



ROLLING SOLUTION

GONTERMANN - PEIPERS (INDIA) LIMITED

42nd Annual Report 2010-2011



From the Managing Director	1
Awards	2
Directors' Report	3
Management Discussion & Analysis Report	10
Corporate Governance Report	15
Auditor's Report	27
Balance Sheet	30
Profit and Loss Account	31
Cash Flow Statement	32
Schedule to the Accounts	33
Balance Sheet Abstract	48

Vision

To create and expand a knowledge-based organization that constantly seeks opportunities worldwide to build and enhance business related to cast & forged rolls for rolling mills.

To integrate all its endeavours to increase market share & to maximise value for its stakeholders.

Mission

To be among the Top Ten roll producers globally.

To be one of the most cost effective roll producers.

To have significant presence across the globe.



Award for Excellence in Consistent TPM Commitment

From the Managing Director



“Attitude determines Altitude”

Dear Shareholders,

The global recovery that started in the second half of 2009-10 continued in most markets in 2010-11. However, the recovery was not uniform as the emerging markets grew faster than the developed markets. While the global economy is certainly in a better shape than a year ago, the risk of sustaining the recovery is high and it really depends on the national governments to prudently steer the fiscal management and take policy decisions to facilitate growth and employment. The European debt crisis continues to cause turmoil in the European economy and great uncertainty for the global economy.

The performance of Indian economy has been robust during the financial year 2010-11, powered by a rebound in the agricultural sector following the drought in 2009-10, and a sharp pick-up in private consumption and gross fixed capital formation. The industrial sector, including construction, is likely to grow by 9.4 percent during 2011-12. Although India registered 8.6 % GDP growth in 2010-11, it is now faced with high-core inflation due to rising commodity prices and food inflation. This is forcing the Reserve Bank of India to tighten its monetary policy.

In this challenging environment, your Company achieved a healthy double-digit sales growth during the year 2010-11. Sales for the year increased by 15% at Rs 15,552.85 Lacs as against Rs 13518.07 Lacs during the previous year inspite of reduction in the exports which was affected due to decrease in demand for rolls in the western world which is yet to come out of the global crisis. Your Company also achieved a 25% increase in production at 11,170 MT as compared to 8,894 MT achieved in the previous year. The profitability of the Company was affected as compared to last year mainly due to volatility in the prices of major raw materials, the hike in power and fuel prices as well as other consumables.

Rolls being integral to steel production, its demand is directly linked to the growth of steel industry. The Indian steel industry has been on a high-growth trajectory led by buoyancy in sectors such as infrastructure and construction, oil and gas and automobiles.

Your Company expects to live up to the exacting demands of customers and to improve roll performance. The in-house R&D center of the company recognised by the Government of India, Ministry of Science & technology, Department of Scientific & Industrial Research has been carrying out continuous research to upgrade the performance of rolls, to cater the customer specific requirements.

The expansion-cum-modernisation project undertaken by the Company is on the verge of completion. The Company expects to derive the full benefit of the expansion during the current fiscal..

Your company received the prestigious “TPM Consistency” Award from Japanese Institute of Productive Maintenance (JIPM). This is a rare distinction in the roll industry. Your Company also cleared the surveillance audit of ISO 14001:2004, ISO 9001:2008 and OHSAS 18001:2007 successfully.

The year ahead is expected to be a challenging one as the government attempts to combat serious inflationary pressures. The rise in energy costs, increase in crude oil prices as well as shortfall in the availability of gas and electrical power will have a major impact on the country’s competitiveness and its ability to sustain the high growth rates enjoyed by it. The continued rise in interest rates has had a negative impact on the industrial growth and factory output. Consequently, the demand for steel has also been impacted due to slow down in major infrastructure projects.

Your Company views the future with cautious optimism. Your Company is working closely with customers on forecasting and improving internal efficiencies. Although the order book of your Company is healthy and various long-term supplies are in place, your Company anticipates export to decrease due to the crisis prevalent in Europe.

I look forward to your continued support for achieving greater heights as we move forward.

L K Poddar
Managing Director

Awards



Awards received in Quality Circle Competition

CORPORATE INFORMATION

Chairman Emeritus

M L Mittal

Board of Directors

(as on 30th May, 2011)

Chairman

Pramod Mittal

Executive Directors

L K Poddar
Managing Director

Sushil Ray
Director (Marketing & Technical Services)

Saumitra Banerjee
Director (Operations)

Secretaries

S Subramanian, *Company Secretary*

R K Banthia, *Asst. Co. Secretary*

Management Council

R K Parakh, *President & Chief Financial Officer*

Alok Basu, *VP (Marketing & Technical Services)*

Dwijen Lahiri, *VP (Operations)*

Registered Office & Works

P.O. Pailan, Diamond Harbour Road
24 Parganas(S), West Bengal - 743 512, India
Phone : +91 33 2453 2455 / 56, 2497 8183
Fax : +91 33 2497 8313 / 8547 / 8686
E-mail: gpikol@gontermann-peipers.com
Visit us at : www.gontermann-peipers.com

Company Identification No

L27106WB1966PLC101410

Non-Executive Directors

Mahesh Trivedi

Prof. Manoj Kumar Mitra

Dr. Shekhar Chaudhuri

S Balasubramanian

Vinod Kothari

B K Roy, IFCI Nominee

S S Saswat, EXIM Bank Nominee

R K Jena

Shristi Mittal

Bankers

Allahabad Bank

Uco Bank

State Bank of India

Auditors

V Malik & Associates

Chartered Accountants

Share Registrars

M/s MCS Limited

77/2A, Hazra Road,

Kolkata - 700 029, India

Phone : +91 33 2454 1892 / 93

Fax : +91 33 2454 1961

E-mail : mcskol@rediffmail.com

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 42nd Annual Report of the Company along with the Audited Financial Statements for the year ended 31st March, 2011.

FINANCIAL RESULTS

	(Rs. In Lacs)	
	Year ended 31st March, 2011	Year ended 31st March, 2010
Sales/Income from Operations	16,920.31	14,367.62
Less: Excise Duty	1,367.46	849.55
	15,552.85	13,518.07
Other Income	2.67	221.16
Total Income	15,555.52	13,739.23
Total Expenditure	13,775.23	11,325.44
Profit before Interest, Finance Charges and Depreciation and Exceptional Items	1,780.29	2,413.79
Interest & Finance Charges	904.47	888.35
Depreciation	730.68	710.07
Profit/(Loss) before Tax and Exceptional Items	145.14	815.37
Exceptional Items		
Prior period items (Net)	(1.72)	3.56
Profit/(Loss) before Tax	146.86	811.81
Provision for Taxation		
Current Tax	63.46	287.09
Tax related to earlier years	(74.10)	2.75
Deferred Tax Liability	67.01	8.81
Fringe Benefit Tax		
Net Profit/(Loss) after Taxation	90.49	513.16
Balance brought forward	4,506.43	4,002.53
Surplus available for appropriation	4,596.92	4,515.69
i) Cumulative Preference Dividend	–	7.91
ii) Dividend Tax	–	1.35
iii) Balance carried to Balance Sheet	4,596.92	4,506.43

GONTERMANN-PEIPERS (INDIA) LIMITED
ANNUAL REPORT 2010-2011

FINANCIAL PERFORMANCE

During the year under review, the net revenue from Sales was Rs 15,552.85 Lacs representing an increase of 15 % from Rs. 13,518.07 Lacs in the previous year. Operating Profit before interest and depreciation decreased by 26 % to Rs. 1780.29 Lacs as against Rs 2413.79 Lacs during the previous year. Net profit after providing for interest, depreciation and tax amounted to Rs. 90.49 Lacs as against Rs. 513.16 Lacs during the previous year. The decrease in profitability was mainly due to increase in the cost of raw materials, power and fuel and other consumables.

DIVIDEND

In order to maintain better liquidity position and conserve existing resources of the Company, your Directors are constrained not to recommend any dividend for the year under review.

OPERATIONS

CAST ROLL DIVISION

Production during the current year increased by 30% to 9781 MT as against 7522 MT during 2009-10. Cast Roll sales increased by 24% from 7851 MT in the last year to 9701 MT in 2010-11. Consequently the total revenue from the Cast roll division increased by 27 % at Rs. 13217.90 Lacs compared to Rs. 10424.65 Lacs in the previous year.

FORGE ROLL DIVISION

Production during the current year was 1389 MT as against 1372 MT during the previous year. Forge Roll sales decreased by 10 % from 1448 MT in the last year to 1300 MT in 2010-11. Consequently the total revenue from the Forge roll division decreased by 16 % to Rs. 3046.49 Lacs compared to Rs. 3616.10 Lacs in the previous year.

EXPORTS

During the year under review the Company exported 2099 MT of Cast Rolls as compared to 1526 MT during the previous year. Your Company is exploring new markets for Cast Rolls in Venezuela, Colombia, Brazil, Canada, Russia, Ukraine & other Latin American countries while strengthening its presence in the existing markets. The initial foray into the untapped European & African markets of Spain, Russia and Kenya respectively have been fruitful.

The Company exported 289 MT of Forged Steel Roll as against 300 MT during the previous year. Your Company has made foray into new markets like Malaysia, Indonesia, Africa & Ethiopia, etc and is aggressively pursuing requirements in Thailand, Brazil, Egypt, Kenya & Vietnam.

FUTURE OUTLOOK

Rolls being integral to steel production, its demand is directly linked to the growth of steel industry.

The Indian steel industry has been performing better than its global peers and even the new projects are being implemented with minor delays. With many Greenfield projects in the pipeline the demand for steel remains bullish.

India's steel consumption rose 8 per cent in the year ended March 2011, over the same period a year ago on account of improved demand from sectors like automobile, infrastructure and housing. The country's steel consumption increased to 56.3 million tonnes in the 12 months to March 2011 from 52.3 million tonnes in the previous year.

However, in view of comparative decrease in demand in the western world and better prospect in the Asian Market specially India & China, all the giant roll manufacturers are focusing at Indian market and hence the competition in roll industry has increased. This has thrown a big challenge to Indian roll manufacturers.

Your Company expects to live up to the exacting demands of customers and to further improve roll performance. Search is on for better quality of inputs, which would stand up to these requirements.

EXPANSION PROJECT

The expansion-cum-modernisation project undertaken by the Company is in the verge of completion. The Company expects to derive the full benefit of the expansion during the current fiscal.

INITIATIVES

Your Company continues to practice various management initiatives such as Six Sigma, Total Productive Maintenance (TPM), Total Quality Management (TQM), Performance Management System (PMS), Activity Based Costing Management (ABCM), Just-in-Time (JIT) etc. Your Directors are happy to announce that these initiatives are yielding fruitful results.

During the year, your company has received the prestigious “TPM Consistency” Award from Japanese Institute of Productive Maintenance (JIPM).

DIRECTORS

During the period under review, Mr V K Mittal and Mr R N Pandey, resigned as Directors of the Company with effect from 30th July, 2010 and 30th May, 2011 respectively. The Board of Directors has accepted with deep regret the resignation of Mr V K Mittal and Mr R N Pandey and place on record its appreciation for the valuable contribution made by them during their tenure with the Company.

Mr. Sushil Ray, was appointed as Additional Director of the Company by the Board of Directors at their meeting held on 10th November, 2010 and holds office upto the ensuing Annual General Meeting. The Company has received Notice along with requisite deposit from a member under Section 257 of the Companies Act, 1956, proposing the candidature of Mr Sushil Ray as a Director of the Company.

Mr Sushil Ray was also appointed as a Whole time Director designated as Director(Marketing & Technical Services) for a period of five years with effect from 10th November, 2010, subject to the approval of the Members and other authorities, as may be required.

Ms. Shristi Mittal, was appointed as Additional Director of the Company by the Board of Directors at their meeting held on 30th May, 2011 and holds office upto the date of the ensuing Annual General Meeting . The Company has received Notice along with requisite deposit from a member under Section 257 of the Companies Act, 1956, proposing the candidature of Ms. Shristi Mittal as a Director of the Company.

Mr S Balasubramanian, was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 28th July, 2010 and was appointed as a Director, liable to retire by rotation, by the members at the Annual General Meeting held on 25th August, 2010.

Prof Manoj Kumar Mitra and Dr Shekhar Chaudhuri, Directors of the Company retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. The Board has recommended their re-appointment.

The details concerning the appointment / re-appointment of Directors are attached to the notice convening the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state that: -

- (i) in the preparation of the financial accounts for the year ended 31st March, 2011, the applicable accounting standards have been followed and there have been no material departure;
- (ii) they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Accounting Year;
- (iii) they had 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; and
- (iv) they had prepared the financial accounts for the year ended 31st March, 2011 on a going concern basis.

COST AUDITORS

The Central Government vide its letter dated July 7, 2010 accorded its approval to the appointment of Messrs. N. B. Bhattacharyya & Co., as the Cost Auditors for the financial year 2010-11. The due date for submission of the cost audit report for the financial year 2009-10 was September 27, 2010 and the actual date of submission of the report was August 3, 2010.

