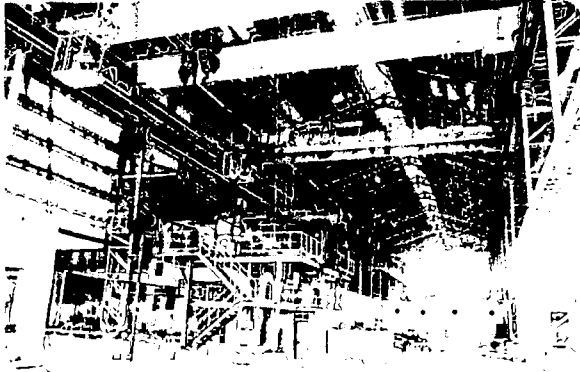


दुनिया GISCO लोहा माने

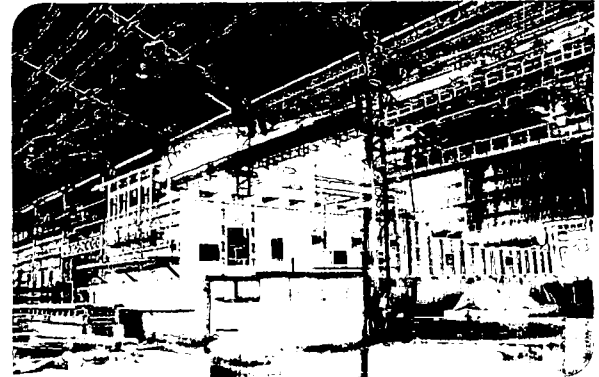
15th Annual Report: 2007-2008

ANGOTRI IRON & STEEL CO. LTD.

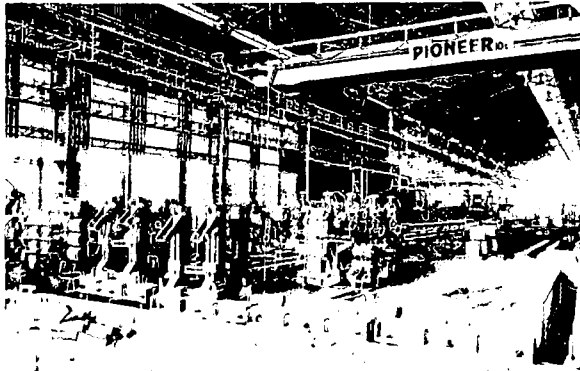
NEW UNIT AT BIHTA



STEEL MELTING SHOP SHED



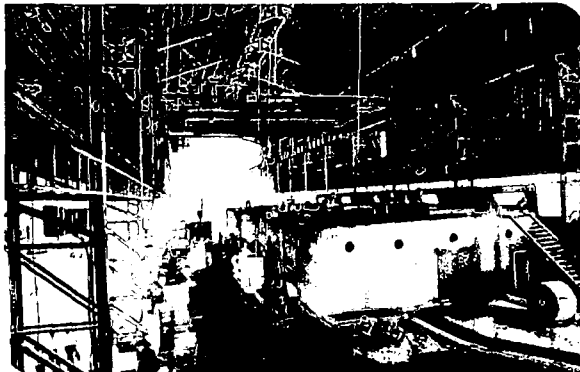
RE-HEATING FURNACE



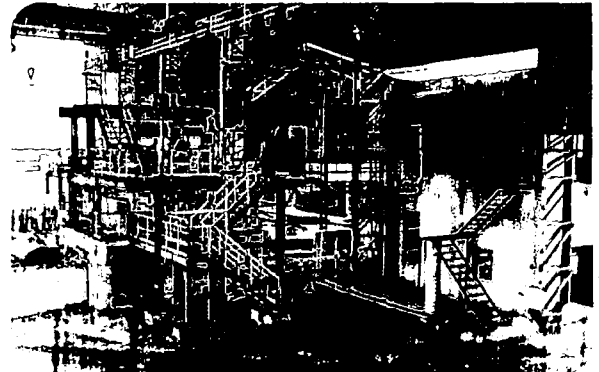
ROLLING MILL AREA



ROUGHING MILL AREA



FURNACE PLATFORM



CCM AREA

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. Ramautar Jhunjhunwala	<i>Chairman</i>
Mr. Sanjiv Kumar Choudhary	<i>Managing Director</i>
Mr. Aditya Dalmiya	<i>Director</i>
Mr. Ashok Agarwal	<i>Director</i>
Mr. Debabrata Banerjee	<i>Director</i>
Mr. Narendra Kumar Jaiswal	<i>Director</i>
Mr. Debabrata Mukherjee	<i>Director</i>

COMPANY SECRETARY

Ms. Priti Somani

AUDITORS

M/s. ARSK & Associates
22, R. N. Mukherjee Road
3rd Floor, Kolkata - 700 001

BANKERS

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

WORKS

Phulwari Shariff, Nayatola
Patna - 801 505

Vill : Mahadevpur, Near Reliance Petrol Pump
Phulari, Bihta, Patna - 801 103

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

WEBSITE

www.giscotmt.com

E-MAIL ID FOR INVESTORS

gangotriironsteel@rediffmail.com

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NOTICE

NOTICE is hereby given that the **15th Annual General Meeting** of the Members of **GANGOTRI IRON & STEEL COMPANY LIMITED** will be held on Monday, the **29th September, 2008 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, 2008 Profit and Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint Directors in place of Mr. Narendra Kumar Jaiswal and Mr. Debabrata Mukherjee, who retires by rotation and, being eligible, offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

Priti Somani
Company Secretary

Kolkata, 2nd September, 2008

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, 2008 to 29th September, 2008 (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, Calcutta - 700 001The Company has paid upto date Annual Listing Fees to each of the above-mentioned Stock Exchanges.

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

Priti Somani
Company Secretary

Kolkata, 2nd September, 2008

NOTICE (Contd.)

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 re-appointed.

- 1) Name of the Director : Mr. Narendra Kumar Jaiswal
 Date of Birth : 08.01.1957
 Date of appointment : 20.08.2005
 Qualification : B.E
 Expertise in specific functional areas : Mr. Narendra Kumar Jaiswal, aged 51 years, Bachelor in Engineering from Calcutta University is having experience in the field of construction for more than 29 years. He worked as site engineer in M. L Dalmiya & Co. Ltd., from 1978-1980, as senior site engineer in M/s Gannon Dunnkerley & Co. Ltd., from 1980-1984, as resident engineer in M/s M. L. Dalmiya & Co. Ltd from 1984-1987 & as senior partner of M/s Kopila Engineering Co & M/s The Millenium Construction Company since 1987 till date. He is actively associated with the company for the last three years in site construction & other works.
- List of other Directorship held : Nil
 Number of shares held : Nil
 Relationship with other Directors : Not related to any other Director
- 2) Name of the Director : Mr. Debabrata Mukherjee
 Date of Birth : 01.07.1933
 Date of appointment : 24.03.2006
 Qualification : B.E (Post Graduate), F.I.I.E (Post Graduate), M.I.I.M (Post Graduate).
 Expertise in specific functional areas : Mr. Debabrata Mukherjee, aged 75 years is associated with the company for last 2 years as an Independent Non-Executive Director. Mr. Mukherjee, B.E (Metallurgy), F.I.I.E, M.I.I.M is an ex-executive director of Alloy Steel Plant - Durgapur, and ex-managing director of Durgapur Steel Plant - Durgapur. He has also worked as chairman of National Iron & Steel Company, Belur and as an advisor to Metallurgical Engineering Consultants. He has got vast experience in the iron & steel industry. Presently, he is actively associated with the company for setting and running of Bihta Unit.
- List of other Directorship held : Nil
 Number of shares held : Nil
 Relationship with other Directors : Not related to any other Director

DIRECTORS' REPORT*To The Members*

The Directors have pleasure in presenting the 15th Annual Report of the Company, together with the Audited Accounts, for the year ended 31st March, 2008.

