenditure					
(to the extent not written off or adjusted)	L				
Pre-Operative Expenses (to be capitalised)			3,720,399		19,329
			144,238,503		139,936,044

Significant Accounting Policies T
Notes on Accounts U
Balance Sheet Abstract & Company Profile V

Schedule 'A to L', 'T' & 'U' form an integral part of Balance Sheet

As per our report attached

For **ARSK & ASSOCIATES**
Chartered Accountants
CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Dated : 29th June, 2007

Priti Somani
Company Secretary

For and on Behalf of the Board

Ramautar Jhunjunwala
Chairman

Sanjiv Kumar Choudhary
Whole Time Director

PROFIT & LOSS ACCOUNT
For the year ended on 31.03.2007

(Amount in Rs.)

Particulars	Schedule	For the year ended on 31.03.2007	For the year ended on 31.03.2006
I INCOME			
Sales	M	391,857,766	277,735,053
Other Income	N	1,272,924	2,111,318
Increase/Decrease in Stock	O	2,911,055	6,836,167
		<u>396,041,745</u>	<u>286,682,538</u>
II EXPENDITURE			
Raw Material Consumed	P	262,019,629	189,445,948
Trading Goods Purchased		-	1,064,411
Excise Duty		53,402,414	38,268,713
State VAT		15,046,681	10,587,270
Salaries, Wages & Other Benefits	Q	4,502,290	2,333,728
Other Manufacturing & Administrative Expenses	R	32,323,609	24,553,394
Interest & Other Financial Charges	S	6,680,658	3,740,275
Depreciation		7,624,386	5,585,732
		<u>381,599,668</u>	<u>275,579,471</u>
III Profit before taxation		14,442,077	11,103,067
Less : Provision for Current Tax		(4,615,688)	(2,523,449)
Less : Fringe Benefit Tax		(136,208)	(161,799)
Add /(Less) : Provision for Deferred Tax		732,456	(629,046)
Add : Excess provision of Income tax for earlier years		6,662	2,012
IV Profit after taxation		10,429,300	7,790,785
Add : Profit brought forward		12,786,042	7,831,743
V Profit available for Appropriation		23,215,342	15,622,528
Appropriations			
Interim Dividend (Proposed to be final)		2,158,652	2,487,600
Tax on Dividend		302,737	348,886
Balance carried to Balance Sheet		<u>20,753,953</u>	<u>12,786,042</u>
		<u>23,215,342</u>	<u>15,622,528</u>
Earnings Per Share - Basic		2.42	2.06
- Diluted		1.25	1.72

Significant Accounting Policies T
Notes on Accounts U
Balance Sheet Abstract & Company Profile V
Schedule 'M' to 'S', 'T' & 'U' form an integral part of Profit & Loss Account

As per our report attached

For **ARSK & ASSOCIATES**

Chartered Accountants
CA. Ravindra Khandelwal
Partner

Membership No. 054615

Place : Kolkata

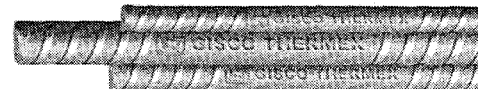
Dated : 29th June, 2007

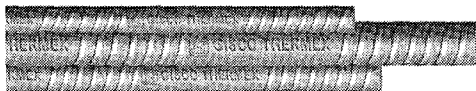
Priti Somani
Company Secretary

For and on Behalf of the Board

Ramautar Jhunjunwala
Chairman

Sanjiv Kumar Choudhary
Whole Time Director





CASH FLOW STATEMENT AS AT 31ST MARCH, 2007

(Amount in Rs.)

	As at 31st March 2007	As at 31st March 2006
A. Cash Flow from Operating Activities :		
Net Profit before tax and Extraordinary Items	14,442,077	11,103,067
Adjustment for :		
Depreciation	7,624,386	5,585,732
Interest and other financial charges	6,680,658	3,740,275
Share issue & Preliminary Expenses written off	-	185,730
	<u>28,747,122</u>	<u>20,614,804</u>
Adjustment for :		
Dividend Received	(21,700)	(9,000)
Interest Received	(378,849)	(328,631)
Operating Profit before working capital changes	<u>28,346,573</u>	<u>20,277,174</u>
Adjustment for :		
Current Assets	13,946,600	(58,624,338)
Current Liabilities	(2,281,975)	23,797,433
(Increase)/Decrease in Current Assets	<u>11,664,625</u>	<u>(34,826,905)</u>
Cash Generated from Operations	40,011,197	(14,549,731)
Direct Tax Paid	(4,745,234)	(2,683,236)
Cash Flow from Operating Activities	<u>35,265,963</u>	<u>(17,232,967)</u>
B. Cash Flow from Investing Activities		
Loan Given/Repayment of Loan	(160,408)	(196,222)
Purchase of Fixed Assets	(21,452,036)	(34,087,798)
Pre-operative Expenses	(3,694,299)	(18,000)
Interest Received	378,849	328,631
Dividend Received	21,700	9,000
Sale (Purchase) of Investment	158,246	(4,993,409)
Maturity of fixed deposits/FD taken	(171,443)	(3,059,690)
	<u>(24,919,390)</u>	<u>(42,017,487)</u>
C. Cash Flow from Financial Activities :		
Issue of Forfeited Shares	-	27,051,000
Issue of Share Warrants	-	9,400,000
Calls in Arrear	-	5,000
Increase/(decrease) of Bank Borrowings	(6,230,496)	18,807,742
Term Loan from the Bank	(2,725,963)	14,516,965
Increase/(decrease) in Unsecured Loan	6,023,463	-
Interest & other Financial Charges	(6,680,658)	(3,740,275)
Dividend Paid	(2,461,389)	(2,836,486)
	<u>(12,075,043)</u>	<u>63,203,946</u>
Net Increase in cash and cash equivalents	(1,728,470)	3,953,491
Cash and Cash equivalents at the beginning of the year	7,270,638	3,317,147
Cash and Cash equivalents at the end of the year	<u>5,542,168</u>	<u>7,270,638</u>