AUDITORS AND THEIR REPORT

M/s. V. Malik & Associates, Chartered Accountants, Statutory Auditors of the company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s. V. Malik & Associates to the effect that their re-appointment as Statutory Auditors, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956. The notes referred to by the Auditors in their Report are self-explanatory and do not require further elucidation.

GONTERMANN-PEIPERS (INDIA) LIMITED
ANNUAL REPORT 2010-2011

FIXED DEPOSITS

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

CORPORATE GOVERNANCE

Your company complies with the provisions laid down in Corporate Governance laws. It believes in and practices good corporate governance. The company maintains transparency, creates value and wealth for its shareholders, and also enhances corporate accountability.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following form part of this Annual Report:

- (i) Managing Director's declaration regarding compliance of Code of Conduct by Board Members and Senior Management personnel;
- (ii) Management Discussion and Analysis;
- (iii) Report on the Corporate Governance;
- (iv) Auditors's Certificate regarding compliance of conditions of Corporate Governance.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are set out in Annexure "A" and form part of this Report.

PERSONNEL

During the year under review, your Company continued to maintain cordial and mutually helpful relationship with its employees. The Board records its appreciation of the commitment and support of employees at all levels and looks forward to their total involvement.

Particulars of the employees of the Company as required to be mentioned u/s. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees)(Amendment) Rules 2011, are set out in Annexure "B" and form part of this report.

APPRECIATION

Your Directors place on record their gratitude for the support which the Company continues to receive from the Central Government, Government of West Bengal, Financial Institutions, Banks, Business Associates, Suppliers, Customers and Shareholders. Your Directors also convey their warm appreciation to all employees for their diligence and contribution to the growth of the Company.

Kolkata
30th May, 2011

For and on behalf of the Board

M Trivedi
Director

L K Poddar
Managing Director

ANNEXURE-A

STATEMENT CONTAINING PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2011.

(A) CONSERVATION OF ENERGY

Additional investment and proposals for reduction in energy consumption:

a) Energy consumption measures taken & results achieved:

1. Measure taken to conserve energy in earlier years, were continued.
2. LPG based new 6 nos. Heat Treatment Furnace with recuperator commissioned, thus reducing fuel consumption.
3. Fuel conversion work done on existing 30T Heat Treatment Furnace & 60T Dry Oven from Oil to LPG fuel, which are working satisfactorily.
4. As required by Dept. of Power, Govt. of W.B., Energy Audit is regularly done & report submitted accordingly.
5. Transparent Fibre Sheets on roof top are used to utilize natural light instead of electric light.
6. LDO consumption for Ladle heating system has been reduced.
7. 6 nos. furnace blower consumption reduced by using VFD.
8. Cooling Tower power consumption reduced by water temperature, sensor & controller.
9. Electrical consumption reduced by installation of LED light fittings.
10. 4 nos. variable machine drive consumption reduced by using AC VFD drive.
11. All reciprocating compressor changed by screw compressor with VFD drive thus reducing power consumption and cost.
12. LPG based Rapid Heating furnace commissioned, thus reducing fuel consumption.
13. One crane with AC drive system introduced in machine shop, reducing the power consumption.
14. One small transformer installed at one induction furnace for holding & lining purpose which reduces power consumption (Transformer).

b) Additional proposal for energy conservation

1. Bore well water consumption to be reduced.
2. To change all tube lights and shed lighting to LED.
3. To install 4 nos. LPG fired, recuperator fitted, VFD operated Heat Treatment Furnaces.

c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on cost of production.

Energy conservation measures have resulted in significant savings and have helped offset partially the inflationary trend in fuel/electricity cost.

FORM 'A'

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption

	2010-2011	2009-2010
1. Electricity		
a) Purchased		
Unit (Kwh)	2,19,93,150	1,75,46,230
Total amount (Rs.)	13,28,47,133	9,13,47,518
Rate/Unit (Rs.)	6.04	5.21
b) Own generation		
i) Through diesel generator		
Unit (Kwh)	98,706	1,05,354
Units per ltr. Of HSD/Furnace Oil	1.80	1.77
Cost/Unit (Rs.)	21.70	19.71

GONTERMANN-PEIPERS (INDIA) LIMITED
ANNUAL REPORT 2010-2011

	2010-2011	2009-2010
c) Diesel/ Light Diesel Oil/Furnace Oil		
Quantity (K.ltr)	739	544
Total amount (Rs.)	3,50,26,528	2,16,05,747
Average rate (Rs./k.ltr)	47,382	39,740
d) LPG Gas		
Quantity (Kgs)	13,08,910	9,95,965
Total amount (Rs.)	6,00,75,920	3,97,63,365
Rate/Unit (Rs.)	46	40
B. Consumption per M.T. Of production		
	2010-2011	2009-2010
Electricity (Kwh/M.T)	1978	1968
Furnace Oil (Ltr/M.T.)	66	61
Coal (Kgs)	NIL	NIL
LPG(Kgs/M.T.)	117	111

(B) TECHNOLOGY ABSORPTION

FORM 'B'

**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION
RESEARCH AND DEVELOPMENT (R&D):**

RESEARCH AND DEVELOPMENT (R&D):

1. SPECIFIC AREAS OF R&D CARRIED OUT BY THE COMPANY.

- Development of microstructure re-engineered grade of ICDP rolls designed specifically for CSP mills.
- Improving depth of hardness in Forged Work Rolls by cryogenic treatment,
- Improving quality of steel rolls with the help of MAGMA simulation software.

2. MEANS & OBJECTIVES

- a) The in-house R&D center of the company is recognised by the Government of India, Ministry of Science & technology, Department of Scientific & Industrial Research. The R&D center is equipped with the MAGMA simulation software for casting, LEICA image analysis system, Computerised Instron Universal testing machine, LECO metallographical polishing unit, Computerised LECO C&S testing unit & ARL spectrometer, Krautkramer Ultrasonic tester, and other very sophisticated state of the art equipments for testing & R&D.
- b) GPI's entire product range is covered under ISO 9001:2008 certification & subject to stringent quality assurance checks & Testing. The R&D center of the company continuously carry out tests to ensure maximum assurance levels.

3. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D

- The company has established itself in the International market & repetitive and continuous export orders are being received both in cast forge steel rolls.
- The company has been able to give customer specific solutions with substantially reduced response time gap, Synergistic relation with the steel industry has been maintained even in today's environment of rapid technological changes in the industry.
- With the help of MAGMA simulation software, the R&D center is being able to improve the methoding practice, by which Internal defects & rejections have been significantly reduced and overall quality of steel rolls have improved.
- The company has developed a new variety of ICDP roll with indigenous technology which are performing better in CSP mills. The customer feedback about these is encouraging.
- The company has developed a new variety of HiCr Steel roll to replace forge rolls for HSM roughing stand.

4. FUTURE PLAN OF ACTION

- Development of cast and forge Back Up Roll through a new route of production.
- Development of a significantly improved microstructure re-engineered grade of Hi-Cr Roll.
- Establish the process of centrifugally cast Plate Mill rolls.

5. EXPENDITURE ON R & D

	(Rs. In lacs)
a) Capital:	28.13
b) Recurring:	49.76
c) Total:	<u>77.89</u>
d) Total R&D expenditure as A percentage of total turnover	0.46%
Technology absorption, adaptation and innovation	: None

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to export; initiatives taken to increase exports; development of new export markets for products and services; and export plans

The Company exported 2388 MT of Cast and Forge Rolls valued at Rs 3171.12 Lacs during the financial year ended 31st March, 2011.

The market expansion activities have met success in several advanced and developing markets like US, Italy, China, Malaysia, Libya, Thailand, Bulgaria, Taiwan, Indonesia etc. and the Company have been able to secure repeat orders from these territories.

Improved market penetration planned in Venezuela, Colombia, Brazil, Canada, Russia, Ukraine, Egypt, Africa, Ethiopia & other Latin American countries by appointing agents in different regions/areas

2. Total foreign exchange used and earned

No.	Particulars	(Rs. In lacs)
1)	Foreign Exchange Earnings	3171.12
2)	Foreign Exchange Outgo:-	
	CIF Value of Imports of raw materials, components & spare parts	1326.74
	Capital Goods	28.13
	Others	174.26

Annexure-B

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report for the year ended 31st March, 2011.

Employed throughout the Financial Year under review and were in receipt of remuneration aggregating not less than Rs. 60,00,000/-.

Name	Age	Designation/ Nature of Duties	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Total Experience (years)	Date of Commencement of Employment	Previous Employment/ Position held
L.K.Poddar	53	Managing Director	2,16,35,485	1,24,88,070	B.Com., LLB, FCS	32	01.04.2001	Ispat Industries Ltd Asst. Secretary

- Remuneration received includes gross salary, allowances, taxable value of perquisites and Company's contribution to provident fund.
- The nature of employment of Mr. L K Poddar is contractual.
- The employees are not related to any of the Directors of the Company.
- There is no employee in the Company within the meaning of sub-clause (iii) of Clause (a) of sub-section (2A) of Section 217 of the Companies Act, 1956.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW

The global recovery that started in the second half of 2009-10 continued in most markets in 2010-11. However, the recovery was not uniform as the economic growth in the advanced economies remained modest at around 3% in 2010 after a decline of 3.4% in 2009, emerging and developing economies recorded robust growth in excess of 7% during the year led primarily by China and India.

The global economy is transitioning from the bounce-back phase of the recovery towards a period of slower but more sustainable growth. Growth in most developing countries is increasingly running into capacity constraints, while in high-income and developing Europe and Central Asia growth is hampered by the concentrated nature of slack and ongoing restructuring.

According to the International Monetary Fund (IMF), world real GDP growth for 2011 is forecast at 4.4%, representing a modest slowdown from 2010 levels. Real GDP in the advanced economies is expected to grow by 2.5% while that in the emerging and developing economies is forecast to grow by 6.5%. The sustainability of the global recovery depends on how the developed markets manage their public debt, boost private economic activity and generate employment.

The Indian Economy continued to be on a strong growth trajectory recording a real GDP growth of 8.6% for the fiscal year 2010-11 as compared to a 8 % growth for 2009-10 fiscal. India's GDP is projected to grow at a brisk pace of 8.8 percent in 2011-12. According to the Centre for Monitoring Indian Economy (CMIE), the domestic environment is conducive for growth and private final consumption expenditure is projected to grow by a healthy 7.5 percent and gross fixed capital formation by 14.6 percent respectively.

Steel industry has a major role to play in the economic growth of India. With new global acquisitions by Indian steel giants, setting up of new state-of-the-art steel mills, modernisation of existing plants, improving energy efficiency and backward integration into global raw material sources, India is now on the centre of the global steel map. Consumption of steel in the construction sector, industrial applications, and transport sector has been on the rise and special steel usage in engineering industries such as power generation, petrochemicals and fertiliser industry is also growing.

According to World Steel Association (WSA), India has recorded a growth of over 8.6 per cent, producing 6.35 million tonnes of steel in March 2011 as against 5.85 million tonnes in the corresponding month in 2010.

The consumption of steel domestically was recorded at 44.28 million tonnes. The consumption of steel in the country has shown an increase of 10.3 per cent during April 2010 to January 2011 as compared to the same period of previous year.

OPPORTUNITIES & THREATS

The Indian steel industry has been on a high-growth trajectory led by buoyancy in sectors such as infrastructure and construction, oil and gas and automobiles. The demand for steel is expected to further increase with major international automobile manufacturers setting manufacturing facilities in India.

India has retained its position as the 5th largest producer in 2010 and recorded a growth of 11.3 per cent as compared to 2009. India is expected to become the second largest producer of steel in the world by 2015-16, on account of growing steel demand, rich resources base of iron ore, skilled manpower and vast experience of steel making and the huge capacity expansion planned and being executed in the steel sector.

The company's performance is mainly dependant on steel industry as the steel industry is the major consumer of Rolls. The higher level of activity in steel sector has definitely resulted in increased demands for rolls. The demand for value added superior rolls like HSS & Semi-HSS grade rolls in the initial HSM stands and enhanced carbide ICDP rolls in the end stands continues. Your Company is geared up to meet this challenge successfully.

The cheaper imports and low-end roll manufacturers continue to be a great challenge for the Company. The Company has taken effective steps to counter the same. The increasing trend in the input prices is a challenge, which would be countered through effective supply-chain management and strategic sourcing.

The global steel demand is expected to improve in the long term with the recovery of the user industries. Growing infrastructure-related outlays as a result of government stimulus measures, including in the U.S., has helped rekindle the demand for steel. Along with government support, the recovering industrial sector is expected to further infuse steel demand, particularly in the U.S.

The steel industry is subject to cyclical swings arising from factors such as excess capacity, regional demand & supply imbalances and volatile swings in market demand and prices.