1. Financial Results

(Rs. in Lacs)

	2007-2008	2006-2007
Sales & Other Income	4576.37	3931.31
Profit before Interest & Depreciation	276.93	287.47
Less: Interest & Other Financial Charges	70.90	66.81
Less: Depreciation	54.52	76.24
Profit before Taxation	151.51	144.42
Less: Provision for Taxation	(49.59)	(46.16)
Less: Fringe Benefit Tax	(2.13)	(1.36)
Add/(Less): Deferred Tax	(7.07)	7.32
Add/(Less): Excess/Short provision of Income Tax	(6.46)	0.07
Net Profit/(Loss) after Tax	86.26	104.29
Balance as per last year	207.54	127.86
Less: Appropriations		
Interim Dividend (Proposed to be final)	-	21.58
Tax on Dividend	-	3.03
Balance Carried Forward	293.80	207.54

2. Operations

During the year under review the production of M.S Bar was 17375 MT as against 16667 MT in the previous year representing an increase of 4.25%. Total Income and Profit before Tax have increased by 16% and 5% respectively, compared to previous year ended on 31.03.2007. This was achieved due to operational efficiencies despite several adverse factors, particularly substantial increase in prices of inputs and enhanced competition.

3. Future Prospects

On a land measuring approximately 15 acres at Bihta the civil and structural work is almost complete and the machinery equipments for which orders were placed, has already arrived and the installation work is near completion. The construction of staff and officers' quarters is in progress in which approximately 350 personnel will be accommodated. All the necessary approvals and clearances including environmental clearance have since been obtained. As regards to power supply to the unit load has been sanctioned by BSEB and the overhead wire installation work from the grid to the unit is in progress. As soon as the power supply is received, the Company will start trial production thereafter commercial production in the new unit. The company is hopeful that before October, 2008, the aforesaid problem should be solved and production will start.

The economic scenario under the present Government looks to be very bright and the probability of huge infrastructural and development work is expected which would result in huge demand of product being manufactured by the Company. The Company expects to cater its products to various institutional and government departments because of its superior quality compared to others in the region. Upon its commencement of the production in the new unit, the Company would attempt to differentiate itself from other manufacturers of the region with regards to quality, competitiveness and availability.

The Company proposes 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.

DIRECTORS' REPORT (Contd.)**Outlook**

As you all know that the growth and economy of the country is currently passing through a difficult time but still with the focus of the government and the private sectors on improving the infrastructure and housing, it is hoped that consumption of steel will continue to grow. Your company is confident that it would not face much difficulty in marketing its product from the existing unit and the new unit particularly in view of the strong brand image it enjoys.

Risks and Concerns

In view of the ever growing inflation in the market and shortage of raw materials and fierce competition, the profitability of the industry may get affected and to overcome this concern the company will take all necessary steps to improve its competitiveness in terms of product cost, range and quality and thus prepare it to meet the challenge.

In spite of abnormal increase in the price of raw materials and severe competitive market, the company was able to increase its production and its income by 16% and could maintain the gross profit almost near the last year level.

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 organizes 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 popularizing its brand image.

5. Dividend

In order to conserve resources of the Company, no dividend has been declared for the financial year under review.

6. Finance

During the year, the Company raised credit facilities 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 and other private body for the existing and the Bihta unit.

7. Right Issue

Pursuant to the resolutions passed by the Board of Directors and the resolution approved by the Shareholders in the Extra-Ordinary General Meeting held on 11.01.2008 and subsequent meeting of Board of Directors, the Company has filed a draft letter of offer with SEBI to raise funds aggregating to Rs. 12.31 Crores on rights basis to partly finance the Bihta unit and for general corporate purposes.

8. Directors

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

9. 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 2008, 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.

DIRECTORS' REPORT (Contd.)

d) the Directors have prepared the annual accounts on a going concern basis.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. Conservation of Energy

The information relating to conservation of energy as required under Section 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.

16. Industrial Relations

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

17. 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.

18. 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".

19. 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 Jhunjhunwala
Chairman

Kolkata, 2nd September, 2008

ANNEXURE TO THE DIRECTORS' REPORT

"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

Particulars	2007-08	2006-07
A) Power & Fuel Consumption		
1. Electricity		
a) Purchased Unit (KWH)	1930500	1959606
b) Total Amount (Rs.)	1,42,15,696	1,22,47,972
c) Rate/Unit (Rs.)	7.36	6.25
2. Coal		
a) Qty (Kg.)	1378184	1823090
b) Total Amount (Rs.)	44,65,019	43,21,941
c) Average Rate (Rs.)	3.24	3.27
B) Consumption per unit of Production		
a) Units (M.T.)	17374.651	16667.122
b) Electricity (KWH)	111.11	117.57
c) Coal (Kg.)	79.32	79.38

"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, Managing 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 9 and the dates are as follows : 29.06.07, 23.07.07, 31.07.07, 16.08.07, 28.09.07, 31.10.07, 30.11.07, 13.12.07 & 31.01.08. 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	Chairmanship
Mr. Ramautar Jhunjhunwala	Non-Executive & Promoter	8	Yes	6	-	-
Mr. Sanjiv Kumar Choudhary	Executive & Promoter	5	Yes	7	-	-
Mr. Aditya Dalmiya	Non-Executive & Promoter	8	Yes	4	-	-
Mr. Ashok Agarwal	Non-Executive & Independent	8	Yes	-	-	-
Mr. Debabrata Banerjee	Non-Executive & Independent	5	Yes	-	-	-
Mr. Narendra Kumar Jaiswal	Non-Executive & Independent	5	Yes	-	-	-
Mr. Debabrata Mukherjee	Non-Executive & Independent	4	No	-	-	-

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**3. AUDIT COMMITTEE**

The Audit Committee consists of Directors (Mr. Ramautar Jhunjhunwala, 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 31.03.2008 five meetings were held on 26.04.07, 28.06.07, 30.07.07, 29.10.07 & 30.01.08.