As per our report attached

For **ARSK & ASSOCIATES**

Chartered Accountants

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Dated : 29th June, 2007

Priti Somani
Company Secretary

For and on Behalf of the Board

Ramautar Jhunjhunwala

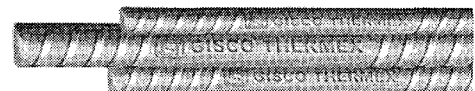
Chairman

Sanjiv Kumar Choudhary
Whole Time Director

Schedules Forming Part of the Balance Sheet

(Amount in Rs.)

	As at 31.03.2007	As at 31.03.2006
SCHEDULE 'A'		
Share Capital		
Authorised Capital :		
90,00,000 equity shares of Rs.10/- each	90,000,000	90,000,000
Issued, Subscribed & Paid up :		
43,17,100 equity shares of Rs.10/-each	43,171,000	43,171,000
Share Capital Suspense Account		
Convertible Warrants	9,400,000	9,400,000
(40,00,000 Convertible Warrants issued on Preferential basis to be converted into one equity share of Rs. 10 each at a premium of Rs. 13.50 per share on payment of balance amount)		
	<u>52,571,000</u>	<u>52,571,000</u>
SCHEDULE 'B'		
Reserves & Surplus		
a) Capital Reserve	18,041,000	18,041,000
b) Surplus in Profit & Loss Account	20,753,953	12,786,042
	<u>38,794,953</u>	<u>30,827,042</u>
SCHEDULE 'C'		
Secured Loans		
a) Term loan from Bank	12,400,917	15,126,880
(Including interest accrued and due)		
b) Cash Credit from Bank	28,008,710	34,111,923
c) Car Loan from Banks	293,320	420,603
	<u>40,702,947</u>	<u>49,659,406</u>
Note :		
1) Cash Credit Limit and Term Loan is secured by Hypothecation of finished goods, work-in-progress, raw materials, consumables, Book Debts and Fixed Deposits of Rs. 30.00 lakhs and mortgage of Buildings and Plant & Machinery at the factory premises of the Company along with Personal Guarantee by four Directors of the Company and three other persons including relatives of Directors.		
2) Car Loan is secured by hypothecation of vehicles.		
SCHEDULE 'D'		
Unsecured Loan		
Loan from bodies corporate	6,600,000	576,537
	<u>6,600,000</u>	<u>576,537</u>



Schedules Forming Part of the Balance Sheet

SCHEDULE 'E'

Fixed Assets

(Amount in Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As on 01.04.2006	Addition	Deletion/ Sale	As on 31.03.2007	As on 31.03.2006	During the year	Deletion/ Sales	As on 31.03.2007	As on 31.03.2007	As on 31.03.2006
Lease hold Land	166,891	-	-	166,891	100,135	6,676	-	106,811	60,080	66,756
Plant & Machinery	34,010,830	666,524	-	34,677,354	6,524,706	1,636,507	-	8,161,213	26,516,141	27,486,124
Shed & Building & Civil Construction.	7,208,127	505,873	-	7,714,000	2,100,876	249,032	-	2,349,908	5,364,092	5,107,251
Electric Installation	5,950,367	76,370	652,448	5,374,289	1,505,708	270,287	389,971	1,386,024	3,988,265	4,444,659
Rolls	3,877,594	3,799,596	4,736,962	2,940,228	1,211,481	4,877,264	4,736,962	1,351,783	1,588,445	2,666,113
Computer	307,495	212,503	-	519,998	25,882	71,787	-	97,669	422,329	281,613
Weighing Machine	1,036,302	15,491	-	1,051,793	159,181	49,960	-	209,141	842,652	877,122
Generator	237,214	-	-	237,214	136,165	11,268	-	147,433	89,781	101,049
Other Machinery	4,125,737	-	-	4,125,737	1,259,058	195,972	-	1,455,030	2,670,706	2,866,679
Furniture & Fixture	447,055	227,096	-	674,151	300,360	34,913	-	335,273	338,878	146,695
Office Equipments	378,367	36,049	-	414,416	98,172	18,996	-	117,168	297,248	280,195
Vehicles	1,866,080	240,589	-	2,106,669	547,106	198,447	-	745,553	1,361,116	1,318,974
Laboratory Equipment	61,348	-	-	61,348	18,587	2,914	-	21,501	39,847	42,761
Fire Extinguishers	7,628	-	-	7,628	2,175	362	-	2,537	5,091	5,453
Sub - Total	59,681,036	5,780,091	5,389,410	60,071,716	13,989,592	7,624,386	5,126,933	16,487,045	43,584,671	45,691,443
Unit - II										
Vehicle	42,296	-	-	42,296	980	2,009	-	2,989	39,307	41,316
Other Machinery	49,880	-	-	49,880	349	4,720	-	5,069	44,611	49,331
Office Equipment	-	9,697	-	9,697	-	42	-	42	9,655	-
Land & Site Development	2,798,750	13,847,850	-	16,646,600	-	-	-	-	16,646,600	2,798,750
Sub - Total	2,890,726	13,857,547	-	16,748,273	1,329	6,771	-	8,100	16,740,173	2,889,397
Total	62,571,762	19,637,638	5,389,410	76,819,989	13,990,921	7,631,157	5,126,933	16,495,145	60,324,844	48,580,840
Capital Work in progress (Unit -II)										
Shed & Civil Work									2,461,897	385,022
Grand Total	62,571,762	19,637,638	5,389,410	76,819,989	13,990,921	7,631,157	5,126,933	16,495,145	62,786,741	48,965,862
Previous Year	31,709,957	33,702,776	2,840,971	62,571,762	11,244,832	5,587,061	2,840,971	13,990,922	48,965,862	20,465,125