OPERATIONAL PERFORMANCE

CAST ROLLS

Production during the current year increased by 30% to 9781 MT as against 7522 MT during 2009-10. Cast Roll sales increased by 24% from 7851 MT in the last year to 9701 MT in 2010-11. Consequently the total revenue from the Cast roll division increased by 27% at Rs. 13217.90 Lacs compared to Rs. 10424.65 Lacs in the previous year.

FORGED ROLLS

Production during the current year was 1389 MT as against 1372 MT during the previous year. Forge Roll sales decreased by 10% from 1448 MT in the last year to 1300 MT in 2010-11. Consequently the total revenue from the Forge roll division decreased by 16% at Rs. 3046.49 Lacs compared to Rs. 3616.10 Lacs in the previous year.

FUTURE OUTLOOK

As reported by the 'World Economic Outlook' (WEO) issued by the International Monetary Fund in April 2011, the world economy is expected to grow at 4.5% in the years 2011 as well as 2012. The advanced economies are projected to grow at 2.5% while the emerging and developing economies will be growing at a higher level of 6.5%.

World Steel Association has projected the World Steel Demand to grow by 6% to 1360 million tonnes by 2011. China is expected to continue its leadership position with a share of 44%. The demand in Advanced and Emerging economies are slated to grow 5.3% and 6.3% respectively.

India is expected to show strong growth in steel use in the coming years due to its strong domestic economy, massive infrastructure needs and expansion of industrial production. In 2011, India's steel use is forecast to grow by 13.3% to reach 68.7 million tonnes. In 2012, the growth rate is forecast to accelerate further to 14.3%.

FINANCIAL PERFORMANCE

The Company prepared its accounts in compliance with the applicable Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and other relevant provisions of the said Act.

(Rs. In Lacs)

FINANCIAL RESULTS

	Year ended 31st March, 2011	Year ended 31st March, 2010
Sales/Income from Operations	16,920.31	14,367.62
Less: Excise Duty	1,367.46	849.55
	15,552.85	13,518.07
Other Income	2.67	221.16
Total Income	15,555.52	13,739.23
Total Expenditure	13,775.23	11,325.44

GONTERMANN-PEIPERS (INDIA) LIMITED
ANNUAL REPORT 2010-2011

(Rs. In Lacs)

	Year ended 31st March, 2011	Year ended 31st March, 2010
FINANCIAL RESULTS (Contd.)		
Profit before Interest, Finance Charges, Depreciation and Exceptional Items	1,780.29	2413.79
Interest & Finance Charges	904.47	888.35
Depreciation	730.68	710.07
Profit/(Loss) before Tax and Exceptional Items	145.14	815.37
Exceptional Items		
Prior period items (Net)	(1.72)	3.56
Profit/(Loss) before Tax	146.86	811.81
Provision for Taxation		
– Current Tax	63.46	287.09
– Tax related to earlier years	(74.10)	2.75
– Deferred Tax Liability	67.01	8.81
– Fringe Benefit Tax	–	–
Net Profit/(Loss) after Taxation	90.49	513.16
Balance brought forward	4,506.43	4,002.53
Surplus available for appropriation	4,596.92	4,515.69
i) Cumulative Preference Dividend	–	7.91
ii) Dividend Tax	–	1.35
iii) Balance carried to Balance Sheet	4,506.43	4,002.53

During the year under review, the net revenue from Sales was Rs 15,552.85 Lacs representing an increase of 15 % from Rs. 13,518.07 Lacs in the previous year. Operating Profit before interest and depreciation decreased by 26 % to Rs. 1780.29 Lacs , as against Rs 2413.79 Lacs during the previous year. Net profit after providing for interest, depreciation and tax was Rs. 90.49 Lacs as against Rs. 513.16 Lacs during the previous year. The decrease in profitability was mainly due to increase in the cost of raw materials, power and fuel and other consumables.

RISKS & CONCERNS

Fortune of Roll Industry is associated with that of steel. The cyclic nature of the steel industry is and will continue to remain always a cause for concern.

The Company faces the challenges posed by the World economic crisis leading to a loss of export business, an uncertain foreign exchange market and price volatility of some of the major inputs. The company also faces challenges with regard to increased competition and fast changing technology, increase in cost of raw materials, consumables and power.

Risks and opportunities are inseparable components of the Company's business. The Company has clearly identified and segregated its risks into various categories like strategic, operational, financial etc. and constituted an internal Risk Management Committee, comprising of heads of departments, to effectively manage the risks. The identified risks are prioritized in terms of likelihood and impact after discussion with the Risk Owners and ranking assigned to each risk in terms of high/medium/low. The Risk Management Committee meets periodically to identify and assess new risks, formulate mitigation plans, review the updates on the identified risks and implementation of the mitigation plans etc. The risk identification process and mitigation plans are subject to review by the Board of Directors.

QUALITY ASSURANCE

The Company continues to have ISO 9001:2008 accreditation from the Indian Register Quality Systems for commitment to quality and technological excellence. The Company is committed to maintain the highest quality of its products through stringent quality control procedures.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate systems of internal control that ensures that all transactions are authorised, recorded and reported correctly. The systems and procedures are reviewed to ensure timely preparation of financial information.

The Company has in place systems of internal control which are commensurate with its size, and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company has engaged professional firm of Chartered Accountants to conduct internal audit. The internal auditors review the adequacy of control systems on a continuous basis and suggest improvements wherever required. The internal control system provides well documented standard operating procedures, guidelines, authorisations and approval procedures. In addition, various professional auditing firms are hired for specific assignments on need basis.

The observations arising out of audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations is submitted to Audit committee of the Board of Directors. The status of implementation of the recommendations is reviewed by the Committee on a regular basis and concerns, if any are reported to the Board.

SAFETY, HEALTH & ENVIRONMENT

Your Company is aware of the impact of its activities, products and services on the environment. The Company places highest priority to environmental protection and has consistently been able to achieve emission and discharge levels stipulated by the Environmental Regulatory bodies. Your Company continues to have ISO 14001:2004, and OHSAS 18001:2007 accreditations for its activities related to its operations. Your Company is committed to conform to the internationally established standards for Environment Management and Occupational Health and Safety Management Systems.

Your Company gives highest priority to the safety of employees and visitors. The Safety Management systems are constantly being monitored for improvement and up-gradation to compete with the best in the industry. All unsafe conditions and unsafe practices are systematically eliminated. Safety has been given a new dimension with the introduction of TPM. The TPM methodology very well integrates safety awareness in the steps to be followed by every autonomous maintenance team. This has shifted the responsibility of finding unsafe work condition from a single safety officer to every individual workmen.

Your Company believes in good health of its employees. To pursue this objective, efforts are being made on both treatment as well as maintaining good health. Medical Officer have been appointed to take care of the employees health and awareness programmes is also being conducted on ill effects of smoking, chewing tobacco etc. A 24 Hour Ambulance Service is maintained by your Company to meet any emergency in the factory or in the neighbouring areas.

The Company celebrated World Environment Day and planted saplings with the participation of its employees.

SOCIAL COMMITMENTS

GPIIL philosophy believes that corporate responsibility extends beyond the ambit of a company's facilities and offices and that true corporate citizenship must include common cause with society. In keeping with this belief, GPIIL encourages different social events and development of health programme and human capital initiatives. Serving the local committee and promotion of sports are some of the key activities undertaken by the Company.

The Company's social activities include Blood Donation camps, providing support for drinking water facility, infrastructural support to schools, etc.

HUMAN RESOURCE DEVELOPMENT

Human Resource is one of the key elements to achieve the objectives and strategies of any organization. The Company recognizes the need to have optimum level of human resource and orientation towards team efforts for sustained growth and performance. The focus is on people empowerment through skill, knowledge and attitude reinforcement to integrate them in achieving the Company's corporate goal.

In line with the Organization's priority; the company has implemented organizational development and initiatives like Six Sigma, Total Productive Maintenance (TPM), Total Quality Management (TQM), Activity Based Costing, Just-In-Time (JIT), etc. Your Company has implemented a computerized Performance Management System based on Balanced Score Card methodology to ensure proper target setting and monitoring of individual performance. This is complemented by well established Reward and Recognition mechanism and variable pay structure which augment the performance of the employees in the organization.

Employees from various levels were sent for external training to upgrade their skills and knowledge in the areas of operations of the Company.

Your company has taken up several initiatives to enhance quality of life of the employees; special attention being placed on healthcare and recreation of employees. Quality Circle movement is also being imbibed into the culture of GPIL.

During the year under review the Company won the following awards :

- Machine Shop teams honoured with “Gold Award” & “Silver Award” in Chapter Convention of Quality Circles (CCQC)-2010”, Kolkata.
- Forge Shop team honoured with “Gold Award” & Melting Shop team honored with “Silver Award” in “ICQCC-2010” held at Hyderabad.
- Consistency Award for TPM (Level-II)

Industrial relations continue to be cordial. Regular communication meetings are held with the workmen representatives to exchange views and to address mutual issues. It is noteworthy that not a single man day has been lost during the year on account of labour relations. The moral and commitment of the employees remained high through out the year.

The strength of permanent employees as on 31st March 2011 was 675.

CAUTIONARY STATEMENT

Statements in the Management Discussions and Analysis Report describing the Company's projections or predictions may be construed as 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the company's operations include demand-supply conditions, raw material prices, changes in government regulations, tax regimes, economic developments within and outside the country and other factors such as litigation and other labour negotiations.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Board has adopted, and is committed to adopting, its obligations under relevant regulations and laws as well as any relevant best practices relating to Corporate Governance. This would ensure efficient conduct of affairs of the Company and help the Company achieve its goal of maximizing value for all its stakeholders. The Board lays significant emphasis on fair, transparent and ethical governance practices. The Company's Philosophy on Corporate Governance is:

- to have systems in place which will allow sufficient freedom to the Board of Directors and management to take decision towards the progress of the Company and to innovate while remaining within a framework of effective accountability.
- to provide transparent corporate disclosures and adopt high quality accounting practices.
- timely and proper dissemination of material price sensitive information and ensure insiders do not transact in securities of the Company till such information is made public.
- to adopt good Corporate Governance policies that will contribute to the efficiency of the enterprise, creation of wealth for the Shareholders and Country's economy.

Your Company is fully compliant with the requirements of the prevailing and applicable corporate governance codes. Your Company's compliance with requirements is presented in the subsequent sections of this Report.

BOARD OF DIRECTORS

The Company has a Non-Executive Promoter Chairman and the number of Independent Directors is more than one-half of the total number of Directors. The number of Non-Executive Directors (NEDs) at 77% is more than 50% of the total number of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as at March 31, 2011.

The following is the composition of the Board of Directors as on 31st March, 2011.

Category	No. of Directors	Percentage of total number of Directors
Promoter		
– Executive Director	Nil	—
– Non-Executive Directors	1	7.69
Executive Directors	3	23.08
Non-Executive Independent Directors	7	53.85
Nominee Directors representing lending institutions	2	15.38
Total	13	100.00

The attendance of Directors at Board Meetings held during the financial year and at the last Annual General Meeting and also the number of Directorships and Committee Memberships held by them in other Companies are given below.

Name of Director	No. of Board Meetings Attended	Attended Last AGM held on 25.08.2010	No. of Directorships in other Companies #		No. of Membership in Committee of Directors in other Companies \$	
			Chairman	Director	Chairman	Member
Mr. Pramod Mittal (Chairman)	—	No	1	2	—	—
Mr. V. K. Mittal*	—	No	—	1	—	—
Mr. M. Trivedi	5	No	—	1	2	—
Prof. M. K. Mitra	5	Yes	—	—	—	—

GONTERMANN-PEIPERS (INDIA) LIMITED
ANNUAL REPORT 2010-2011

Name of Director	No. of Board Meetings Attended	Attended Last AGM held on 25.08.2010	No. of Directorships in other Companies #		No. of Membership in Committee of Directors in other Companies \$	
			Chairman	Director	Chairman	Member
Dr. Shekhar Chaudhuri	5	Yes	—	3	1	1
Mr. Vinod Kothari	3	No	—	3	2	1
Mr. N. D. Auddy (IFCI Nominee)	5	No	—	—	—	—
Mr. S Balasubramanian**	3	Yes	—	—	—	—
Mr. S. Sonowal*** (Exim Bank Nominee)	4	No	—	1	1	—
Mr. S S Saswat**** (Exim Bank Nominee)	1	NA	—	—	—	—
Mr. R. N. Pandey	3	Yes	—	1	—	1
Mr. R K Jena	1	No	—	1	—	1
Mr. L.K. Poddar	5	Yes	—	—	—	—
Mr. S. Banerjee	5	Yes	—	—	—	—
Mr. S. Ray*****	1	NA	—	—	—	—

* Ceased to be Director w.e.f. 28th July, 2010

** Appointed as a Director w.e.f. 28th July, 2010
Ceased to be Director w.e.f. 18th January, 2011
Appointed as a Director w.e.f. 18th January, 2011
Appointed as a Director w.e.f. 10th November, 2010

Excludes directorships of private limited companies and of companies incorporated outside India.