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

Name	Position	Category	Attendance (2007-08)
Mr. Debabrata Banerjee	Chairman	Independent & Non-Executive	5
Mr. Ramautar Jhunjhunwala	Member	Non Executive	4
Mr. Ashok Agarwal	Member	Independent & Non-Executive	5
Mr. Narendra Kumar Jaiswal	Member	Independent & Non-Executive	4

4. REMUNERATION COMMITTEE

There is no remuneration committee as there is only one Managing Director, whose terms are approved by members of the Company. He is being paid a remuneration of Rs. 80,000/- per month. Sitting fees is being paid @ Rs. 1000/- per meeting to all the directors other than the Managing 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 Jhunjhunwala (includes 87,500 equity shares in the capacity of Karta)	2,08,600	NIL
Mr. Aditya Dalmiya	1,000	NIL

5. INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE

The Committee consists of Mr. Ramautar Jhunjhunwala 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 27 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
12th AGM	28.09.2005	2.00 P.M.	307, Ashiana Towers, Exhibition Road, Patna - 800 001
13th AGM	08.09.2006	2.00 P.M.	Bihar Industries Assn., Industry House, Sinha Library Road, Patna - 800 001
14th AGM	28.09.2007	2.00 P.M.	307, Ashiana Towers, Exhibition Road, Patna - 800 001

Number of special resolutions passed in previous 3 AGMs :

AGM No.	No. of Special Resolutions passed
12th AGM	2 (Two)
13th AGM	NIL
14th AGM	NIL

No Resolutions were put through postal ballot during the year 2007-2008 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 - 18 and others have been made in the Annual Accounts.

33,75,000 preferential convertible warrants were converted into equity shares after the full money was received and the same were utilized for permissible purposes and for the new unit at Bihta.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

A search and seizure operation was carried out by the Income Tax department on 11.06.2008 at the office and factory premises of the Company. The department has impounded/seized some documents and data from the premises. The investigation process is still in progress. Another search was carried out by the Excise department and the investigation by the excise department is still in progress. All co-operation is being extended to the concerned departments by the Company. 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 29, 2008 at 2.00 P.M at 307, Ashiana Towers Exhibition Road, Patna - 800 001
Financial Calendar	: April to March
First Quarter Result	: September, 2008
Second Quarter Result	: Last week of October, 2008
Third Quarter Result	: Last week of January, 2009
Fourth Quarter & Annual Results	: End May/June 2009
Book Closure Date	: 24th September, 2008 to 29th September, 2008
Dividend Payment Date	: The Board of Directors has not recommended any dividend for the financial year 2007-08.

Mr. Ramautar Jhunjunwala, 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, P. J. 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. - 530 945
ISIN Number for NSDL & CDSL	: INE437F01015
Dematerialisation of shares	: 71,83,738 out of 76,92,100 equity shares have been dematerialised upto 31.03.2008 representing 93.39% demated shares.
Outstanding convertible instrument	: The Company has not issued any convertible instruments during the year.

The manufacturing facilities of the Company are located at: Naya Tola, Khagaul Road, Phulwari Sharif, Patna - 801 505 & Vill : Mahadepur, Near Reliance Petrol Pump, Phulari, Bihta, Patna - 801 103.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

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, 07 to March, 08 is given below :

Month	High (Rs.)	Low (Rs.)	Volume	BSE Sensex	
				High	Low
April, 07	28.40	23.40	166562	14383.72	12425.52
May, 07	29.00	23.85	361252	14576.37	13554.34
June, 07	31.35	25.35	563782	14683.36	13946.99
July, 07	34.50	28.00	740846	15868.85	14638.88
August, 07	32.65	27.10	425403	15542.40	13779.88
September, 07	49.50	28.40	2255965	17361.47	15323.05
October, 07	46.55	31.00	4257845	20238.16	17144.58
November, 07	42.95	30.00	1304982	20204.21	18182.83
December, 07	46.70	31.35	2110722	20498.11	18886.40
January, 08	47.00	22.00	1364563	21206.77	15332.42
February, 08	29.00	21.15	458064	18895.34	16457.74
March, 08	21.00	13.70	418879	17227.56	14677.24

Shareholding Pattern (As on 31.03.2008)

Category	No. of equity Shares	% of shareholding
Promoters	1142030	14.85
Private Corporate Bodies	2456883	31.94
Indian Public	4085720	53.11
NRI/OCB	7467	00.10
Total	7692100	100.00

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Distribution of Shareholding (As on 31.03.2008)

No. of equity Shares held	No. of Folios	% to total	No. of shares	% to total
UPTO 500	2048	72.37	447127	5.81
501 to 1000	354	12.51	315232	4.10
1001 to 2000	153	5.41	245686	3.19
2001 to 3000	68	2.40	176913	2.30
3001 to 4000	28	0.99	100909	1.31
4001 to 5000	43	1.52	206229	2.68
5001 to 10000	68	2.40	526654	6.85
10001 to 50000	38	1.34	823007	10.70
50001 to 100000	15	0.53	1276663	16.60
100001 and above	15	0.53	3573680	46.46
Grand Total	2830	100.00	7692100	100.00

For and on behalf of the Board

Ramautar Jhunjunwala
Chairman

Kolkata, 2nd September, 2008

**"Annexure - C" to the Directors' Report
Auditors' Certificate 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, 2008 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 Khandeival
Partner
Membership No. 054615

Place : Kolkata
Date : 2nd September, 2008

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Certification by CEO of the Company

I, Sanjiv Kumar Choudhary, Managing 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, 2008 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: 2nd September, 2008

Sanjiv Kumar Choudhary
Managing Director & CEO

AUDITORS' REPORT

To The Members**Gangotri Iron & Steel Company Limited**

1. We have audited the attached Balance Sheet of M/s. **GANGOTRI IRON & STEEL COMPANY LIMITED**, as at 31st March 2008 and the related Profit and Loss Account annexes 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 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 a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 (Auditors' Report) Order, 2003, (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, of India (Act) and on the basis of such checks as we considered appropriate and according to the information and explanation 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 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 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 its 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 other parties covered in register maintained under Section 301 of the Companies Act, 1956 and as such clause (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the aforesaid orders 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 Companies Act, 1956 and as such clause (iii)(f) and (iii)(g) of paragraph 4 of the aforesaid orders 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 the 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 been informed of any continuing failure to correct major weaknesses in 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 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 such 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 (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 Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS' REPORT (Contd.)

- 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, Employees State Insurance, Investor Education and protection Fund, Income Tax, Wealth tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities though there has been slightly delay in a few cases.
- (b) According to the information and explanations given to us and the books and records examined by us, there are no undisputed amount payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess Outstanding as at 31st March, 2008, for the period exceeding 6 months from the date they become payable, except Excise Duty under Section 3A, Amounting to Rs. 3,23,366/- provided in the books, which is outstanding as on 31.03.2008 for a period more than one year.
- (c) As at 31st March 2008 according to the records of the Company, the following are the particulars of the disputed dues on account of Excise duty :

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 accounts the company has neither accumulated losses as at 31st March, 2008, nor it has incurred any 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, 2008.
- 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 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 purpose 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 made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year which has been done in compliance of the prevailing guidelines of Companies Act, 1956 and Securities and Exchange Board of India and the price of shares is not prejudicial to the interest of the Company.
- 3.17 The Company has not issued any debenture 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 nor 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 orders are not applicable to the Company.