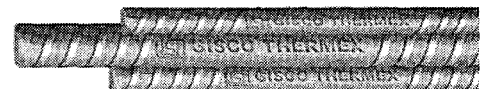
Schedules Forming Part of the Balance Sheet
SCHEDULE 'F'
Investments
Long term Investment

(Amount in Rs.)

Name of the Company	Face Value	Quantity	Value	Quantity	Value
		as at 31.03.2007	as at 31.03.2007	as at 31.03.2006	as at 31.03.2006
Quoted Equity Shares					
Ashok Leyland Ltd.	10	2,500	125,590	-	-
BSEL Infrastructure Realty Ltd.	10	-	-	10,000	440,900
ESI Ltd.	10	-	-	2,000	490,970
Filmcity Media Ltd.	1	50,000	165,998	50,000	165,998
Hindalco Industries Ltd.	10	1,000	173,609	-	-
HT Media Ltd.	10	-	-	1,000	667,755
Indian Cement Ltd.	10	500	115,758	-	-
Lanco Industries Ltd.	10	1,000	58,841	-	-
Mysore Cement Ltd.	10	-	-	15,000	487,645
National Organic Chemical Industries Ltd.	10	10,000	317,755	10,000	317,755
Pentium Infotech Limited.	1	75,000	233,990	75,000	233,990
Prism Cement Ltd.	10	-	-	10,000	265,321
Reliance Communication Ltd.	10	500	233,811	-	-
Reliance Natural Resources Ltd.	5	10,000	239,666	5,000	153,039
Reliance Petroleum Ltd.	10	12,000	883,650	-	-
S. Kumars' Nationwide Ltd.	10	-	-	10,000	621,288
Singer India Ltd.	10	10,000	280,095	10,000	280,095
Southern Iron & Steel Company Ltd.	10	20,000	644,478	20,000	644,478
Steel Authority of India Ltd.	10	1,000	108,215	-	-
Uttam Sugar Ind. Ltd.	10	3,500	1,170,216	-	-
Vaibhav Gems Ltd.	10	-	-	546	224,174
Varun Shipping Ltd.	10	1,000	83,490	-	-
			<u>4,835,162</u>		<u>4,993,409</u>

Market value of the Quoted Investment as on 31st March, 2007 is Rs 3165040/- (previous year Rs. 41,55,208/-)

	As at 31.03.2007	As at 31.03.2006
SCHEDULE 'G'		
Inventories (As valued and certified by the management)		
Raw Material	3,948,273	2,174,982
Finished Goods	20,564,882	16,379,216
Trading Goods	-	962,419
Scrap	338,342	163,533
Coal	117,830	432,258
Discarded Machine	310,898	310,898
Scrap Rolls	273,000	760,000
Stores & Rolls	1,273,749	2,461,173
	<u>26,826,973</u>	<u>23,644,480</u>
SCHEDULE 'H'		
Sundry Debtors (Unsecured, considered good)		
Outstanding for more than Six months	8,713,309	14,217,243
Other Debts	35,854,606	54,888,715
	<u>44,567,915</u>	<u>69,105,958</u>



Schedules Forming Part of the Balance Sheet

(Amount in Rs.)

	As at 31.03.2007	As at 31.03.2006
SCHEDULE 'I'		
Cash & Bank Balances		
Cash in hand	2,141,260	1,396,078
Bank Balance with Scheduled Bank		
In current Account	1,021,463	5,869,555
In Fixed Deposit	3,281,133	3,109,690
Cheques/DDs in hand	2,379,445	5,005
Interest accrued on Fixed Deposit	42,200	42,200
	<u>8,865,501</u>	<u>10,422,528</u>

Note :

- 1) Fixed Deposit receipts of Rs. 50,000/- (Previous Year Rs.50,000/-) lodged with Central Excise Authority at Patna.
- 2) Fixed Deposit receipts of Rs. 32,31,133/- (Previous Year 30,59,690/-) lodged with SBI, Patliputra Branch, Patna against credit facilities.