\$ Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Mr Pramod Mittal and Mr V K Mittal are related to each other.

Five Board meetings were held during the year ended 31st March, 2011. The dates on which the Board meetings were held are 19.05.2010, 28.07.2010, 25.08.2010, 10.11.2010 and 11.02.2011.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company. The information supplied by management to the Board of the Company is as mandated under Annexure IA of Clause 49 of the listing agreement.

AUDIT COMMITTEE

The Company has an Independent Audit Committee constituted in terms of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Committee exercises the powers and discharges the functions as stipulated in the said Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Powers

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of Reference

The terms of reference of the Audit Committee broadly includes :-

- Review of accounting policies, financial reporting processes and disclosure of financial information.
- Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and fixation of audit fees as well as fees for other services being rendered by them.
- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on :
 - ❖ any changes in accounting policies and practices;

- ❖ major accounting entries based on exercise of judgment by management;
- ❖ qualifications in draft audit report;
- ❖ significant adjustments arising out of audit;
- ❖ the going concern assumption;
- ❖ compliance with accounting standards;
- ❖ compliance with stock exchange and legal requirements concerning financial statements;
- ❖ any related party transactions as per Accounting Standard 18.
- Review reports of internal auditors and management response thereto.
- Review the adequacy of the internal audit function, including the structure of the internal audit department, reporting structure coverage and frequency of internal audit.
- Review statutory compliances.
- Review performance of Statutory and Internal Auditors.

The internal auditors submit their reports periodically to the Audit Committee for review and discussion. The Committee reviews with the Statutory Auditors their observations and suggestions on accounts and accounting policies.

The Audit Committee reviews the quarterly Corporate Governance Report and also undertakes such other matters as may be delegated by the Board from time to time.

Minutes of each audit committee meeting are placed before and discussed in the meeting of the Board.

Composition

The Audit Committee comprises of eight Non-Executive Professional Directors six of whom are Independent. The members of the committee are well versed in finance, accounts, treasury and company law.

The Managing Director and Whole-time Directors are permanent invitees to the Audit Committee meetings. Apart from the Committee Members, the Managing Director and the Whole-time Directors, the meetings of Audit Committee are also attended by the Chief Financial Officer, Accounts Head and other Operational/Departmental Heads. The Internal Auditors also attend the meetings to discuss their report with the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

During the financial year ended 31st March, 2011, four meetings of the Audit Committee were held on 19.05.2010, 28.07.2010, 10.11.2010 and 11.02.2011. The necessary quorum was present for all the meetings.

The composition of the Audit Committee and the meetings attended by the members are as under:

Name of Directors	No. of meetings attended during the year ended 31st March, 2011
Mr. M. Trivedi, Chairman	4
Prof. Manoj Kumar Mitra	4
Dr. Shekhar Chaudhuri	4
Mr. N.D. Auddy (IFCI Nominee)	4
Mr. Vinod Kothari	3
Mr. S Sonowal* (Exim Bank Nominee)	3
Mr. S S Saswat** (Exim Bank Nominee)	—
Mr. R N Pandey	2
Mr. R K Jena	1

* Ceased to be Member w.e.f 18th January, 2011

** Appointed as a Member w.e.f 11th February, 2011

SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE

The Share Transfer and Investors Grievance Committee specifically looks into redressing of shareholder's and investors' complaints relating to transfer of shares, non-receipt of shares, non-receipt of declared dividends and also to ensure expeditious share transfer process.

Three meetings were held during the year ending 31st March, 2011. The dates on which the meetings were held are 19.05.2010, 28.07.2010, and 11.02.2011.

GONTERMANN-PEIPERS (INDIA) LIMITED
ANNUAL REPORT 2010-2011

Composition and Attendance record of Share Transfer & Investors Grievance Committee :

Name of Directors	No. of meetings	Meetings attended
Mr. M. Trivedi, Chairman	3	3
Prof. Manoj Kumar Mitra	3	3
Dr. Shekhar Chaudhuri	3	3
Mr. Vinod Kothari	3	2
Mr. L. K. Poddar	3	3
Mr. S Banerjee	3	3
Mr. S Ray*	1	—

* Appointed as member on 10th November, 2010

Name & Designation of Compliance Officers:

1) Mr. S. Subramanian, Company Secretary and Mr. R.K. Banthia, Asst. Company Secretary.

Share transfers/transmissions etc. as approved by the Committee are notified to the Board at regular intervals.

During the year under review, 7 (seven) complaints were received from investors, all complaints were replied/resolved to the satisfaction of the investors. There are no pending complaints as on 31.03.2011.

REMUNERATION COMMITTEE

The broad terms of reference are to consider and approve the remuneration payable to the managerial persons including Managing Director / Whole-time Directors of the Company as prescribed under the Companies Act, 1956 or rules made thereunder.

Two meetings were held during the year ending 31st March, 2011. The dates on which the meetings were held are 19.05.2010 and 10.11.2010.

The Composition of the Remuneration Committee is as below :

Name of Members	Category	Number of Meetings attended
Mr. M. Trivedi, Chairman	Independent, Non-executive	2
Prof. Manoj Kumar Mitra	Independent, Non-executive	2
Dr. Shekhar Chaudhuri	Independent, Non-executive	2
Mr. NDAuddy (IFCI Nominee)	Independent, Non-executive	2
Mr. Vinod Kothari	Independent, Non-executive	2
Mr. S Sonowal* (Exim Bank Nominee)	Independent, Non-executive	2
Mr. S S Saswat** (Exim Bank Nominee)	Independent, Non-executive	NA

* Ceased to be Member w.e.f. 18th January, 2011

** Appointed as a Member w.e.f. 11th February, 2011

.The details of the payments made to the Whole-time Directors during the year ended 31st March, 2011 is given below :

Name of the Directors and Designation	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contract (Years)	Period of Service Contract
Mr. L. K. Poddar Managing Director	2,16,35,485	Nil	2,16,35,485	5	28.07.2009 To 27.07.2014
Mr. S. Banerjee Director (Operations)	22,74,535	Nil	22,74,535	3	14.05.2009 To 13.05.2012
Mr. S Ray* Director (Marketing & Technical Services)	9,47,807	Nil	9,47,807	5	10.11.2010 To 09.11.2015

* Mr. S Ray was appointed as Director (Marketing & Technical Services) of the company with effect from 10th November, 2010

- Service Contract – The service contract of the Managing Director/Whole-time Director can be terminated by either party giving three months notice to the other party or the Company paying three months salary in lieu thereof.
- Severance Fee – No Severance fee is payable to the Managing Director/Whole-time Director.
- Stock Option – Nil.

Non-Executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its committees. The detail of sitting fees paid during the year 2010-11 to the Non-Executive Directors is given below:

Name of the Directors	Relationship with other directors	Business relationship with the Company, if any	Remuneration paid/ payable during the year ended 31st March 2011 (In Rs.)
Mr. M. Trivedi	None	None	1,70,000/-
Prof Manoj Kumar Mitra	None	None	1,75,000/-
Dr Shekhar Chaudhuri	None	None	1,60,000/-
Mr N D Auddy	None	Nominee of IFCI Ltd, a lender to the company	1,45,000/-
Mr Vinod Kothari	None	None	1,10,000/-
Mr. S Balasubramanian	None	None	45,000/-
Mr. S Sonowal/ Mr. S S Saswat	None	Nominee of EXIM Bank, a lender to the company	1,30,000/-
Mr. R N Pandey	None	None	75,000/-
Mr. R K Jena	None	None	30,000/-

PROJECT MANAGEMENT COMMITTEE

The broad terms of reference of the Project Management Committee are as under:

- Monitor and review the implementation of the various capital projects, including status of progress, critical area affecting project implementation schedules and
- Over view financing of the projects, capital expenditure budget and project cost incurred.

There was no meeting of the Project Committee during the financial year 2010-11.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for members of the Board and senior management personnel of the Company. The Code has also been posted on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of the financial year 2010-11. A separate declaration to this effect is annexed to the Corporate Governance Report.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under

Year Ended	Venue	Date	Time	Special Resolutions Passed
31.03.2010	P. O. Pailan Diamond Harbour Road,24-Parganas (S), West Bengal-743512	25.08.2010	11.00 A.M.	None
31.03.2009		15.09.2009	11.00 A.M.	<ul style="list-style-type: none"> ● Appointment of Mr. Saumitra Banerjee as Director (Operations) of the Company ● Re-appointment of Mr. L K Poddar as Managing Director of the Company
31.03.2008		27.09.2008	11.00 A.M.	None

No resolution were put through postal ballot last year. No resolution are placed for shareholder's approval at this Annual General Meeting which requires to be approved through postal ballot.

DISCLOSURES

1. All related party transactions have been disclosed in the Notes to Accounts forming part of this Annual Report. None of the transactions with any of the related parties were in conflict with the interest of the Company.
2. There were no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority for non-compliance by the Company, on any matter related to capital markets, during the last three years.
3. The company has adopted and complied with all mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement. The company has adopted non-mandatory, requirements under Clause 49 of the Listing Agreement to the extent relating to setting up of Remuneration Committee.
4. The Company has laid down procedures to inform Board Members about the Risk assessment & minimization procedures. These procedures are periodically placed and are reviewed by the Board of Directors. The Company has formulated and implemented a Risk Management Policy for Risk Assessment and Mitigation Procedures.
5. The applicable Accounting Standards as issued by the Institute of Chartered Accountants of India have been followed in preparation of the financial statements of the Company.
6. The Company has not made any capital issues during the financial year.
7. A certificate from the Managing Director and Chief Financial Officer with regard to the Annual Audited Accounts for the financial year ended 31st March, 2011 was submitted to the Board in compliance with Clause 49 of the listing agreement. The certificate is annexed to the Report.
8. There is no Whistle Blower mechanism in the Company.

RECONCILIATION OF SHARE CAPITAL AUDIT

A qualified practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL.

MEANS OF COMMUNICATION

- The quarterly results of the Company were announced within forty five days of completion of the quarter. Audited annual results alongwith the results of the fourth quarter were announced within sixty days from the end of the financial year.
- The quarterly results/ Annual results/ Notices are published in The Financial Express and/or Economic Times and/or The Telegraph (in English) and in Dainik Statesman (in Bengali). The quarterly and annual results as well as the quarter end shareholding pattern is posted at the end of every quarter on the Company's corporate website www.gontermann-peipers.com

- Official news releases are given to the press and to the Bombay Stock Exchange Limited and The Calcutta Stock Exchange Association Limited.
- Management Discussion and Analysis Report is being presented as a part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

1) Annual General Meeting	
Day, date and time Venue	Friday, the 12th day of August, 2011, at 11.00 A.M. Registered Office at P.O. Pailan, Diamond Harbour Road, 24-Parganas (South) – 743 512, West Bengal
2) Book Closure Date	Friday, the 5th day of August, 2011 to Friday, the 12th day of August, 2011
3) Dividend Payment Date	NA
4) Financial Calendar	1st April, 2011 to 31st March, 2012
– Annual General Meeting	August, 2011
– Board Meeting for considering Unaudited quarterly results for first three quarters of the financial year ending 31st March, 2011	Within forty five days from the end of each quarter.
– Board Meeting for considering the Audited Results of the financial year ending on 31st March, 2011	Within sixty days from the end of the financial year.
5) Listing of Equity Shares on Stock Exchanges (with Stock Code)	
i) The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata – 700 001	10017005
ii) Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	504701

Note : Annual Listing Fees for the year 2011-2012 have been paid to the above Stock Exchanges. The Company has also paid the Annual Custodial Fees to both the Depositories.