AUDITORS' REPORT (Contd.)

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 of the Company.
- 4.4 In our opinion, the Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report have been in compliance with the applicable accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- 4.5 On the basis of the written representations received from the Directors, we report that none of the Directors are prima-facie disqualified as on 31st March, 2008, 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 our information and according to the explanations given to us, the said account 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, 2008.
 - ii) In the case of Profit and Loss Account, of the profit for the year ended on that date.
 - iii) In the case of cash flow statement, of the cash flows for the period ended on date.

Place : Kolkata
Date : 2nd September, 2008

For **ARSK & ASSOCIATES**
Chartered Accountants

CA. Ravindra Khandelwal
Partner
Membership No. 054615

BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31.03.2008		As at 31.03.2007	
			Rs.		Rs.
I. SOURCES OF FUNDS					
1) Shareholder's Fund					
a) Share Capital	A	76,921,000		52,571,000	
b) Reserve & Surplus	B	94,452,171	171,373,171	38,794,953	91,365,953
2) Loan Funds					
a) Secured Loans	C	308,327,389		40,702,947	
b) Unsecured Loans	D	16,100,000	324,427,389	6,600,000	47,302,947
3) Deferred Tax Liability					
			6,276,375		5,569,603
			502,076,936		144,238,503
II. APPLICATION OF FUNDS					
1) Fixed Assets					
a) Gross Block	E	86,698,806		76,819,989	
b) Less : Depreciation		22,088,175		16,495,145	
c) Net Block			64,610,630		60,324,844
d) Capital Work in Progress			233,550,747		2,461,897
2) Investments					
	F		1,188,600		4,835,162
3) Current Assets, Loans & Advances					
a) Current Assets					
- Inventories	G	25,312,420		26,826,974	
- Sundry Debtors	H	38,973,632		44,567,915	
- Cash & Bank Balances	I	8,174,597		8,865,501	
b) Loans & Advances	J	160,350,682		35,672,994	
			232,811,331		115,933,384
c) Less : Current Liabilities & Provisions					
	K	52,560,164	180,251,167	43,037,183	72,896,201
4) Miscellaneous Expenditure					
(to the extent not written off or adjusted)					
a) Share Issue Expenses			881,236		-
Pre-Operative Expenses			21,594,555		3,720,399
(to be capitalised)					
			502,076,936		144,238,503

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

This is the Balance Sheet referred to in our report of even date.

For **ARSK & ASSOCIATES**

Chartered Accountants

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Dated : 2nd September, 2008

Priti Somani
Company Secretary

For and on Behalf of the Board

Ramautar Jhunjunwala

Chairman

Sanjiv Kumar Choudhary

Managing Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2008

Schedule	For the year ended on 31.03.2008	For the year ended on 31.03.2007
	Rs.	Rs.
I INCOME		
Sales	M 456,599,657	391,857,766
Other Income	N 1,037,640	1,272,924
Increase/Decrease in Stock	O 1,473,437	2,911,055
	<u>459,110,734</u>	<u>396,041,745</u>
II EXPENDITURE		
Raw Material Consumed	P 308,196,894	262,019,629
Excise Duty	61,310,657	53,402,414
State VAT	17,366,902	15,046,681
Salaries, Wages & Other Benefits	Q 4,131,831	4,502,290
Other Manufacturing & Administrative Expenses	R 40,411,450	32,323,609
Interest & Other Financial Charges	S 7,090,405	6,680,658
Depreciation	5,452,011	7,624,386
	<u>443,960,150</u>	<u>381,599,667</u>
III Profit before Taxation	15,150,584	14,442,078
Less : Provision for Current Tax	(4,959,067)	(4,615,688)
Less : Fringe Benefit Tax	(213,006)	(136,208)
Add/(Less) : Provision for Deferred Tax	(706,772)	732,456
Add/(Less) : Provision of Income tax for earlier years	(645,770)	6,662
IV Profit after Taxation	<u>8,625,968</u>	<u>10,429,300</u>
Add : Profit brought forward	20,753,953	12,786,042
V Profit available for Appropriation	<u>29,379,921</u>	<u>23,215,342</u>
Appropriations		
Interim Dividend (Proposed to be final)	-	2,158,652
Tax on Dividend	-	302,737
Balance carried to Balance Sheet	<u>29,379,921</u>	<u>20,753,953</u>
	29,379,921	23,215,342
Earnings Per Share - Basic	1.30	2.42
- Diluted	1.30	1.25

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

This is the Profit & Loss Account to in our report of even date.

For **ARSK & ASSOCIATES**

Chartered Accountants

CA. Ravindra Khandelwal

Partner

Membership No. 054615

Place : Kolkata

Dated : 2nd September, 2008

Priti Somanl
Company Secretary

For and on Behalf of the Board

Ramautar Jhunjunwala

Chairman

Sanjiv Kumar Choudhary

Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	31st March, 2008 Rs.	31st March, 2007 Rs.
A. Cash Flow from Operating Activities		
Net Profit before tax and Extraordinary Items	15,150,584	14,442,077
Adjustment for :		
- Depreciation	5,452,011	7,624,386
- Interest and other financial charges	7,090,405	6,680,658
- Share issue & Preliminary Expenses written off	-	-
	27,693,000	28,747,122
Adjustment for :		
- Dividend Received	(37,633)	(21,700)
- Interest Received	(714,835)	(378,849)
Operating Profit before working capital charges	26,940,532	28,346,573
Adjustment for :		
- Current Assets	(117,568,852)	13,946,600
- Current Liabilities	9,522,981	(2,281,975)
(Increase)/Decrease in Current Assets	(108,045,871)	11,664,625
Cash Generated from Operations	(81,105,339)	40,011,197
Direct Tax Paid	(5,817,843)	(4,745,234)
Cash Flow from Operating Activities	(86,923,182)	35,265,964
B. Cash Flow from Investing Activities		
Loan Given/Repayment of Loan	-	(160,408)
Purchase of Fixed Assets	(240,967,666)	(21,452,036)
Pre-operative Expenses	(17,733,137)	(3,694,299)
Interest Received	714,835	378,849
Dividend Received	37,633	21,700
Sale (Purchase) of Investment	3,646,562	158,246
Maturity of fixed deposits/FD taken	(2,488,624)	(171,443)
	(256,790,397)	(24,919,391)
C. Cash Flow from Financial Activities :		
Issue of Share for Warrants	24,350,000	-
Premium on Share Warrants	45,562,500	-
Capital reserve (forfeiture of Convertible Warrants)	1,468,750	-
Share Issue Expenses	(881,236)	-
Increase/(decrease) of Bank Borrowings	23,783,970	(6,230,496)
Interest & other financial Charges	(7,090,405)	(6,680,658)
Term Loan from Bank	243,840,472	(2,725,963)
Increase/(Decrease) in Unsecured Loan	9,500,000	6,023,463
Dividend Paid	-	(2,461,389)
	340,534,051	(12,075,043)
Net Increase in Cash and Cash Equivalents	(3,179,528)	(1,728,470)
Cash and Cash Equivalents at the beginning of the year	5,542,168	7,270,638
Cash and Cash Equivalents at the end of the year	2,362,640	5,542,168