SCHEDULE 'J'

Loans & Advances (Unsecured, considered good)

Loans	2,464,914	2,304,506
Advances (recoverable in cash or in kind or for value to be received)	27,283,079	17,939,664
Advance Income Tax & TDS	1,172,634	2,382,437
Advance Central Excise Duty & Service Tax	767,073	2,030,015
Pre-deposit of Excise Duty	55,000	435,000
Advance Sales Tax & Entry Tax	369,661	480,752
Prepaid Expenses	139,782	151,410
Security Deposits	3,284,643	2,243,643
	<u>35,536,786</u>	<u>27,967,427</u>

SCHEDULE 'K'

Current Liabilities & Provisions

a) Current Liability			
Sundry Creditors for Goods	1,250,361		18,572,102
Sundry Creditors for Capital Goods	574,297		607,189
Advance from Customers	12,376,307		12,552,307
Advance received against conversion of Warrants	10,493,585		-
Security Deposit from Dealers	2,664,649		2,294,953
Sundry Creditors for Expenses & Taxes	10,337,059	37,696,259	8,434,949
b) Provisions			
Provision for Income Tax	4,615,688		2,523,449
Provision for Gratuity & Leave Encashment	589,028	5,204,716	198,000
	<u>42,900,975</u>		<u>45,182,950</u>

Schedules Forming Part of the Balance Sheet

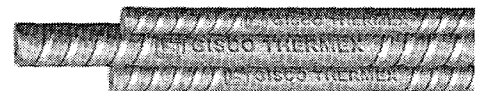
(Amount in Rs.)

	As at 31.03.2007	As at 31.03.2006
SCHEDULE 'L'		
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
Pre-Operative Expenditure		
Opening Balance	19,329	-
Add : Incurred During the Year		
Lease Rent for Land	108,000	18,000
Bank Charges	1,872,725	
Project Consultancy Charges	1,061,000	
Travelling & Conveyance	55,728	
Salary & Wages	303,000	
Security Charges	120,000	
Rate & Taxes	20,000	
Technical Consultancy Charges	90,000	
Miscellaneous Expenses	56,442	
Printing & Stationary	7,404	
Depreciation on Fixed Assets	6,771	
	<u>3,701,070</u>	<u>1,329</u>
	<u>3,720,399</u>	<u>19,329</u>

Schedules Forming Part of the Profit & Loss Account

	For the year ended 31.03.2007	For the year ended 31.03.2006
SCHEDULE 'M'		
Sales		
Finished Goods		
Direct Sales	383,733,178	269,415,402
Consignment Sales	644,355	3,620,350
Scrap	5,436,239	4,604,663
Scrap Rolls	944,799	-
Trading Goods	1,099,195	94,638
	<u>391,857,766</u>	<u>277,735,053</u>
SCHEDULE 'N'		
Other Income		
Profit on Sale of Investments	619,312	594,296
Profit/(Loss) on Derivatives & Commodity Trading	(646,551)	1,178,697
Interest on Loan*	207,406	252,994
Interest on Fixed Deposit*	171,443	75,443
Interest on Income Tax Refund	-	194
Profit on Sale of Assets	237,523	-
State Subsidy on ISO	75,000	-
Balance Written Back	585,477	-
Miscellaneous Income	1,614	694
Dividend	21,700	9,000
	<u>1,272,924</u>	<u>2,111,318</u>

* TDS deducted Rs. 82,847 (P.Y. Rs. 72,787)



Schedules Forming Part of the Profit & Loss Account

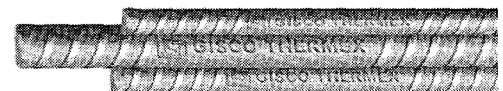
(Amount in Rs.)

	For the year ended 31.03.2007		For the year ended 31.03.2006	
SCHEDULE 'O'				
Increase/Decrease in Stock				
Opening Stock				
Finished Goods	16,379,216		10,743,722	
Trading goods	962,419		107,010	
Scrap Rolls	760,000		432,000	
Scrap	163,533	18,265,169	146,270	11,429,002
	<u>20,564,882</u>		<u>16,379,216</u>	
Less : Closing Stock				
Finished Goods	20,564,882		16,379,216	
Trading Goods	-		962,419	
Scrap Rolls	273,000		760,000	
Scrap	338,342	21,176,223	163,533	18,265,169
	<u>21,176,223</u>		<u>18,265,169</u>	
		<u>2,911,055</u>		<u>6,836,167</u>
 SCHEDULE 'P'				
Raw Material Consumed				
Opening Stock	2,174,982		1,764,617	
Add : Purchase during the year	263,792,920		189,856,314	
	<u>265,967,902</u>		<u>191,620,931</u>	
Less : Closing Stock	3,948,273		2,174,982	
	<u>262,019,629</u>		<u>189,445,948</u>	
 SCHEDULE 'Q'				
Salaries, Wages & Other Benefits				
Salaries & Wages	3,635,231		1,877,364	
Employer Contribution to Provident Fund	350,944		205,386	
Workman & Staff Welfare Expenses	516,115		250,978	
	<u>4,502,290</u>		<u>2,333,728</u>	

Schedules Forming Part of the Profit & Loss Accounts

(Amount in Rs.)