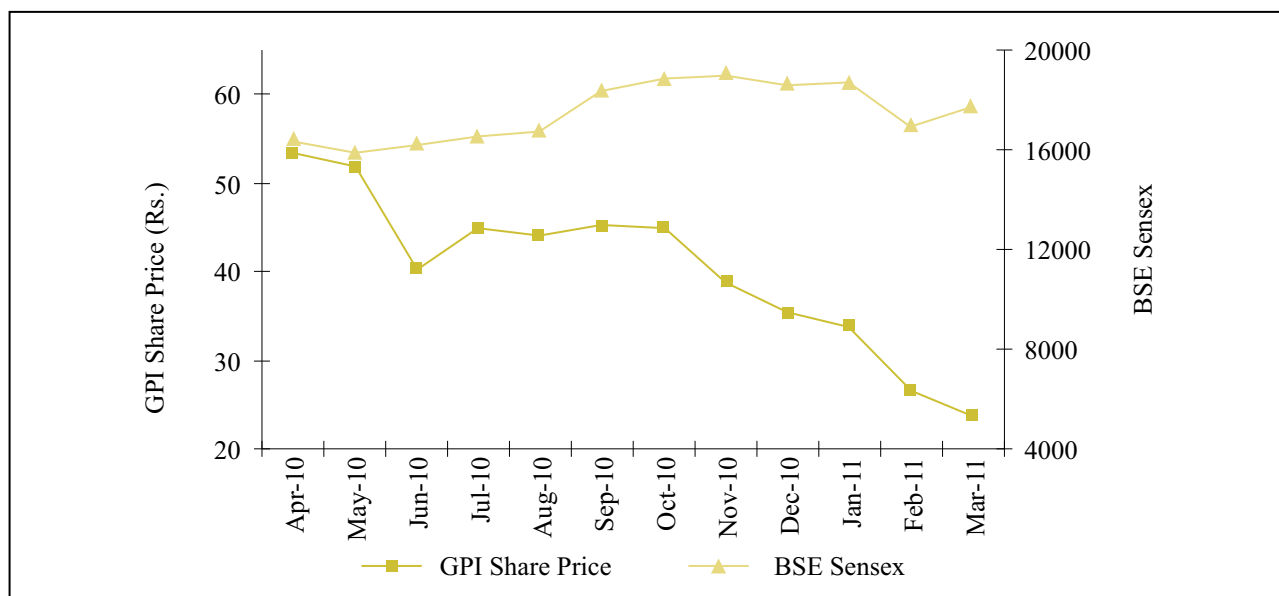
6) Stock Market Data

(i) Market Price

Months	Share Price Data on BSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
2010 April	53.70	32.85	18047.86	17276.80
May	52.00	34.00	17536.86	15960.15
June	40.40	36.00	17919.62	16318.39
July	45.00	34.00	18237.56	17395.58
August	44.15	35.35	18475.27	17819.99
September	45.25	36.00	20267.98	18027.12
October	45.00	33.00	20854.55	19768.96
November	38.90	29.00	21108.64	18954.82
December	35.40	27.60	20552.03	19074.57
2011 January	33.85	22.15	20664.80	18038.48
February	26.50	20.00	18690.97	17295.62
March	23.45	18.00	19575.16	17792.17

Source : Data relating to the Stock Exchange, Mumbai are taken from www.bseindia.com

(ii) Stock Performance



7) Registrars & Share Transfer Agents

MCS Limited
77/2A, Hazra Road, Kolkata – 700 029.
Phone Nos. : (033) 2476-7350/7354; Fax No. 91-33-2454 1961
E-Mail : mcskol@rediffmail.com
(Registered with SEBI as Share Transfer Agent – Category I)

8) Share Transfer System

The Company's Equity Shares are admitted with the Depository System of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as an eligible security under the Depositories Act, 1996. As such, facilities for dematerialisation of the Company's Equity shares is available vide ISIN : INE 530A01026 at both the depositories.

The Company has a Share Transfer & Investors Grievance Committee to look into various issues relating to the investors including share transfers. This Committee of the Board of Directors of the Company meets normally on monthly basis while the delegated authorities attend the transfer formalities. The total number of such meetings held during the year under review was three and the total number of shares physically transferred during the year was 426.

9) Investor Grievance Redressal System

The investor grievances against the Company are handled by the Company's Registrars and Share Transfer Agents, M/s. MCS Limited, Kolkata, in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advanced computer systems for speedy redressal of the investor grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerised to ensure settlement. It normally takes 15 days from the date of receipt of the complaint for disposal of investor grievances.

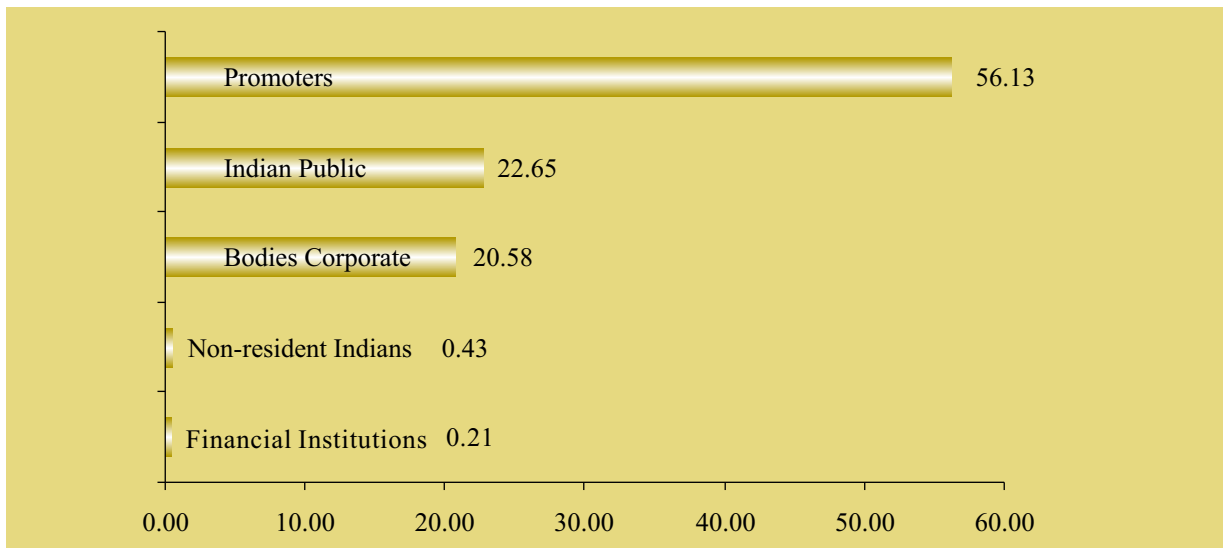
10) Distribution of Equity Shares as on 31st March, 2011

Number of Shares held	No. of Shares	No. of Shareholders	Percentage of Shareholding
1 to 500	6,15,853	5,647	4.43
501 to 10000	19,33,235	922	13.89
10001 to 50000	9,85,823	48	7.08
50001 to 100000	4,50,155	7	3.24
100001 and above	99,29,934	15	71.36
Total	1,39,15,000	6,639	100.00

11) (a) Categories of Shareholders as on 31st March, 2011

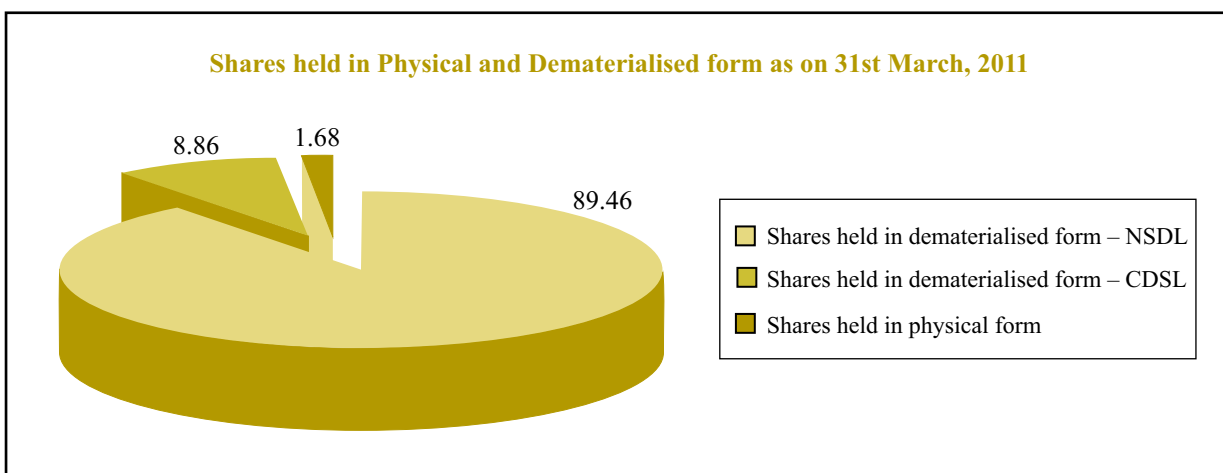
Category	No. of Shares held	% of total shareholding
Promoter Group	78,11,073	56.13
Financial Institution / Insurance Cos./ Banks / Mutual Funds	29,027	0.21
Bodies Corporate	28,64,039	20.58
Public & Others	32,10,861	23.08
Total	1,39,15,000	100.00

11) (b) Shareholding Pattern as on 31st March, 2011



12) Dematerialisation of Shares and Liquidity

Approximately 98.32% of the Equity Shares have been dematerialised upto 31.03.2011. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28.08.2000 as per notification issued by the Securities & Exchange Board of India.



GONTERMANN-PEIPERS (INDIA) LIMITED
ANNUAL REPORT 2010-2011

13) There are no outstanding GDRs/ADRs/Warrants or any Convertible instruments which are likely to have impact on the equity of the company.

14) Plant Location

P.O. Pailan, Diamond Harbour Road, 24 Parganas (South), West Bengal – 743 512
Phone Nos. (033) 2453 2455 / 56, 2497 8183 / 8294 / 8462 Fax : 91-33-2497-8313 / 8547 / 8686
E-mail : gpikol@gontermann-peipers.com Website: www.gontermann-peipers.com

15) Address for Investor Correspondence

Mr. S. Subramanian
Company Secretary

Unit-in-charge
Unit : Gontermann-Peipers (India) Limited

Mr. R K Banthia
Asst. Company Secretary
Gontermann-Peipers (India) Limited
P.O. Pailan, Diamond Harbour Road
24 Parganas (S), West Bengal – 743 512
Phone Nos. (033) 2453 2455 / 56,
2497 8183 / 8294 / 8462
Fax : 91-33-2497-8313 / 8547 / 8686
E-Mail : gpikol@gontermann-peipers.com
Website : www.gontermann-peipers.com

M/s. MCS Limited
77/2A, Hazra Road,
Kolkata – 700 029.
Phone Nos. : (033) 2454 1892/1893
Fax No. 91-33-2454 1961
E-Mail : mcskol@rediffmail.com
(Registered with SEBI as Share Transfer
Agent – Category I)

16) Exclusive e-mail ID for redressal of investors' complaints : investors@gontermann-peipers.com

AFFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT EXECUTIVES

It is hereby confirmed that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct, laid down by the Board of Directors, for the financial year 2010-2011.

Date : 30th May, 2011

L K Poddar
Managing Director

Auditor's Certificate regarding Compliance of Conditions of Corporate Governance

To
The Members of
Gontermann-Peipers (India) Limited

We have examined the compliance of conditions of Corporate Governance by Gontermann-Peipers (India) Limited, for the period from 1st April, 2010 to 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us;

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company, as certified by the share transfer agents of the Company, based on the records maintained by them.

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

For V. MALIK & ASSOCIATES
Chartered Accountants
Firm Registration No: 000155N
VIPIN MALIK
Proprietor
Membership No. 80468

Camp : Kolkata
Dated : 30th May, 2011

CEO / CFO CERTIFICATION

We, L.K. Poddar, Managing Director and Mr. R.K. Parakh, Chief Financial Officer of Gontermann-Peipers (India) Limited, certify that:

- (a) We have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March, 2011 and to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2011 are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company, pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- (d)
 - (i) There has not been any significant change in internal control over financial reporting during the year ended 31st March, 2011 ;
 - (ii) There has not been any significant change in the accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

Kolkata
30th May, 2011

L. K. Poddar
Managing Director

R.K. Parakh
Chief Financial Officer

AUDITOR'S REPORT TO THE MEMBERS OF GONTERMANN-PEIPERS (INDIA) LIMITED

1. We have audited the attached Balance Sheet of **Gontermann-Peipers (India) Limited** as at 31st March 2011 and also the Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We 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 presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that: -
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, subject to Note No.1 (i) on Schedule 18 regarding non-accounting of certain income/expenses on accrual basis, proper books of account, as required by law, have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except reported otherwise;
 - (v) On the basis of written representations received from the Directors as on 31st March 2011, we report that none of the director is disqualified as on 31st March 2011 from being appointed as director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act 1956. As regards institutional nominee directors, they are exempted from the provisions of Section 274 (1) (g) in view of general circular issued by Department of Company Affairs.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011;
 - (ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date, and
 - (iii) in the case of Cash Flow Statement of the cash flows for the year ended on that date.