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

Place : Kolkata
Dated : 2nd September, 2008

Priti Somani
Company Secretary

For and on Behalf of the Board

Ramautar Jhunjhunwala
Chairman

Sanjiv Kumar Choudhary
Managing Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 'A'		
Share Capital		
<i>Authorised Capital :</i> 200,00,000 (Prev. Yr. 90,00,000) equity shares of Rs. 10/- each	200,000,000	90,000,000
<i>Issued, Subscribed & Paid up :</i> 76,92,100 (Prev. Yr. 43,17,100) equity shares of Rs. 10/-each	76,921,000	43,171,000
Share Capital Suspense Account		
Convertible Warrants (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)	—	9,400,000
	76,921,000	52,571,000
SCHEDULE 'B'		
Reserves & Surplus		
a) Capital Reserve	19,509,750	18,041,000
b) Security Premium A/c	45,562,500	—
c) Profit & Loss Account Credit Balance	29,379,921	20,753,953
	94,452,171	38,794,953
Note : Capital Reserve includes forfeited amount of Rs. 14,68,750/- on account of forfeiture of 625000 Convertible Warrants during the year.		
SCHEDULE 'C'		
Secured Loans		
From Bank		
a) Term loan (Including interest accrued and due)		
For Existing Unit	9,363,273	12,400,917
For New Unit	246,878,116	—
b) Cash Credit from Bank	52,020,616	28,008,710
c) Car Loan from Banks	65,384	293,320
	308,327,389	40,702,947
Note :		
1) Cash Credit Limit and Term Loan is secured by Hypothecation of Inventory, Stock in trade/transit, Book Debts, Fixed Deposits of Rs. 40.00 lakhs and mortgage of Land & Buildings and entire Fixed Assets at the factory premises of the Company alongwith the Personal Guarantee of Four Directors of the company and three other persons including relatives of Directors.		
2) Car Loan is secured by hypothecation of vehicle.		
SCHEDULE 'D'		
Unsecured Loan		
Loans from bodies corporate	16,100,000	6,600,000
	16,100,000	6,600,000

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

Particulars	(Amount in Rs.)											
	Gross Block					Depreciation					Net Block	
	As on 01.04.2007	Addition 31.03.2008	Deletion/ Sale	As on 31.03.2008	As on 31.03.2007	Rate Of	During the year	Deletion/ Sales	As on 31.03.2008	As on 31.03.2007	As on 31.03.2008	As on 31.03.2007
Commercial Building	-	1,628,340	-	1,628,340	-	-	-	-	1,628,340	-	1,628,340	-
Lease hold Land	166,891.00	-	-	166,891	106,871	-	6,676	-	113,487	-	53,404	60,080
Plant & Machinery	34,677,353.92	28,600	-	34,705,954	8,161,213	4.75%	1,647,303	-	9,808,516	-	24,897,438	26,516,142
Shed & Building & Civil Construction.	7,714,000.20	-	-	7,714,000	2,349,998	3.34%	257,648	-	2,607,556	-	5,106,444	5,364,092
Electric Installation	5,374,289.32	65,151	-	5,439,440	1,386,024	4.75%	256,615	-	1,642,639	-	3,796,802	3,988,265
Rolls	2,940,228.00	2,404,943	-	5,345,171	1,351,783	100.00%	2,669,172	-	4,020,955	-	1,324,216	1,588,445
Computer	519,998.00	36,401	-	556,399	97,669	16.21%	85,710	-	183,379	-	373,020	422,329
Weighing Machine	1,051,793.26	-	-	1,051,793	209,141	4.75%	49,960	-	259,101	-	792,692	842,652
Generator	237,214.00	-	-	237,214	147,433	4.75%	11,268	-	158,700	-	78,514	89,781
Other Machinery	4,125,736.52	-	-	4,125,737	1,455,030	4.75%	195,972	-	1,651,003	-	2,474,734	2,670,706
Furniture & Fixture	874,151.00	107,500	-	981,651	335,273	6.33%	46,245	-	381,518	-	400,133	338,878
Office Equipments	414,416.00	12,374	-	426,790	117,168	4.75%	20,024	-	137,192	-	289,598	297,248
Vehicles	2,106,669.00	44,996	-	2,151,665	745,553	9.50%	202,142	-	947,696	-	1,203,969	1,361,716
Laboratory Equipment	61,348.20	-	-	61,348	21,501	4.75%	2,914	-	24,415	-	36,933	39,847
Fire Extinguishers	7,628.00	-	-	7,628	2,537	4.75%	362	-	2,900	-	4,728	5,091
Sub - Total	60,071,716	4,328,305	-	64,400,021	16,487,045	-	5,452,011	-	21,939,057	-	42,460,965	43,584,671
Unit - II												
Vehicle	42,296	46,546	-	88,842	2,989	9.50%	2,682	-	5,671	-	83,171	39,307
Other Machinery	49,680	2,633,739	-	2,683,419	5,069	4.75%	68,698	-	73,767	-	2,609,652	44,611
Pay Loader	-	1,597,194	-	1,597,194	-	4.75%	56,149	-	58,149	-	1,541,045	-
Office Equipment	9,697	16,358	-	26,055	42	4.75%	535	-	577	-	25,478	9,655
Computer	-	94,340	-	94,340	-	16.21%	10,645	-	10,645	-	83,695	-
Furniture & Fixtures	-	203,344	-	203,344	-	6.33%	2,308	-	2,308	-	201,036	-
Land & Site Development	16,646,600	958,990	-	17,605,590	-	-	-	-	-	-	17,605,590	16,646,600
Sub - Total	16,748,273	5,550,511	-	22,298,784	8,100	-	141,019	-	149,119	-	22,149,665	16,740,173
Total	76,819,989	9,878,816	-	86,698,806	16,495,145	-	5,593,030	-	22,088,175	-	64,610,530	60,324,844
Capital Work in progress (Unit -II) Shed & Civil Work												
Plant & Machinery	2,461,897	77,519,379	-	79,981,276	-	-	-	-	-	-	79,981,276	2,461,897
Electric Installation	-	141,742,878	-	141,742,878	-	-	-	-	-	-	141,742,878	-
TOTAL	2,461,897	231,088,650	-	233,550,747	-	-	-	-	-	-	233,550,747	62,786,741
Grand Total	79,281,886	240,967,666	-	320,249,553	16,495,145	-	5,593,030	-	22,088,175	-	298,161,377	123,111,585
Previous Year	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	48,966,862

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

SCHEDULE 'F'