	For the year ended 31.03.2007	For the year ended 31.03.2006
SCHEDULE 'R'		
Other Manufacturing & Administrative Expenses		
Stores Consumed	2,333,397	1,915,359
Power & Fuel	16,630,986	11,367,778
Gas Cutting Charges	285,760	255,415
Electricity Charges	235,858	75,529
Advertisement Expenses	7,029,700	4,824,133
Sales & Business Promotion Expenses	441,517	1,229,144
Finished Goods Packaging Expenses	1,018,466	455,509
Royalty	190,000	30,000
Lease Rent	729,183	656,157
Insurance	170,166	134,333
Telephone & Mobile Charges	678,292	208,725
Legal & Professional Charges	46,100	251,250
Traveling & Conveyance	229,341	173,822
Printing & Stationary	125,234	133,702
Car Rental Charges	252,000	180,000
Repair & Maintenance to :		
Plant & Machinery	64,797	67,932
Other	17,035	28,521
Vehicle	307,315	260,634
Director's Remuneration (including sitting fees)	623,000	518,000
Auditor's Remuneration	44,684	25,250
Share Maintenance Charges	38,019	318,724
Miscellaneous Expenses	483,138	659,327
Freight on Consignment Sale	12,738	63,196
Commission on Consignment Sale	2,248	4,238
Balances Written off	-	371,097
Preliminary & Share Issue Exp. W/Off	-	185,730
Prior Period Adjustments	238,124	-
Quality & Testing Charges	96,512	159,889
	<u>32,323,609</u>	<u>24,553,394</u>
SCHEDULE 'S'		
Interest & Other Financial Charges		
To Bank		
Cash Credit A/c	4,173,240	2,644,304
Term Loan	1,854,029	583,238
Bank Charges	226,834	392,322
Vehicle Financing Charges	30,057	8,603
Others	396,498	111,808
	<u>6,680,658</u>	<u>3,740,275</u>



Schedules Forming Part of the Balance Sheet & Profit & Loss Accounts

SCHEDULE - 'T'

SIGNIFICANT ACCOUNTING POLICIES

1) FIXED ASSETS AND DEPRECIATION

- a) Fixed Assets are stated in their original cost of acquisition including all related expenses of acquisition and installation.
- b) Depreciation on Fixed Assets is provided on straight line method in accordance with the rates as specified in Schedule XIV of the Companies Act, 1956 (As amended). Lease hold land is written off over the period of the lease. Depreciation on addition in fixed assets has been provided on pro-rata basis.
- c) The Company assesses at each Balance Sheet date whether there is any indication of an asset being impaired. In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for impairment loss.

2) INVESTMENTS

Investments are stated at cost. Provision for diminutions in the value is not considered unless such short fall is permanent in nature.

3) INVENTORIES

Description	Basis of Valuation
i) Coal	At Cost
ii) Stores & Spare Parts	At Cost
iii) Raw Materials	At Cost
iv) Finished Goods	At cost or market price whichever is less
v) Scrap	At estimated realisable value

- 4) The Value of the Opening Stock and Closing Stock of Finished Goods includes Excise Duty as per Guidance Note issued by ICAI "ACCOUNTING TREATMENT OF EXCISE DUTY".

5) REVENUE RECOGNITION

- a) Sales is recognised on the basis of despatch of goods to the customers.
- b) Interest income is accounted for on accrual basis.

6) EXPENDITURE

All the recurring expenses are accounted for mercantile basis.

7) EMPLOYEE BENEFITS

The Company has schemes of retirement benefits of Provident Fund, Superannuation Fund and Gratuity in respect of which the Company's contribution to the respective funds are charged to Profit & Loss Account. The Company contributes to Provident fund administered by Government and provides for Liability of Gratuity and Superannuation on the basis of actuarial valuation as at the year end. Further, liability for encashment of earned leave have been provided on actual assessment basis.

8) Taxes on Income

Current Tax is determined on the amount of tax payable in respect of taxable income for the year.

The deferred tax charge or credit is recognised using current tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed as at each balance sheet date based on developments during the year and available case laws, to reassess realisation / liabilities.

- 9) The basic Earning per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted earning per share, net profit after tax for the year and the weighted average number of the share outstanding during the year are adjusted for the effect of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as the beginning of the period, unless they have been issued at later date.

Schedules Forming Part of the Balance Sheet & Profit & Loss Accounts
SCHEDULE - 'U'
NOTES ON ACCOUNTS
1) Contingent Liability not provided for in respect of :

- a) No provision for Rs.28,23,737/- (Previous year Rs. 28,23,737/-) has been made in the accounts towards annual minimum charges for electricity for the years 1998-99,1999-00, 2000-01 & 2002-03, 2003-04 and 2004-05 against which Rs.12,43,149/-(Previous year Rs. 12,43,149/-) has been paid. The matter is pending before Bihar State Electricity Board for final settlement.
- b) No provision for Rs.11,61,905/- (Previous year Rs. 11,61,905/-) has been made in the accounts towards DPS charges on annual minimum charges for electricity for the years 1995-96, 1996-97 & 1997-98 against which no amount has been paid. The matter is pending before Bihar State Electricity Board for final settlement.
- c) Disputed Excise Duty Matters U/s 3A of Central Excise Act, 1944 pending with High Court, Patna related to year 1998-99,1999-2000 wherein provision for Rs. 14,43,471/- (Previous year Rs. 14,43,471/-) has not been made by the Company. However, there is a discrepancy as per the Commissioner's Order according to which the liability works out to Rs. 37,40,926/- against which the Company is in the process of getting rectified.
- d) Disputed Excise Duty Matters for year 2002-03 in appeal pending with CESTAT, Kolkata Rs. 92,935/-

- 2) Capital contracts outstandings are for Rs.9,62,84,000/- (Previous year Rs. 4934440/-) against which advances are made of Rs.110,08,000/- (Previous year Rs. 2470200/-).