For V. MALIK & ASSOCIATES
Chartered Accountants
Firm Registration No: 000155N
VIPIN MALIK
Proprietor
Membership No. 80468

Camp : Kolkata
Dated : 30th May, 2011

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT TO THE MEMBERS OF
GONTERMANN-PEIPERS (INDIA) LIMITED FOR THE YEAR ENDING 31ST MARCH 2011**

- (i) The nature of the Company's business/activities during the year is such that clause (xiii) and (xiv) of the paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year ended 31st March 2011.
- (ii) In respect of its fixed Assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, the Company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposals during the year.
- (iii) In respect of its inventories:-
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to information and explanations given to us, the procedure of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) As informed to us, the Company has not granted or taken any secured or unsecured loan to/from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations 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.
- (vi) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us, there are no transactions that need to be entered in the register.
- (vii) As informed to us, the company has not accepted any deposits from the public within the purview of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (viii) In our opinion, the Company has adequate internal audit system commensurate with the size and nature of its business.
- (ix) We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima- facie, the prescribed accounts and records have been maintained. We have not, however made a detailed examination of the records to ascertain whether they are accurate or complete.
- (x) According to information and explanations given to us in respect of statutory and other dues:
 - a. The company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Custom Duty, Excise Duty, Cess Duty, cess and other statutory dues with the appropriate authorities during the year.
 - b. According to information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March 2011 for a period of more than six months from the date they became payable.

c. Disputed dues in respect of

Nature of the dues	Amount (Rs. In lacs)	Period to which amount relates	Forum where dispute is pending
Excise Duty	209.09	1975 to 1986	Hon'ble Calcutta High Court
	4.66	1993-1994	Tribunal (Central Excise)
	1.39	2002-2003	Joint Commissioner (Central Excise)
	8.60	1998-1999	Commissioner Appeal (Central Excise)
	2.00	2007-2008	Asstt. Commissioner (Central Excise)
	2.09	2006-2007	Dy. Commissioner Excise
	5.68	2007-2008	Joint Commissioner (Central Excise)
	4.57	2008-2009	Joint Commissioner (Central Excise)
	0.31	2008-2009	Dy. Commissioner Excise
	1.39	2007-2008	Dy. Commissioner Excise
	0.96	2008-2009	Dy. Commissioner Excise
	4.41	2008-2009	Dy. Commissioner Excise
Sales Tax	209.92	2006-2007	Dy. Commissioner Appeal.
	34.13	2007-2008	Dy. Commissioner Appeal.
Service Tax	11.17	2006-2007 to 2008-2009	Joint Commissioner Service Tax
	2.78	2009-2010	Joint Commissioner Service Tax

have not been deposited since the matters are pending before relevant Appellate Authorities.

- (xi) The company does not have accumulated losses as at 31st March, 2011 and has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xii) According to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or bank.
- (xiii) According to information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to information and explanations given to us, the Company has not given any guarantees for the loans taken by others from banks or financial institutions.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the company were prima facie applied by the company during the year for the purpose for which the loans were obtained.
- (xvi) According to the information and explanations given to us and on overall examination of the balance sheet of the company, in our opinion, funds raised on short term basis have not been used for long term investment.
- (xvii) The Company has not made any preferential allotment during the year.
- (xviii) The Company has not raised any money by public issues during the year.
- (xix) To the best of our knowledge and according to information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For V. MALIK & ASSOCIATES
Chartered Accountants
 Firm Registration No: 000155N
 VIPIN MALIK
Proprietor
 Membership No. 80468

Camp : Kolkata
 Dated : 30th May, 2011

BALANCE SHEET
AS AT 31ST MARCH, 2011

	Schedule	As at 31st March, 2011 (Rs. in Lacs)	As at 31st March, 2010 (Rs. in Lacs)
SOURCES OF FUNDS			
A. Shareholders' Funds			
a. Share Capital	1	1,523.37	1,523.37
b. Reserves and Surplus	2	9,345.94	9,501.84
		10,869.31	11,025.21
B. Loan Funds			
Secured Loans	3	12,822.51	10,138.91
		12,822.51	10,138.91
C. Deferred Tax Liability			
		649.86	582.85
		24,341.68	21,746.97
APPLICATION OF FUNDS			
A. Fixed Assets			
a. Gross Block	4	23,491.39	19,896.57
b. Less: Depreciation		10,853.84	9,887.47
c. Net Block		12,637.55	10,009.10
d. Capital Work-in- progress		2,945.44	3,745.23
		15,582.99	13,754.33
B. Investments			
	5	111.08	111.08
C. Current Assets, Loans & Advances			
a. Inventories	6	4,862.42	3,568.70
b. Debtors	7	6,142.04	4,909.08
c. Cash and Bank Balances	8	459.90	419.30
d. Loans and Advances	9	2,905.63	2,860.08
		14,369.99	11,757.16
D. Less : Current Liabilities and Provisions			
a. Current Liabilities	10	5,255.88	3,539.91
b. Provisions		466.50	335.69
		5,722.38	3,875.60
Net Current Assets		8,647.61	7,881.56
		24,341.68	21,746.97
Accounting Policies and Notes on Accounts	18		

Schedule 1 to 10 and 18 referred to above form an integral part of the Balance Sheet in terms of our attached report of even date For V. Malik & Associates
Chartered Accountants
Vipin Malik
Proprietor
Camp : Kolkata
Date : 30th May, 2011

S Subramanian
Company Secretary

R K Parakh
President & CFO

For and on behalf of the Board of Directors

M Trivedi
Prof. Manoj Kumar Mitra
B K Roy
S S Saswat
L K Poddar
S Ray
S Banerjee

} *Directors*
Managing Director
Director (Marketing & Technical Services)
Director (Operations)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	Year Ended 31.03.2011 (Rs. in Lacs)		Year Ended 31.03.2010 (Rs. in Lacs)
INCOME				
Sales/Income from Operations	11	16,920.31		14,367.62
Less : Excise Duty		1,367.46		849.55
		15,552.85		13,518.07
Other income	12	2.67		221.16
		15,555.52		13,739.23
EXPENDITURE				
(Increase) / Decrease in Stocks	13	(1,058.73)		93.69
Raw Materials Consumed	14	6,866.42		5,206.76
Stores & Spare Parts Consumed		1,414.37		1,086.58
Power and Fuel		2,279.50		1,527.17
Payments to and Provisions for Employees	15	2,513.63		2,025.74
Other Expenses	16	1,760.04		1,385.50
Interest (Net) and Finance charges	17	904.47		888.35
Depreciation		977.07	1,004.25	
Less : Transfer from Capital Reserve		246.39	294.18	710.07
		15,410.38		12,923.86
PROFIT BEFORE EXCEPTIONAL ITEMS & TAXATION				
		145.14		815.37
EXCEPTIONAL ITEMS				
Prior period Items (Net)		(1.72)		3.56
PROFIT BEFORE TAXATION				
		146.86		811.81
Provision for taxation				
a) Current Tax		63.46		287.09
b) Tax related to earlier years		(74.10)		2.75
c) Deferred Tax Liability		67.01		8.81
PROFIT AFTER TAXATION				
		90.49		513.16
Balance brought forward from last year		4,506.43		4,002.53
APPROPRIATIONS				
Proposed Dividend on Preference Shares		—		7.91
Corporate Tax on Dividends		—		1.35
BALANCE CARRIED TO BALANCE SHEET				
		4,596.92		4,506.43
Earning per share (Equity Shares of Face Value of Rs. 10/- each)				
- Basic - (in Rs.)		0.58		3.62
- Diluted - (in Rs.)		0.59		3.37

Accounting Policies and Notes on Accounts 18

Schedule 11 to 18 referred to above
form an integral part of the Profit and Loss Account
In terms of our attached report of even date
For V. Malik & Associates
Chartered Accountants
Vipin Malik
Proprietor
Camp : Kolkata
Date : 30th May, 2011

S Subramanian
Company Secretary

R K Parakh
President & CFO

For and on behalf of the Board of Directors

M Trivedi	}	<i>Directors</i>
Prof. Manoj Kumar Mitra		
B K Roy		
S S Saswat		
L K Poddar		
S Ray	<i>Managing Director</i>	
	<i>Director (Marketing & Technical Services)</i>	
S Banerjee	<i>Director (Operations)</i>	

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31.03.2011 (Rs. in Lacs)	Year ended 31.03.2010 (Rs. in Lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	146.86	811.81
Adjustments for :		
Depreciation	730.68	710.07
Interest & Finance Expenses	1,551.44	1,214.28
Loss/(Profit) on Fixed Assets sold/discarded	5.06	(13.69)
Interest Income	(43.25)	(28.07)
Operating Profit before working capital changes	2,390.79	2,694.40
Increase / (Decrease) in trade payables	1,845.01	829.86
Decrease / (Increase) in trade & other receivables	(1,370.81)	(2,037.77)
Decrease / (Increase) in inventories	(1,293.71)	(63.74)
Cash Generated from operations :	1,571.28	1,422.75
Direct taxes (paid) / Received	63.66	(209.91)
Net Cash flow from operating activities	1,634.94	1,212.84
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Fixed Assets	3.65	24.50
Interest received	130.71	42.76
Purchase of Fixed assets (including for new projects)	(2,814.44)	(2,972.19)
Net cash used in Investing activities	(2,680.08)	(2,904.93)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,697.55	2,221.36
Proceeds from Bank borrowings (for working capital)	1,285.33	1,043.97
Repayment of loans	(299.29)	(393.04)
Dividend (including Tax on dividend) paid	(9.26)	(9.26)
Interest & Finance charges paid	(1,588.59)	(1,204.96)
Net Cash flow from financing activities	1,085.74	1,658.07
(D) NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	40.60	(34.02)
(E) CASH & CASH EQUIVALENTS OPENING BALANCE	419.30	453.32
(F) CASH & CASH EQUIVALENTS CLOSING BALANCE	459.90	419.30

In terms of our attached report of even date
For V. Malik & Associates
Chartered Accountants
Vipin Malik
Proprietor
Camp : Kolkata
Date : 30th May, 2011

S Subramanian
Company Secretary

R K Parakh
President & CFO

For and on behalf of the Board of Directors

M Trivedi
Prof. Manoj Kumar Mitra
B K Roy
S S Saswat
L K Poddar *Managing Director*
S Ray *Director (Marketing & Technical Services)*
S Banerjee *Director (Operations)*

} *Directors*

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 (Rs. in Lacs)	As at 31st March, 2010 (Rs. in Lacs)
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,50,00,000 (2,50,00,000) Equity Shares of Rs 10/- each	2,500.00	2,500.00
50,00,000 (50,00,000) Preference Shares of Rs. 10/- each	500.00	500.00
Issued, Subscribed and paid up		
1,39,15,000 (1,39,15,000) Equity Shares of Rs10/- each Fully Paid Up	1,391.50	1,391.50
Note :Of the above, 62,533 Equity shares have been allotted as fully paid up shares pursuant to a contract without payment being received in cash.		
1318700 (1318700) 6% Cumulative Optionally Convertible Redeemable Preference Shares(COCRPS) of Rs. 10/- each fully paid up (Redeemable at par in two equal annual instalments commencing from 2013)	131.87	131.87
	1,523.37	1,523.37
SCHEDULE 2		
RESERVES AND SURPLUS		
Revaluation Reserve		
As per last Account	4,040.02	4,349.07
	4,040.02	4,349.07
Less : Transfer to Profit & Loss Account towards additional Depreciation on revalued assets	246.39	294.18
Adjustment on account of Assets discarded / sold during the year	—	14.87
	246.39	309.05
	3,793.63	4,040.02
Capital Investment Subsidy	172.58	172.58
General Reserve	80.00	80.00
Share Premium Account	702.81	702.81
Surplus as per Profit & Loss Account	4,596.92	4,506.43
	9,345.94	9,501.84

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 (Rs. in Lacs)	As at 31st March, 2010 (Rs. in Lacs)
SCHEDULE 3		
SECURED LOANS		
a) Term Loans from Financial Institutions & Banks		
Foreign Currency Loans	100.33	201.78
Rupee Term Loans	5,793.83	4,262.91
(Secured by a pari- passu first charge on the Company's immovable properties and hypothecation of all the moveable properties (save and except book debts) both present and future, together with interest and all other monies payable in respect thereof, subject to prior charges created and/or to be created in favour of the Company's bankers on the stocks and book debts for securing borrowings for working capital requirements).		
B) Under Equipment Finance/Refinance scheme		
Rupee loan		
(Secured by an exclusive charge on the assets purchased / to be purchased under the Scheme).		
	24.80	56.00
C) From Scheduled banks		
On Cash Credit/Packing Credit Account		
(Secured against Hypothecation of Raw Materials, Finished Goods, Stock in Process, Stores & Spare Parts, Trade bills, Movables etc. and Guarantee of two Directors of the Company and joint mortgage through second charge on the immoveable properties of the Company).		
	6,903.55	5,618.22
	12,822.51	10,138.91

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 4 FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 01.04.2010	ADDITION	DEDUCTION	AS AT 31.03.2011	UPTO 01.04.2010	FOR THE PERIOD	DEDUCTION	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
<i>Tangible Assets</i>										
LAND	2,318.70	—	—	2,318.70 a	—	—	—	—	2,318.70	2,318.70
BUILDINGS	3,019.47	472.03	—	3,491.50	925.78	96.67	—	1,022.45	2,469.05	2,093.69
PLANT & MACHINERY	13,365.68	3,032.27	—	16,397.95 b	8,509.60	699.93	—	9,209.53	7,188.42	4,856.08
FURNITURE, FIXTURE & OFFICE EQUIPMENT	429.52	31.64	2.19	458.97	232.51	38.15	1.55	269.11	189.86	197.01
VEHICLES	123.54	50.15	17.22	156.47 c	40.52	12.18	9.15	43.55	112.92	83.02
<i>Intangible Assets</i>										
COMPUTER SOFTWARE	587.62	28.14	—	615.76	160.96	119.73	—	280.69	335.07	426.66
TECHNICAL KNOWHOW	52.04	—	—	52.04	18.10	10.41	—	28.51	23.53	33.94
	19,896.57	3,614.23	19.41	23,491.39	9,887.47	977.07	10.70	10,853.84	12,637.55	10,009.10
CAPITAL WORK-IN-PROGRESS	3,745.23	2,609.22	3,409.01	2,945.44	—	—	—	—	2,945.44	3,745.23
TOTAL	23,641.80	6,223.45	3,428.42	26,436.63	9,887.47	977.07	10.70	10,853.84	15,582.99	13,754.33
PREVIOUS YEAR'S TOTAL	20,765.57	3,092.89	216.66	23,641.80	8,953.50	1,004.25	70.28	9,887.47	13,754.33	

(a) Title deeds for land valuing Rs.15.09 lacs are yet to be executed in favour of the company

(b) Includes Rs.23.20 lacs being the value of fixed assets not owned by the company

(c) Includes Rs. 37.80 (Rs. Nil) being assets purchased under hire purchase scheme.