Investments

Non-Trade Investment

Quoted Equity Shares

Name of the Company	Face Value Rs.	Quantity as at 31.03.2008 No.	Value as at 31.03.2008 Rs.	Quantity as at 31.03.2007 No.	Value as at 31.03.2007 Rs.
Filmcity Media Ltd.	1	50,000	165,998	50,000	165,998
National Organic Chemical Industries Ltd.	10	-	-	10,000	317,755
Platinum Corporation (Pentium Infotech Ltd)	-	75,000	233,990	75,000	233,990
Singer India Ltd.	10	10,000	280,095	10,000	280,095
Southern Iron & Steel Company Ltd.	10	-	-	20,000	644,478
Reliance Natural Resources Ltd.	5	-	-	10,000	239,666
Steel Authority of India Ltd.	10	-	-	1,000	108,215
Reliance Petrochemicals Ltd.	10	-	-	12,000	883,650
Lanco Industries Ltd.	10	1,000	58,841	1,000	58,841
Varun Shipping Ltd.	10	-	-	1,000	83,490
Uttam Sugar Ind. Ltd.	10	-	-	3,500	1,170,216
Hindalco Industries Ltd.	10	-	-	1,000	173,609
Reliance Communication Ltd.	10	-	-	500	233,811
Indian Cement Ltd.	10	-	-	500	115,758
Ashok Leyland Ltd.	10	-	-	2,500	125,590
Crane Software Ltd.	10	1,000	132,309	-	-
Sujana Metals Ltd.	10	5,000	227,200	-	-
SPEL Ltd.	10	3,000	90,167	-	-
			1,188,600		4,835,162

Market value of the Quoted Investment as on 31st March, 2008 is Rs 6,57,050/- (previous year Rs. 31,65,040/-)

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 'G'		
Inventories (As valued and certified by the management)		
Stock-in-Trade		
Raw Material	1,430,888	3,948,273
Finished Goods	22,205,989	20,564,882
Scrap	274,712	338,342
Coal	366,574	117,830
Discarded Machine	-	310,898
Scrap Rolls	168,960	273,000
Stores & Rolls	865,297	1,273,749
	25,312,420	26,826,974
SCHEDULE 'H'		
Sundry Debtors (Unsecured, considered good)		
Outstanding for more than Six months	4,910,349	8,713,309
Other Debts	34,063,283	35,854,606
	38,973,632	44,567,915

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

	As at 31.03.2008 Rs.	As at 31.03.2007 Rs.
SCHEDULE 'I'		
Cash & Bank Balances		
Cash in Hand	2,145,930	2,141,260
Bank Balance with Scheduled Bank		
- In current Account	216,710	1,021,463
- In Fixed Deposit	5,458,133	3,281,133
Cheques/DDs in hand	-	2,379,445
Interest accrued on Fixed Deposit	353,824	42,200
	8,174,597	8,865,501

Note :

- 1) Fixed Deposit receipts of Rs. Nil (Previous Year Rs.50,000/-) lodged with Central Excise Authority at Patna.
- 2) Fixed Deposit receipts of Rs. 54,58,133/- (Previous Year Rs. 32,31,133/-) lodged with SBI, Patliputra Branch, Patna against credit facilities.

SCHEDULE 'J'		
Loans & Advances (Unsecured, considered good)		
Loans	2,464,914	2,464,914
Advances (recoverable in cash or in kind or for value to be received)	130,698,894	27,283,079
Advance Income Tax & TDS	1,374,284	1,308,842
Advance Central Excise Duty & Service Tax	19,717,324	767,073
Pre-deposit of Excise Duty	55,000	55,000
Advance Sales Tax & Entry Tax	1,796,717	369,661
Prepaid Expenses	473,184	139,782
Security Deposits	3,770,366	3,284,643
	160,350,682	35,672,994

SCHEDULE 'K'		
Current Liabilities & Provisions		
a) Current Liability		
Sundry Creditors for Goods	3,291,356	1,250,361
Sundry Creditors for Capital Goods	11,195,023	574,297
Advance from Customers	12,306,850	12,376,307
Advance received against conversion of Warrants	-	10,493,585
Security Deposit from Dealers	2,946,872	2,664,649
Sundry Creditors for Expenses & Taxes	17,190,422	46,930,523
		10,337,059
b) Provisions		
Provision for Income Tax	4,959,067	4,615,688
Provision for Fringe Benefit Tax	213,006	136,208
Provision for Gratuity & Leave Encashment	457,568	569,028
	5,629,641	5,340,924
	52,560,164	43,037,183

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

	As at 31.03.2008		As at 31.03.2007	
	Rs.		Rs.	
SCHEDULE 'L'				
Miscellaneous Expenditure				
(to the extent not written off or adjusted)				
a) Share Issue Expenses	881,236		--	
Less : Written off during the year	--	881,236	--	--
		881,236		--
b) Pre-Operative Expenditure				
Opening Balance		3,720,399		19,329
Add : Incurred during the year				
Bank Charges	141,899		1,872,725	
Electric Charges & Expenses	387,166		--	
Equitable Mortgage Charges	1,602,000		--	
Fuel & Lubricant	881,379		--	
Insurance Charges	32,638		--	
Interest on Term Loan (SBI)	10,633,589		--	
Land Rent	179,000		108,000	
Legal & Professional (B)	17,275		--	
Printing & Stationeries	55,107		7,404	
Project Cosultancy Charges	320,000		1,061,000	
Rate & Taxes	1,150		20,000	
Salary & Wages	721,864		303,000	
Security Expenses	120,000		120,000	
Business Promotion Exp.	67,733		--	
Repair Maintenance	200,987		--	
Staff Welfare Exp.	65,485		--	
Store & Consumables	1,525,339		--	
Technical Consultancy Charges	270,000		90,000	
Travelling & Conveyance Expenses	443,794		55,728	
Telephone Exp.	1,306		--	
Misc. Expenses	65,426		56,442	
Depreciation on Fixed Assets	141,019	17,874,156	6,771	3,701,070
		21,594,555		3,720,399

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT *(Contd.)*

	For the year ended 31.03.2008 Rs.	For the year ended 31.03.2007 Rs.
SCHEDULE 'M'		
Sales		
Finished Goods		
Direct Sales	449,098,953	383,733,178
Consignment Sales	-	644,355
Scrap	7,136,922	5,436,239
Scrap Rolls	363,782	944,799
Trading Goods	-	1,099,195
	456,599,657	391,857,766
SCHEDULE 'N'		
Other Income		
Income from sale of Investments	283,839	619,312
Interest on Loan*	-	207,406
Interest on Fixed Deposit*	457,492	171,443
Profit on sale of Assets	-	237,523
State subsidy on ISO	-	75,000
Balance written back	-	585,477
Interest on Security Deposit	257,343	-
Miscellaneous Income	1,332	1,614
Dividend	37,633	21,700
	1,037,640	1,919,475
TDS deducted Rs. 1,29,403/- (P.Y. Rs. 82,847/-)		
SCHEDULE 'O'		
Increase/Decrease in Stock		
Opening Stock		
Finished Goods	20,564,882	16,379,216
Trading goods	-	962,419
Scrap Rolls	273,000	760,000
Scrap	338,342	163,533
	21,176,224	18,265,169
Less : Closing Stock		
Finished Goods	22,205,989	20,564,882
Scrap Rolls	168,960	273,000
Scrap	274,712	338,342
	22,649,661	21,176,224
	1,473,437	2,911,055
SCHEDULE 'P'		
Raw material Consumed		
Opening Stock	3,948,273	2,174,982
Add : Purchase during the year	305,679,509	263,792,920
	309,627,782	265,967,902
Less : Closing Stock	1,430,888	3,948,273
	308,196,894	262,019,629
SCHEDULE 'Q'		
Salaries, Wages & Other Benefits		
Salaries & Wages	3,737,766	3,635,231
Employer Contribution to Provident Fund	361,921	350,944
Workman & Staff Welfare Expenses	32,144	516,115
	4,131,831	4,502,290

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT (Contd.)