3) Whole time Director's Remuneration :

(Amount in Rs.)

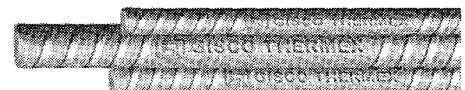
	31.03.2007	31.03.2006
Basic Salary	600,000	480,000
	<u>600,000</u>	<u>480,000</u>

4) Auditor's Remuneration :

	31.03.2007	31.03.2006
i) Statutory Audit Fees	30,000	20,000
ii) Tax Audit Fees	10,000	—
iii) For Other Services	4,684	5,250
	<u>44,684</u>	<u>25,250</u>

5) Major Components of Deferred Tax Assets/Liability :

Particulars	2006-07		2005-06	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Difference between book value of Depreciable Assets as per books of Account and W.D.V. for tax purposes	—	5,796,815	—	6,395,013
Unpaid Statutory Liabilities debited to Profit and Loss A/c paid during the year	227,213	—	92,954	—
Total	227,213	5,796,815	92,954	6,395,013
Net Deferred tax Liability		5,569,602		6,302,059
Net Incremental liability Charged to Profit & Loss Account		(732,457)		629,046



Schedules Forming Part of the Balance Sheet & Profit & Loss Accounts

6) Related Party Disclosure :

As per Accounting Standard (AS-18) issued by the Institute of Chartered Accountants of India, the related parties' disclosure is as under :

A) List of Related Parties :

- i) Associate Company in which Directors have substantial interest :
Gangotri Electrocastings Ltd.
Akash Ganga Homes P. Ltd.
- ii) Key Management Personnel
Sanjiv Kumar Choudhary - Whole time Director
- iii) Relatives of Key Management Personnel :
Smt. Manju Choudhary (Wife of Mr. Sanjiv Kumar Choudhary)
Smt. Shakuntala Jhunjunwala (Wife of Mr. R. Jhunjunwala)

B) Transaction with Related Parties :

(Amount in Rs.)

Particulars	Associates		Relatives of Key Management Personnel		Key Management Personnel	
	31.03.2007	31.03.2006	31.03.2007	31.03.2006	31.03.2007	31.03.2006
Purchase of Goods	247,200,248	221,738,381	—	—	—	—
Sale of Goods	45,343	—	—	—	—	—
Car Hire Charges	—	—	252,000	180,000	—	—
Rent	—	—	96,000	72,000	—	—
Rendering of Services	—	—	—	—	600,000	487,000
Net Balance at the year end	11474810	(6,664,943)	(27,085)	(86,694)		

Note : Figures in brackets in the aforesaid denote credit balances

- 7) There is no outstanding dues to the Small Scale Industrial Undertakings as has been identified on the basis of information available with the Company.
- 8) Pre-operative Expenses of Rs. 37,20,399/- has been incurred against the expansion project undertaken by the Company to be capitalised on commencement of commercial production of the said project.
- 9) In accordance with the requirements of Accounting Standard (AS 17) on Segment Reporting issued by the Institute of Chartered Accountants of India, the Company operates in only one primary segment i.e. M.S.Bar. There are no reportable geographical segment.
- 10) Gratuity and post-employment benefits plans

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of Gratuity Act,1972.

The following table summarises the components of net benefits expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Schedules Forming Part of the Balance Sheet & Profit & Loss Accounts

(Rs. '000)

I. Expenses recognised in the statement of Profit & Loss Account for the year ended 31st March, 2007

	Gratuity
A. Components of employer expense	
1. Current service cost	64.23
2. Interest cost on benefit obligation	16.23
3. Expected return on plan assets	—
4. Curtailment cost/(credit)	—
5. Settlement cost/(credit)	—
6. Amortization of Past Service Cost	—
7. Actuarial Losses /(Gains)	(24.88)
8. Total expense recognised in the Statement of Profit & Loss	55.58
B. Actual Contributions and Benefits Payments for period ended 31st March, 2007	
1. Actual benefits payments	—
2. Actual Contributions	—

II. Net Asset / (Liability) recognised in the Balance Sheet as at 31st March, 2007

Funded status

1. Present value of Defined Benefit Obligation	264.96
2. Fair value of plan assets	—
3. Funded status [Surplus / (Deficit)]	(264.96)
4. Effect of balance sheet asset limit	—
5. Unrecognised Past Service Costs	—
6. Net asset / (liability) recognised in balance sheet	(264.96)

III. Reconciliation of Defined Benefit Obligation and Fair Value of Assets

A. Change in Defined Benefit Obligation and Fair Value of Assets

1. Present Value of DBO at beginning of period	209.38
2. Current Service cost	64.23
3. Interest Cost	16.23
4. Curtailment cost / (credit)	—
5. Settlement cost / (credit)	—
6. Employee contribution	—
7. Plan amendments	—
8. Acquisitions	—
9. Actuarial (gains) / losses	(24.88)
10. Benefits paid	—
11. Present Value of DBO at end of period	264.96