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 (Rs. in Lacs)	As at 31st March, 2010 (Rs. in Lacs)
SCHEDULE 5		
INVESTMENTS		
LONG TERM (Other than trade)		
Unquoted		
7 years National Savings Certificates (Lodged with Central Excise Department as Security; Matured pending encashment)	0.02	0.02
Quoted		
6,66,400 Equity Shares of Rs.10/- each in Ispat Industries Limited	66.64	66.64
4,44,266 Preference Shares of Rs.10/- each in Ispat Industries Limited	44.42	44.42
	111.08	111.08
Aggregate Book Value of Investments.		
Unquoted	0.02	0.02
Quoted	111.06	111.06
	111.08	111.08
Aggregate Market Value of Quoted Investments.		
	184.77	142.39
SCHEDULE 6		
INVENTORIES		
At Cost or Net Realisable value whichever is lower		
Raw Materials (including in transit and materials lying with third parties)	1,032.49	1,033.99
Stores & Spare parts	479.04	515.62
Process Stock	1,408.12	748.41
Finished Stock	517.72	328.44
Chillers & Moulds	855.62	445.63
At Estimated Realisable Value		
Rotation Scrap	569.43	496.61
	4,862.42	3,568.70
SCHEDULE 7		
DEBTORS (Unsecured, Considered Good except otherwise stated)		
Debts outstanding for a period exceeding six months	1,661.32	1,065.14
Less - Provision for doubtful debts	<u>163.34</u>	<u>163.34</u>
Other Debts	4,644.06	4,007.28
	6,142.04	4,909.08

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 (Rs. in Lacs)	As at 31st March, 2010 (Rs. in Lacs)
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash in Hand	4.37	1.73
With Scheduled Banks in:		
Current Accounts.	18.39	46.50
Unpaid Dividend Account	0.86	0.87
Fixed Deposit Account	436.28	370.20
(Receipts lying with the banks as security against guarantees/letters of credit issued by them)		
	459.90	419.30
SCHEDULE 9		
LOANS AND ADVANCES		
(Unsecured, Considered Good except stated otherwise)		
Interest Receivable on Loans, Deposits etc.	27.62	15.09
Interest Subsidy Receivable	—	100.00
Advances recoverable in cash or in kind or for value to be received * or pending adjustments.	2,569.81	2,442.34
Less - Provision for doubtful debts	<u>50.63</u>	<u>36.71</u>
Export Benefits Receivable	214.81	223.43
Advance Payments of Tax, Tax Deducted at Source and refunds receivable (less provisions)	—	4.83
Balance with Central Excise Authorities	141.18	108.05
Deposits	2.84	3.05
* Including capital advances Rs. 1666.40 Lacs (Rs. 1607.11 Lacs)		
	2,905.63	2,860.08
SCHEDULE 10		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Acceptances	1,918.39	1,113.91
Sundry Creditors for Goods, Services, Expenses etc.	2,970.78	2,005.19
Advance from Customers	136.75	192.93
Other Liabilities	194.24	155.00
Interest Accrued but not due on Loans	34.86	72.01
Unclaimed Dividend	0.86	0.87
	5,255.88	3,539.91
PROVISIONS		
For Taxation (Net of Advance Tax, Tax Deducted at Source and refunds receivable)	48.17	—
For Gratuity	121.67	45.56
For Leave encashment	98.66	82.87
For Warranty Charges	198.00	198.00
For Proposed Dividend	—	7.91
For Tax on Proposed Dividend	—	1.35
	466.50	335.69
	5,722.38	3,875.60

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Year Ended 31.03.2011 (Rs. in Lacs)	Year Ended 31.03.2010 (Rs. in Lacs)
SCHEDULE 11		
SALES/INCOME FROM OPERATIONS		
Finished Goods	16,316.46	14,040.75
Miscellaneous Sales	439.75	267.00
Processing Charges (TDS Rs. 3.18 Lacs (Rs. 2.21 Lacs))	164.10	59.87
	16,920.31	14,367.62
SCHEDULE 12		
OTHER INCOME		
Insurance Claims	—	188.19
Unclaimed Balances, Unspent Liabilities & Provisions no longer required written back	2.65	0.96
Profit on Fixed Assets Sold/Discarded (Net)	—	13.69
Exchange Rate Difference (Net)	—	17.91
Miscellaneous Receipts	0.02	0.41
	2.67	221.16
SCHEDULE 13		
(INCREASE)/ DECREASE IN STOCKS		
Opening Stock		
– Finished Goods	328.44	798.65
– Process Stock	748.41	571.16
– Chiller and Moulds	445.63	419.63
– Rotation Scrap	496.61	316.60
	2,019.09	2,106.04
Add : Purchases of Chillers & moulds	273.07	6.74
	2,292.16	2,112.78
Less :Closing Stock		
– Finished Goods	517.72	328.44
– Process Stock	1,408.12	748.41
– Chiller and Moulds	855.62	445.63
– Rotation Scrap	569.43	496.61
	3,350.89	2,019.09
	(1,058.73)	93.69
SCHEDULE 14		
RAW MATERIALS CONSUMED		
Opening Stock	1,033.99	1,016.87
Add: Purchases (including Procurement Expenses)	6,934.41	5,228.36
	7,968.40	6,245.23
Less : Sales	69.49	4.48
Closing Stock	1,032.49	1,033.99
	6,866.42	5,206.76

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Year Ended 31.03.2011 (Rs. in Lacs)	Year Ended 31.03.2010 (Rs. in Lacs)
SCHEDULE 15		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Bonus	1,956.37	1,575.99
Contribution to Gratuity Fund	121.67	45.56
Contribution to Provident and other Funds (including Administrative Charges)	226.70	191.43
Workmen and Staff Welfare Expenses	208.89	212.76
	2,513.63	2,025.74
SCHEDULE 16		
OTHER EXPENSES		
Repairs & Maintenance:-		
Plant and Machinery	84.29	58.39
Buildings	51.08	36.26
Others	63.97	58.43
Processing Charges	212.50	101.64
Payment to Statutory Auditors:-		
Audit Fees	5.00	4.00
In other Capacity for Company Law & Other Matters	2.00	1.35
Tax Audit	1.00	1.00
Re- imbursement of expenses	1.00	0.78
Cost Audit Fees	0.17	0.17
Commission on Sales	85.77	197.27
Rent & Hire Charges	5.80	2.88
Travelling & Conveyance	187.25	173.17
Irrecoverable Debts, Claims and Advances Written off	10.87	51.78
Less : Adjusted against Provision for Doubtful Debts	—	6.88
Provision for doubtful Debts & Advances	13.92	36.71
Insurance	38.26	31.73
Rates & Taxes	3.98	4.57
Sales Tax	0.13	0.15
Packing, Forwarding & Transport Charges	472.92	310.30
Donation	5.40	0.20
Directors' Fees	10.40	6.85
Communication Expenses	27.01	20.08
Advertisement	16.52	7.63
Loss on Fixed Assets Sold/Discarded (Net)	5.06	—
Exchange Rate Difference (Net)	132.90	—
Miscellaneous Expenses	322.84	287.04
	1,760.04	1,385.50
SCHEDULE 17		
INTEREST (NET) AND FINANCE CHARGES		
Interest on Fixed Loans	668.56	396.13
Interest on Other Loans	705.68	707.38
Bank /Finance Charges	177.20	110.77
	1,551.44	1,214.28
Less: Interest Capitalised	603.72	297.86
	947.72	916.42
Less: Interest at Credit From Banks and Others [TDS Rs. 2.06 Lacs (Rs. 4.21 Lacs)]	43.25	28.07
	904.47	888.35

GONTERMANN-PEIPERS (INDIA) LIMITED
SCHEDULE FORMING PART OF THE STATEMENTS OF ACCOUNT AS AT AND FOR
THE YEAR ENDED 31ST MARCH 2011

SCHEDULE - 18

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Accounting Policies

i) System of Accounting

The Company prepares its accounts on accrual basis, in accordance with the normally accepted accounting principles. The following however are exceptions:-

- a) Insurance claims and interest on overdue payments from customers, due to uncertainty in realisation, are accounted for on actual receipt basis.
- b) Interest on overdue payments to suppliers is accounted for on actual payment/acceptance basis.
- c) Customer's claims against the company for replacement of rolls etc. are accounted for on final settlement of the claims.
- d) Estimated liability in respect of performance of Rolls is provided for based on past experience and historical data.

ii) Revenue Recognition

Revenue from sale of goods and services rendered is recognized upon passage of title and rendering of services to the customers, which generally coincides with delivery.

iii) Fixed Assets

- a) Fixed Assets are stated at cost net of recoverable taxes and including incidental expenses, erection/commissioning and interest etc. for the period up to the date of commencement of commercial production or up to the date the asset is put to use.
- b) In case of revaluation of Fixed Assets, the original cost is written up by the revalued figure. The revalued figure is considered in the accounts and the differential amount is transferred to Capital Reserve.
- c) Contribution made/expenses incurred for creation of fixed assets not owned by the Company are capitalised and depreciated over a period of 5 years.
- d) Machinery spares which can be used only in connection with an item of fixed asset and whose use as per technical assessment is expected to be irregular are capitalised and depreciated over the residual life of the respective assets.
- e) The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use are discounted to their present value at the weighted average cost of capital.

iv) Depreciation

- a) Depreciation on original & revalued assets are provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- b) The classification of Plant & Machinery into continuous and non-continuous process has been carried out as per technical certification. Depreciation thereon, has been provided accordingly during the year.

- c) Depreciation on assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal of the respective assets.
- d) The difference between depreciation on the revalued amounts and original cost is transferred from Capital Reserve to Profit & Loss Account.
- e) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

v) Intangible Assets

Expenditure incurred on rights/properties, where benefit is expected to flow in future, is disclosed as intangible assets.

Expenditure incurred on cost of acquisition of ERP software package and implementation thereof are amortised over a period of 5 years on straight Line Method.

vi) Investments

- a) Current Quoted Investments are stated at lower value of “at cost” or “market rate” on individual investment basis,
- b) Unquoted /long term investments are considered “ at cost”, unless there is a permanent decline in the value thereof, in which case adequate provision is made against the diminution in the value of Investment.

vii) Foreign Currency Transactions

- a) Foreign Currency Transactions are recorded on the basis of exchange rates prevailing on the date of transaction.
- b) Foreign currency assets and liabilities (other than those covered by forward contracts) as on the Balance Sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the year and exchange difference arising therefrom is adjusted to the cost of fixed assets or Profit & Loss Account, as the case may be.
- c) In case of transactions covered by forward contracts, the difference between the contract rate and the exchange rate prevailing on the date of transaction, is adjusted to the cost of fixed assets or Profit and Loss Account, proportionately over the contract period.

viii) Research and Development

Research and Development expenditure of revenue nature are charged to Profit & Loss Account, while Capital Expenditure are added to the cost of fixed assets in the year in which these are incurred.

ix) Inventory Valuation

- a) Finished and semi finished inventories are valued at cost derived by activity based accounting or net realizable value whichever is lower.

Raw material & other inventories are valued at cost on weighted average basis or net realisable value whichever is lower. Cost of inventories comprise of costs of purchases, cost of conversion and other cost incurred in bringing the inventory to present location and condition.
- b) Rotation scrap is valued at estimated realisable value. The Scrap roll receivable against free replacement of rolls to customers is considered in stock on actual receipt.

x) Customs & Excise Duty

The company accounts for Excise Duty at the point of manufacture of finished goods. Similarly, Custom Duty on imported materials in transit / lying in bonded warehouse is accounted for at the time of import / bonding of materials.

xi) Earning per Share

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xii) Retirement Benefits

- a) The Company funds the incremental Gratuity liability for its employees on the basis of actuarial valuation.
- b) Leave liability to employees is accounted for on actuarial valuation basis.

xiii) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

xiv) Taxation

Provision for Income Tax comprises of current tax and deferred tax charged or released. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognized unless there is “virtual certainty” that sufficient future taxable income will be available against which such deferred tax asset will be realized.

xv) Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts.