	For the year ended 31.03.2008	For the year ended 31.03.2007
	Rs.	Rs.
SCHEDULE 'R'		
Other Manufacturing & Administrative Expenses		
Stores Consumed	3,909,296	2,333,397
Power & Fuel	18,822,475	16,630,986
Gas Cutting Charges	380,577	285,760
Electricity Charges	151,513	235,858
Advertisement Expenses	4,187,984	7,029,700
Sales & Business Promotion Expenses	762,587	441,517
Finished Goods Packaging Expenses	601,671	1,018,466
Royalty	250,787	190,000
Lease Rent	739,760	729,183
Insurance	151,441	170,166
Telephone & Mobile Charges	809,204	678,292
Legal & Professional Charges	237,129	46,100
Traveling & Conveyance	285,585	229,341
Printing & Stationary	138,933	125,234
Car Rental Charges	252,000	252,000
Repair & Maintenance to :		
- Plant & Machinery	436,488	64,797
- Other	50,694	17,035
- Vehicle	318,865	307,315
	806,047	389,147
Director's Remuneration	907,000	623,000
Auditor's Remuneration	111,000	44,684
Share Maintenance Charges	48,026	38,019
Sales Tax Expenses	208,239	-
Miscellaneous Expenses	632,372	483,138
Freight on Consignment Sale	-	12,738
Loss on Derivative & Commodity Trading	1,113,894	646,551
Commission on Sale	3,364,831	2,248
Balances Written off	1,417,410	-
Prior Period Adjustments	-	238,124
Quality & Testing Charges	121,688	96,512
	40,411,450	32,970,160

SCHEDULE 'S'**Interest & Other Financial Charges**

To Bank		
Cash Credit A/c	4,528,230	4,173,240
Term Loan	1,571,774	1,854,029
Bank Charges	671,526	226,834
Vehicle Financing Charges	14,268	30,057
Others	304,606	396,498
	7,090,405	6,680,658

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**SCHEDULE - 'I'****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 "Accounting Treatment of Excise Duty" issued by Institute of Chartered Accountants of India.

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 AND PROFIT & LOSS ACCOUNT (Contd.)

SCHEDULE - 'U'

NOTES ON ACCOUNTS

1) Contingent Liability not provided for in respect of :

a) 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.

b) 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 an apparent 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.

2) Capital contracts outstandings are for Rs.13,55,59,168/- (Previous year Rs. 96284000/-) against which advances are made of Rs.7,48,15,179.08 (Previous year Rs. 1,10,08,000/-).

3) Managing Director's Remuneration :

(Amount in Rs.)

	31.03.2008	31.03.2007
Basic Salary	870,000	600,000
	<u>870,000</u>	<u>600,000</u>

4) Auditor's Remuneration :

	31.03.2008	31.03.2007
i) Statutory Audit Fees	60,000	30,000
ii) Tax Audit Fees	10,000	10,000
iii) For Other Services	41,000	4,684
	<u>111,000</u>	<u>44,684</u>

5) Major Components of Deferred Tax Assets/Liability :

Particulars	2007-08		2006-07	
	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		6,377,936	-	5,796,815
Unpaid Statutory Liabilities debited to Profit and Loss A/c paid during the year	213,506	-	227,213	-
Unpaid Statutory Liabilities debited to Profit and Loss A/c during (2006-07) Paid during the current year	-	111,945	-	-
Total	213,506	6,489,880	227,213	5,796,815
Net Deferred tax Liability		6,276,374		5,569,602
Net Incremental liability Charged to Profit & Loss Account		706,772		(732,467)

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

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 Managing Director

iii) Relatives of Key Management Personnel :

Smt. Manju Choudhary (Wife of Mr. Sanjiv Kumar Choudhary)
Smt. Shakuntala Jhunjhunwala (Wife of Mr. R. Jhunjhunwala)
Mr. Ankit Choudhary (Son of Mr. Sanjiv Kumar Choudhary)

B) Transaction with Related Parties :

(Amount in Rs.)

Particulars	Associates		Relatives of Key Management Personnel		Key Management Personnel	
	31.03.2008	31.03.2007	31.03.2008	31.03.2007	31.03.2008	31.03.2007
Purchase of Goods	368,950,719	247,200,248	—	—	—	—
Sale of Goods	7,297,885	45,343	—	—	—	—
Car Hire Charges	—	—	252,000	252,000	—	—
Rent	—	—	96,000	96,000	—	—
Salary	—	—	37,500	—	—	—
Remuneration	—	—	—	—	870,000	600,000
Purchase of Old Furniture	—	—	—	—	125,000	—
Net Balance at the year end	42,665,297	11,474,810	(129,429)	(27,085)	—	—

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. 21594555/- (Previous Year 3720399/-) has been incurred against the expansion project undertaken by the Company to be capitalised on commencement of commercial production of the said project.
- 9) Share Issue Expenses of Rs. 8,81,236/- (Previous Year Rs. Nil) pertains to impending Rights Issue of Equity Shares for which approvals are pending from SEBI. These expenses will be written off in five equal yearly installments from the year of the issue of such Equity Shares.
- 10) 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.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

11) **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.

I. Expenses recognised in the statement of Profit & Loss Account for the year ended 31st March, 2008

	Gratuity (Rs.'000)	
	31.03.2008	31.03.2007
A. Components of employer expense		
1 Current service cost	56.50	64.23
2 Interest cost on benefit obligation	21.86	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)	(10.61)	(24.88)
8 Total expense recognised in the Statement of Profit & Loss	67.75	55.58

B. Actual Contributions and Benefits Payments for period ended 31st March, 2008

1 Actual benefits payments	—	—
2 Actual Contributions	—	—

II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2008

Funded status

1 Present	332.71	264.96
2 Fair value of plan assets	—	—
3 Funded status [Surplus/(Deficit)]	(332.71)	(264.96)
4 Effect of balance sheet asset limit	—	—
5 Unrecognised Past Service Costs	—	—
6 Net asset/(liability) recognised in balance sheet	(332.71)	(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	264.96	209.38
2 Current Service cost	56.50	64.23
3 Interest Cost	21.86	16.23
4 Curtailment cost/(credit)	—	—
5 Settlement cost/(credit)	—	—
6 Employee contribution	—	—
7 Plan amendments	—	—
8 Acquisitions	—	—
9 Actuarial (gains)/losses	(10.61)	(24.88)
10 Benefits paid	—	—
11 Present Value of DBO at end of period	332.71	264.96

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

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	8.30%	8.25%
Rate of increase in salaries	5%	5%
Rate of return on Plan Assets	Not Applicable	Not Applicable
Expected Average remaining working lives of employees	21.19	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.