B. Change in Fair Value of Assets

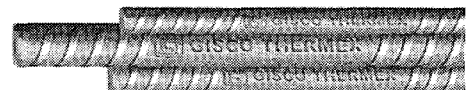
1. Plan Assets at beginning of period	—
2. Actual return on plan assets	—
3. Actual Company contributions	—
4. Employee contributions	—
5. Benefits paid	—
6. Plan Assets at end of period	—

IV. The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company's plans are shown below :

Discount Rate per annum Compound	8.25%
Rate of increase in salaries	5%
Rate of return on Plan Assets	Not Applicable
Expected Average remaining working lives of employees (years)	22.33

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

During the year, Company has adopted AS 15 (revised) on employee benefits accordingly, the disclosures above are given only for the current year.



Schedules Forming Part of the Balance Sheet & Profit & Loss Accounts

(Amount in Rs.)

- 11) The basis of the calculation of Earnings per share (EPS) as per the requirement of the AS-20 is as under :

Particulars	At 31.03.2007	At 31.03.2006
Earnings :		
Net profit for the year (for both basic and diluted EPS) (Rs.)	10,429,300	7,790,785
Shares :		
Total number of the equity shares outstanding at the end of the year.	4,317,100	4,317,100
Weighted average no. of the equity shares outstanding during the year (for the basic EPS)	4,317,100	3,789,479
Weighted average no. of the equity shares outstanding during the year (for the Diluted EPS)	8,317,100	4,523,726
Earning per share of par value Rs.10/-		
- Basic (Rs.)	2.42	2.06
- Diluted (Rs.)	1.25	1.72

- 12) Previous year figures have been re-arranged or re-grouped where ever necessary.

- 13) Additional information pursuant to the provisions of paragraph 3 and 4 of Part II of Schedule VI to the Companies Act, 1956 :

Quantitative Information

- a) Particulars in respect of goods manufactured :

i) Licensed Capacity	Not Applicable
ii) Installed Capacity (as certified by the management)	33000 MT (Previous year 33000 MT)
iii) Particulars in respect of Production, turnover, opening & closing stock of goods	} As per Annexure ' A'
iv) Particulars in respect of Raw Materials Consumed	} As per Annexure ' A'
v) CIF value of Import	Nil
vi) Expenditure in Foreign Currency	Nil
vii) F.O.B. value of Export	Nil

As per our report attached

Signature to Schedule No. A to U

For ARSK & ASSOCIATES

Chartered Accountants

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Dated : 29th June, 2007

Priti Somani
Company Secretary

For and on Behalf of the Board

Ramautar Jhunjhunwala
Chairman

Sanjiv Kumar Choudhary
Whole Time Director

**ANNEXURE- A QUANTITATIVE DETAILS OF RAW MATERIALS & FINISHED GOODS
FOR THE YEAR ENDED 31st March, 2007**

Name of Items	Opening Balance		Purchase/Production		Total		Consumption/Sales		Shortage	Closing Stock	
	QTY. M.T.	VALUE Rs.	QTY. M.T.	VALUE Rs.	QTY. M.T.	VALUE Rs.	QTY. M.T.	VALUE Rs.		QTY. M.T.	VALUE Rs.
RAW MATERIALS	-	-	-	-	-	-	-	-	-	-	-
Non Alloy Ingot (2006-07)	163.410	2,174,982	17,833.981	263,792,920	17,997.391	265,967,902	17,725.565	262,019,629	-	271.826	3,948,273
(2005-06)	160.056	1,764,617	13,584.940	189,856,314	13,744.996	191,620,931	13,581.586	189,445,948	-	163.410	2,174,983
Total (2006-07)	163.410	2,174,982	17,833.981	263,792,920	17,997.391	265,967,902	17,725.565	262,019,629	-	271.826	3,948,273
(2005-06)	160.056	1,764,617	13,584.940	189,856,314	13,744.996	191,620,931	13,581.586	189,445,948	-	163.410	2,174,983
FINISHED GOODS											
M.S.Bars (2006-07)	869.208	16,379,216	16,667.122	-	17,536.330	-	16,515.442	384,377,533	-	1,020.888	20,564,882
(2005-06)	605.820	10,743,722	12,769.063	-	13,374.883	-	12,505.675	273,035,752	-	869.208	16,379,216
Scrap (2006-07)	17.145	163,533	540.804	-	557.949	-	521.640	5,436,239	-	36.309	338,342
(2005-06)	44.910	146,270	405.105	-	450.015	-	432.870	4,604,663	-	17.145	163,533
Scrap Rolls (2006-07)	76.000	760,000	27.300	-	103.300	-	76.000	944,799	-	27.300	273,000
(2005-06)	43.200	432,000	32.800	-	76.000	-	-	-	-	76.000	760,000
TRADING GOODS											
Wire Rod (2006-07)	9.410	186,077	-	-	9.410	-	9.410	234,875	-	-	-
(2005-06)	-	-	10.460	206,840	10.460	-	1.050	22,386	-	9.410	186,077
M.S.Bar (2006-07)	9.090	207,252	-	-	9.090	-	9.090	222,159	-	-	-
(2005-06)	-	-	9.090	207,252	9.090	-	-	-	-	9.090	207,252
TMT Bar (SAIL) (2006-07)	26.275	569,090	-	-	26.275	-	26.275	642,161	-	-	-
(2005-06)	4.100	107,010	24.890	645,110	28.990	-	2.715	72,252	-	26.275	569,090
Total (2006-07)	1,007.128	18,265,169	17,235.226	-	18,242.354	-	17,157.857	391,857,766	-	1,084.497	21,176,223
(2005-06)	698.030	11,429,002	13,251.408	1,059,202	13,949.438	-	12,942.310	277,735,053	-	1,007.128	18,265,169