(Rs in Lacs)

	2010-2011	2009-2010
2. Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of Advances)	1089.99	1991.42
3. Contingent Liabilities not provided for in respect of: -		
(i) Outstanding Bank Guarantees	1009.93	946.01
(ii) Bills discounted with banks	242.84	435.99
(iii) Central Excise claims against show cause notices being disputed by the company	245.18	227.84
(iv) Service Tax claims against show cause notices being disputed by the company	13.94	—
(v) Sales Tax demands for earlier years being disputed by the Company	244.07	220.79
(vi) Maximum demand charges payable to West Bengal State Electricity Board to the extent and up to the period disputed by the company, against which a case is pending with Hon'ble Calcutta High Court.	208.88	208.88
(vii) Customs Duty demand against import of a machine, being contested by the Company	1.50	1.50
(viii) Capital goods imported under E.P.C.G. scheme without payment of customs duty against future export obligations.	468.96	467.34
4. The Company's Land, Building and Plant & Machinery were revalued as on 31st March, 2007 by the consultants, wherein company's land has been valued on present market value and Building, Plant and Machinery has been valued on depreciated replacement cost basis resulting in to a net increase in the book value of such assets and capital reserve by Rs.4399.17 lacs.		

5. Sales are net of claims aggregating to Rs. 280.31 lacs (Rs.298.34 lacs) but includes foreign exchange fluctuation Rs. 12.85 lacs (Rs. 12.72 lacs).
6. The company has incurred the following expenditure on Research & Development during the year.

(Rs in Lacs)

Particulars	2010-2011	2009-2010
a) Capital expenditure	28.13	35.33
b) Revenue expenditure	49.76	59.04

7. Sundry Creditors include Rs. 0.76 (Rs. Nil) due to small scale and ancillary industrial undertakings to the extent such parties have been identified from the available documents/information.
8. Term Loan Instalments (secured / unsecured) falling due for payment within one year aggregate to Rs. 1074.20 lacs (Rs. 297.39 lacs).
9. Details of remuneration paid to Whole-time Directors:

(Rs in Lacs)

Particulars	2010-2011	2009-2010
i) Salary and allowances	221.44	141.71
ii) Contribution to Provident & Other Funds	12.60	8.17
iii) Perquisites	14.54	5.52
	248.58	155.40

10. Profit/loss on sale of raw materials, stores etc. have been included/adjusted in the respective consumption accounts.
11. Deferred Tax Liabilities (Net):

(Rs in Lacs)

Particulars	As at 31.03.2011	As at 31.03.2010
Deferred Tax Liability	942.60	822.76
Difference in block and tax depreciation		
Less : Deferred Tax Assets		
Timing Difference U/S 43 B	152.71	104.61
Other deferred Tax Assets	140.03	135.30
Net Deferred Tax Liability	649.86	582.85

12. There is no indication of any impairment based on external/internal factors and hence no provision for the impairment loss has been recognized in terms of Accounting Standard 28 Impairment of Assets, issued by The Institute of Chartered Accountants of India.

GONTERMANN-PEIPERS (INDIA) LIMITED
ANNUAL REPORT 2010-2011

13. In accordance with the Accounting policy and Accounting Standard -29, provision has been made for estimated warranty liability in respect of rolls sold to customers. The details of the same is as under –

(Rs in Lacs)

Sl. No.	Particulars	2010-2011	2009-2010
a.	Opening warranty provision	198.00	198.00
b.	Provision made during the year	280.31	298.34
c.	Less: Amount of warranty claims settled during the year	280.31	298.34
d.	Closing warranty provision	198.00	198.00

14. Basis for calculation of basic & diluted earnings per share is as under:

(Rs in Lacs)

Sl. No.	Particulars	2010-2011	2009-2010
A	Profit/ (Loss) after Taxation (Rs in lacs.)	90.49	513.16
B	Present weighted average number of Equity Shares (Rs.10 each)	139.15	139.15
C	Potential weighted average number of Equity Shares (Rs.10 each)	13.19	13.19
D	Total (Present & Potential) weighted average number of Equity Shares (Rs.10 each)	152.34	152.34
E	Basic Earnings per Share (Rs.)	0.58	3.62
F	Diluted earning per Share (Rs.)	0.59	3.37

15. Segment Information

The Company's segment information as at and for the period ended 31st March 2011 are as below:

(Rs in Lacs)

Sl. No.	Particulars	2010-2011	2009-2010
1	Segment Revenue		
	a) Cast Roll Division	13709.72	10691.65
	b) Forge Roll Division	3210.59	3675.97
	Sales / Income from Operations	16920.31	14367.62
2	Segment Results		
	<i>Profit/(Loss) before Tax and Interest & Finance charges from each segment</i>		
	a) Cast Roll Division	532.66	842.62
	b) Forge Roll Division	518.67	857.54
	Less : Interest & Finance charges	904.47	888.35
	Profit / (Loss) before Tax	146.86	811.81
	Less : Provision for Taxation	(10.64)	289.84
	Less : Provision for Deferred Tax	67.01	8.81
	Profit / (Loss) After Tax	90.49	513.16
3	Capital Employed		
	a) Cast Roll Division	20931.81	18034.46
	b) Forge Roll Division	3409.87	3712.51
	Total	24341.68	21746.97

16. Related Party Disclosures

a) Name of the related parties

Persons having a direct or indirect control over the company	None
Subsidiary Company	None
Fellow Subsidiary Companies	None
Associate Companies & Joint Ventures	None
Key Management Personnel and their Relative	Mr. Pramod Mittal Mr. V K Mittal (upto 28th July, 2010) Mr. L K Poddar Mr Saumitra Banerjee Mr. Sushil Ray (wef 10th November, 2010)
Enterprises over which Key Management Personnel / Shareholders / Relatives have Significant influence *	Ispat Industries Ltd. Global Steel Holdings Ltd Balasore Alloys Ltd. Delta Steel Company Plc Global Steel Phillippines Plc Navoday Management Services Ltd. (Formerly Ispat Finance Ltd.) Navoday Consultants Ltd. (Formerly Mudra Ispat Ltd.) Goldline Tracom (P) Ltd. Navdisha Real Estate Pvt Ltd. Navoday Niketan Pvt Ltd Navoday Highrise Pvt Ltd

*The parties stated are related parties in the broader sense of the item and are included for making the financial statements more transparent.

b) Related Party Disclosures

(Rs. in Lacs)

Nature of Transactions	Key Management Personnel and their Relatives	Enterprises over which Key Management Personnel/ Share Holders / Relatives have significant influence	Total
Sale of Finished goods:			
Ispat Industries Ltd.		3609.48 (2037.22)	3609.48 (2037.22)
Delta Steel Company Plc		0.00 (33.67)	0.00 (33.67)
Purchases of raw materials:			
Ispat Industries Ltd.		166.17 (5.20)	166.17 (5.20)
Global Steel Philippines Plc		128.32 (275.25)	128.32 (275.25)
Salary / Managerial Remuneration:			
Mr. L. K. Poddar	216.35 (132.64)		216.35 (132.64)
Mr. S. Banerjee	22.75 (11.45)		22.75 (11.45)
Mr. Sushil Ray	9.48 (0.00)		9.48 (0.00)
Mr J. Barman	0.00 (11.32)		0.00 (11.32)
Balance outstanding as at the year end Debit			
Ispat Industries Ltd.		1789.12 (1376.81)	1789.12 (1376.81)
Delta Steel Company Plc		0.00 (209.34)	0.00 (209.34)
Global Steel Philippines Plc		349.40 (144.61)	349.40 (144.61)

GONTERMANN-PEIPERS (INDIA) LIMITED
ANNUAL REPORT 2010-2011

17. Additional information under Part II of Schedule VI to the Companies Act, 1956 :

(A) Capacities and Production	Unit	Licensed +	Installed Capacity	Production (MT)
Class of Products				
(i) Iron & Steel base rolls (including high carbon and high chrome centrifugal compound rolls)	MT	N.A. (N.A.)	12000 (12000)	9781 (7522)
(ii) Steel Ingots	MT	N.A. (N.A.)	70500 (70500)	NIL (NIL)
(iii) Forged Rolls	MT	N.A. (N.A.)	3300 (3300)	1389 (1372)

+ Not applicable in view of the de-licensing policy of the Government.

	Qty. MT	2010-2011 (Rs in Lacs)	Qty. MT	2009-2010 (Rs in Lacs)
(B) Turnover				
i. Iron & Steel Base Rolls	9701	13217.90	7851	10424.65
ii. Forged Roll	1300	3046.49	1448	3616.10
iii. Special General Castings	80	52.07	—	—
(C) Stocks				
i. Iron & Steel Base Rolls				
Closing Stock	266	290.77	266	249.57
Opening Stock	266	249.57	595	559.43
ii. Forged Roll:				
Closing Stock	137	226.95	48	78.87
Opening Stock	48	78.87	124	239.22
(D) Raw Materials Consumed:				
i. Scrap (Excluding Rotation Scrap)	11786	2786.10	8691	1874.72
ii. Nickel/Ferro Nickel/Nickel bearing scrap.	90	942.77	77	887.92
iii. Nickel Magnesium	30	330.63	18	144.55
iv. Ferro Alloys	706	1207.59	495	698.85
v. Fluxes and other Materials	316	153.52	247	97.68
vi. Forged Blanks	2153	1445.81	2230	1503.04
		6866.42		5206.76

	2010-2011		2009-2010	
	Qty. (%)	Value (Rs in Lacs)	Qty. (%)	Value (Rs in Lacs)
(E) Value of Raw materials, Stores and Spare Parts etc. consumed (including debited under other heads)				
i. Raw Materials				
Imported	14.49	994.68	19.80	1031.06
Indigenous	85.51	5871.74	80.20	4175.70
ii. Stores and Spare Parts				
Imported	3.00	42.37	2.29	24.86
Indigenous	97.00	1372.01	97.71	1061.72

	2010-2011		2009-2010	
	Qty. (%)	Value (Rs in Lacs)	Qty. (%)	Value (Rs in Lacs)
(F) Value of Imports on C.I.F. Basis				
Raw Material		1106.46		680.83
Components & Spares		220.28		66.33
Capital Goods		28.13		1992.08
(G) Expenditure in Foreign Currency				
Travelling		43.88		41.87
Commission		85.78		54.26
Interest		17.80		21.06
Others		26.80		42.87
(H) Earnings in Foreign Currency				
Export of goods on F.O.B basis				
(Including through third parties)		3171.12		3579.44
(I) Non-resident Shareholding and remittance in Foreign Currency on account of Dividend				
(i) Number of Non-resident Shareholders		38		41
(ii) Number of Shares		25,97,964		25,77,643
(iii) Year to which Dividend relates		—		—
(iv) Amount remitted (Net of Tax)		—		—

18. Previous period's figures, which are given in brackets, have been re-grouped/re-arranged wherever necessary.

Signatories to Schedules 1 to 18

In terms of our attached report of even date
 For V. Malik & Associates
 Chartered Accountants
 Vipin Malik
 Proprietor
 Camp : Kolkata
 Date : 30th May, 2011

S Subramanian
 Company Secretary

R K Parakh
 President & CFO

For and on behalf of the Board of Directors

M Trivedi
 Prof. Manoj Kumar Mitra
 B K Roy
 S S Saswat
 L K Poddar
 S Ray
 S Banerjee

} Directors

L K Poddar *Managing Director*
 S Ray *Director (Marketing & Technical Services)*
 S Banerjee *Director (Operations)*

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (As per Schedule VI, Part IV of the Companies Act, 1956)

1. Registration Details

Registration No State Code
Balance Sheet Date

2. Capital Raised during the year (Amount in Rs. thousands)

Public Issue
Right Issue
Bonus Issue
Private Placement
Preference Shares

3. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities Total Assets

Sources of Funds

Paid up Capital Reserve & Surplus
Secured Loans Unsecured Loans

Application of Funds

Net fixed Assets Investments
Net Current Assets

4. Performance of Company (Amount in Rs. thousands)

Gross Turnover * Total Expenditure
Profit/ (Loss) before Tax Profit/ (Loss) after Tax
Earning per share in Rs. Dividend
Basic
Diluted

* Includes Export Benefits.

5. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code
Description Rolls for Rolling Mill

For and on behalf of the Board of Directors

M Trivedi
Prof. Manoj Kumar Mitra
B K Roy
S S Saswat
L K Poddar *Managing Director*
S Ray *Director (Marketing & Technical Services)*
S Banerjee *Director (Operations)*

} *Directors*

Place : Kolkata
Date : 30th May, 2011

S Subramanian
Company Secretary

R K Parakh
President & CFO



GONTERMANN - PEIPERS (INDIA) LIMITED

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