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

Particulars	31.03.2008	31.03.2007
Earnings :		
Net profit for the year (for both basic and diluted EPS) (Rs.)	8,625,968	10,429,300
Shares :		
Total number of the equity shares outstanding at the end of the year	7,692,100	4,317,100
Weighted average no. of the equity shares outstanding during the year (for the basic EPS)	6,650,092	4,317,100
Weighted average no. of the equity shares outstanding during the year (for the Diluted EPS)	6,650,092	8,317,100
Earning per share of par value Rs.10/-		
- Basic (Rs.)	1.30	2.42
- Diluted (Rs.)	1.30	1.25

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

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT (Contd.)

14) 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)		45000 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 : 2nd September, 2008

Priti Somani
Company Secretary

For and on Behalf of the Board

Ramautar Jhunjunwala
Chairman

Sanjiv Kumar Choudhary
Managing Director

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	(2007-08)	271.826	3,948,273	18,270.540	305,679,509	18,542.366	309,627,782	18,480.248	308,196,894	-	62.118	1,430,888
	(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
Total	(2007-08)	271.826	3,948,273	18,270.540	305,679,509	18,542.366	309,627,782	18,480.248	308,196,894	-	62.118	1,430,888
	(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
FINISHED GOODS												
M.S.Bars	(2007-08)	1,020.888	20,564,882	17,374.651	-	18,395.539	-	17,384.735	449,098,953	-	1,010.804	22,205,989
	(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
Scrap	(2007-08)	36.309	338,342	554.404	-	590.713	-	574.155	7,136,922	-	16.558	274,712
	(2006-07)	17.145	163,533	540.804	-	557.949	-	521.640	5,436,239	-	36.309	338,342
Scrap Rolls	(2007-08)	27.300	273,000	14.080	-	41.380	-	27.300	363,782	-	14.080	168,960
	(2006-07)	76.000	760,000	27.300	-	103.300	-	76.000	944,799	-	27.300	273,000
TRADING GOODS												
Wire Rod	(2007-08)	-	-	-	-	-	-	-	-	-	-	-
	(2006-07)	9.410	186,077	-	-	9.410	-	9.410	234,875	-	-	-
M.S.Bar	(2007-08)	-	-	-	-	-	-	-	-	-	-	-
	(2006-07)	9.090	207,252	-	-	9.090	-	9.090	222,159	-	-	-
TMT Bar (SAIL)	(2-007-08)	-	-	-	-	-	-	-	-	-	-	-
	(2006-07)	26.275	569,090	-	-	26.275	-	26.275	642,161	-	-	-
Total	(2007-08)	1,084.497	21,176,224	17,943.135	-	19,027.632	-	17,986.190	456,599,657	-	1,041.442	22,649,661
	(2006-07)	1,007.128	18,265,168	17,235.226	-	18,242.354	-	17,157.857	391,857,766	-	1,084.497	21,176,224

SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT**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	:	31.03.2008			

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

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	24350

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

Total Liabilities	:	502,077	Total Assets	:	502,077
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Sources of Fund

Paid-Up Capital	:	76,921	Reserves & Surplus	:	94,452
Secured Loans	:	308,327	Unsecured Loans	:	16,100
Deferred Tax Liability	:	6,276			

Application of Fund

Net Fixed Assets	:	298,161	Investments	:	1,189
Net Current Assets	:	180,251	Misc. Expenditure	:	22,476
Accumulated Losses	:	NIL			

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

Turnover	:	459,111	Total Expenditure	:	443,960
Profit Before Tax	:	15,151	Profit after tax	:	8,626
Earning per share in Rs.	:	1.30	Dividend rate %	:	NIL

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 : 2nd September, 2008

Priti Somani
Company Secretary

For and on Behalf of the Board

Ramautar Jhunjunwala
Chairman

Sanjiv Kumar Choudhary
Managing 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 of being a member(s) GANGOTRI
IRON & STEEL COMPANY LIMITED hereby appoint.....

of.....

..... as my/our proxy to vote for me/us on my/our
behalf at the 15th 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 Monday the 29th September, 2008 at 2.00 P.M. and at any
adjournment thereof.

Signed this..... day of.....2008.

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 15th ANNUAL GENERAL MEETING of the Company at the Registered Office of the
Company at 307, Ashiana Towers, Exhibition Road, Patna 800 001, Bihar on Monday the 29th September, 2008 at 2.00 P.M.
and at any adjournment thereof.

.....
Full name of the shareholder

.....
Signature

Folio No./Client ID.....

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

.....
Signature

By
AGSR International, Inc.
 Ann Arbor, Michigan USA

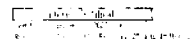
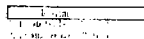
Gangotri Iron & Steel Company Limited

Regd. Off: 307 - Ashiana Towers, Exhibition Road, Patna, Bihar - 800 001, India
 Site: Naya Tola, Phulwarisharif, Patna, Bihar - 801 505, India.

ISO 14001:1996
ISO 14001:1996

Scope: Manufacture and Supply of T.M.T. Bars and M.S. Twisted Bar.

AGSR International, Inc.
 307 Ashiana Towers, Exhibition Road, Patna, Bihar - 800 001, India.



By
AGSR International, Inc.
 Ann Arbor, Michigan USA

Gangotri Iron & Steel Company Limited

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ISO 9001:2000
ISO 9001:2000

Scope: Manufacture and Supply of T.M.T. Bars and M.S. Twisted Bar.



THERMEX[®] LICENCE

Thermex Licentia Patna

Thermex Licentia Patna

For the purpose of this licence, the licensee shall be permitted to use the name 'Thermex' and the 'Thermex' logo for the manufacture and supply of T.M.T. Bars and M.S. Twisted Bars in India. The licensee shall be permitted to use the name 'Thermex' and the 'Thermex' logo for the manufacture and supply of T.M.T. Bars and M.S. Twisted Bars in India. The licensee shall be permitted to use the name 'Thermex' and the 'Thermex' logo for the manufacture and supply of T.M.T. Bars and M.S. Twisted Bars in India.

AGSR International, Inc. is the licensor of the name 'Thermex' and the 'Thermex' logo for the manufacture and supply of T.M.T. Bars and M.S. Twisted Bars in India.

AGSR International, Inc.

AGSR International, Inc.



**Thermex TMT
 Quenching Plant
 at Patna Unit**



307 Ashiana Towers, Exhibition Road, Patna 800 001
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