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Schedules Forming Part of the Balance Sheet & Profit & Loss A/c

SCHEDULE - 'V'

INFORMATION PURSUANT TO PART IV OF THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No.	:	5129	State Code	:	03
Balance Sheet Date	:	31.03.2007			

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. '000)

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUND (Amount in Rs. '000)

Total Liabilities	:	144,239	Total Assets	:	144,239
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SOURCES OF FUND

Paid -Up Capital	:	52,571	Reserves & Surplus	:	38,795
Secured Loans	:	40,703	Unsecured Loans	:	6,600
Deferred Tax Liability	:	5,570			

APPLICATION OF FUND

Net Fixed Assets	:	62,787	Investments	:	4,835
Net Current Assets	:	72,896	Misc. Expenditure	:	3,720
Accumulated Losses	:	NIL			

IV. PERFORMANCE OF THE COMPANY (Amount in Rs. '000)

Turnover	:	396,042	Total Expenditure	:	381,600
Profit Before Tax	:	14,442	Profit after tax	:	10,429
Earning per share in Rs.	:	2.42	Dividend rate %	:	5%

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY
(as per monetary terms)**

Production Description	Item Code No.
MS Deformed Cold Twisted Bar	7213

As per our report attached

For **ARSK & ASSOCIATES**
Chartered Accountants
CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Dated : 29th June, 2007

Priti Somani
Company Secretary

For and on Behalf of the Board

Ramautar Jhunjunwala
Chairman

Sanjiv Kumar Choudhary
Whole Time Director

GANGOTRI IRON & STEEL COMPANY LIMITED

Regd. Office : 307, Ashiana Towers

Exhibition Road, Patna - 800 001

PROXY FORM

Folio No./Client ID.....

No. of Shares held.....

I/We.....of

.....in the District ofbeing a member(s) of GANGOTRI IRON & STEEL COMPANY LIMITED hereby appoint

of.....in the district ofas my / our proxy to vote for me / us on my / our behalf at the 14th ANNUAL GENERAL MEETING of the Company to be held at the Registered Office of the Company at 307, Ashiana Towers, Exhibition Road, Patna 800 001, Bihar on Friday the 28th September, 2007 at 2.00 P.M. and at any adjournment thereof.

Signed this.....day of2007.

Signature.....

Note : The proxy form duly completed may be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting. A proxy need not be a member.

GANGOTRI IRON & STEEL COMPANY LIMITED

Regd. Office : 307, Ashiana Towers

Exhibition Road, Patna - 800 001

ATTENDANCE SLIP

Shareholders attending the meeting in person or by the proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 14TH ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company at 307, Ashiana Towers, Exhibition Road, Patna 800 001, Bihar on Friday the 28th September, 2007 at 2.00 P.M. and at any adjournment thereof.

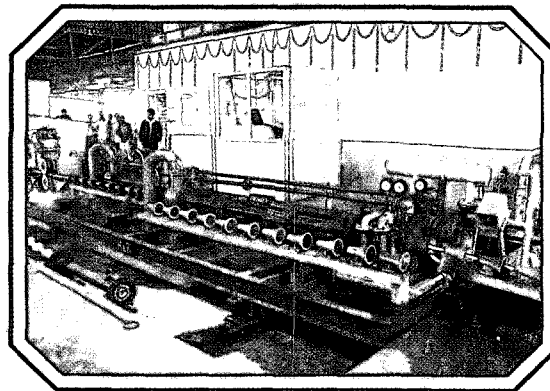
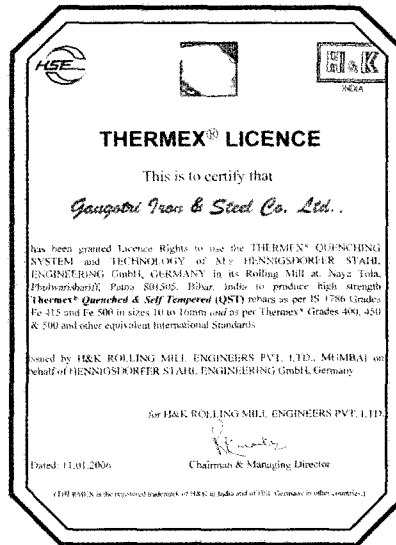
.....
Full name of the shareholder
(in Block Letters)

.....
Signature

Folio No./Client ID.....

.....
Full name of the Proxy
(in Block Letter)

.....
Signature



◀ Thermex TMT Quenching Plant

307 Ashiana Towers, Exhibition Road, Palna 800 001, Phone : +91 612 2665456-58, Fax : +91 612 2685959
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