



Gontermann-Peipers (India) Limited

43rd Annual Report 2011 - 12



Awards received in Quality Circle Competition

CORPORATE INFORMATION

Chairman Emeritus

M L Mittal

Board of Directors

(as on 29th May, 2012)

Chairman

Pramod Kumar Mittal

Executive Directors

Yadvendra Sahai
Managing Director

Biswanath Bhattacharjee
Director (Operations)

Secretaries

S Subramanian, *Company Secretary*

R K Banthia, *Asst. Co. Secretary*

Management Council

K K Maheshwari, *Chief Financial Officer*

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

Dwijen Lahiri, *VP (Operations)*

A K Verma, *VP (QC and R&D)*

Registered Office & Works

P.O. Pailan, Diamond Harbour Road
Kolkata - 700 104, West Bengal
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
Shristi Mittal
Anil Sureka
R K Parakh

Bankers

Allahabad Bank
Uco Bank
State Bank Of India

Statutory Auditors

V Malik & Associates
Chartered Accountants

Cost Auditors

N B Bhattacharyya & Co.

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

Annual General Meeting will be held on Friday, 28th September, 2012 at the Registered Office of the Company at 11.00 a.m. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

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NOTICE

NOTICE is hereby given that the 43rd Annual General Meeting of the Members of **GONTERMANN-PEIPERS (INDIA) LIMITED** will be held at the Registered Office of the Company at P.O. Pailan, Diamond Harbour Road, Kolkata - 700 104, West Bengal, on Friday, the 28th day of September, 2012, at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2012 and the Statement of Profit & Loss of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pramod Kumar Mittal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mahesh Trivedi, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-
"RESOLVED that Mr. Yadvendra Sahai, in respect of whom the Company has received notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-
"RESOLVED that Mr. Biswanath Bhattacharjee, in respect of whom the Company has received notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-
"RESOLVED THAT pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent and approval of the Company be and is hereby accorded to the appointment of Mr. Yadvendra Sahai as Managing Director of the Company with effect from 1st December, 2011 to 30th November, 2016, on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting and as further set out in the Agreement dated 1st December, 2011 entered into between the Company and Mr. Yadvendra Sahai, which Agreement is hereby specifically approved, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Yadvendra Sahai."
8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-
"RESOLVED THAT pursuant to Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent and approval of the Company be and is hereby accorded to the appointment of Mr. Biswanath Bhattacharjee as Director (Operations) of the Company with effect from 11th November, 2011 to 10th November, 2016, on such terms and conditions as set out in the Explanatory Statement annexed to the Notice convening this Meeting and as further set out in the Agreement dated 11th November, 2011 entered into between the Company and Mr. Biswanath Bhattacharjee, which Agreement is hereby specifically approved, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or Agreement in such manner as may be agreed to between the Board of Directors and Mr. Biswanath Bhattacharjee."
9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :-
"RESOLVED that Mr. Anil Sureka, in respect of whom the Company has received notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

“RESOLVED that Mr. Rajendra Kumar Parakh, in respect of whom the Company has received notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Dated : 29th May, 2012

By Order of the Board
Gontermann-Peipers (India) Limited

Registered Office :
P.O. Pailan, Diamond Harbour Road
Kolkata - 700 104, West Bengal

S Subramanian
Company Secretary

NOTES :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organization.
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the Special Business to be transacted at the Annual General Meeting is annexed.
4. The Register of Beneficial Owners, Register of Members and the Share Transfer Register of the Company will remain closed from 26th September, 2012 to 28th September, 2012 (both days inclusive).
5. Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2007 and 31st March, 2008 are requested to lodge their claims with MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029, without delay.
6. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board of Directors for re-election/appointment at the Annual General Meeting is appearing as an annexure to this notice.
7. All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and share certificates should preferably be sent directly to the Company's Registrar and Transfer Agent and those Members who are holding their DP Account with Depository may send their Transfer and allied matters advice through their respective DP to Depository.
8. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
9. Members are requested to intimate to the Company, queries, if any, regarding these accounts/ notice, at least 10 days before the Annual General Meeting to enable the Company to keep the information ready at the Meeting.
10. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent of the Company MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029 :-
 - i) particulars of their bank account and email id, in case the same have not been sent earlier;
 - ii) any change in their address/e-mail id/ECS mandate/bank details;
 - iii) share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.
11. All the shareholders / transferee of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the company/RTA while transacting in the securities market including transfer, transmission or any other corporate action.
12. Members holding shares in the dematerialised form are requested to notify to their Depository Participant:
 - i) their email id.
 - ii) all changes with respect to their address, email id, ECS mandate and bank details.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item 5

The Board of Directors of the Company, at their meeting held on 11th November, 2011, appointed Mr. Yadvendra Sahai, as an Additional Director of the Company with effect from 1st December, 2011. In terms of Section 260 of the Companies Act, 1956, read with Article 157 of Articles of Association of the Company. Mr. Yadvendra Sahai will hold office of Additional Director up to the date of this Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, the Company has received a notice in writing with requisite deposit from a member signifying his intention to propose Mr. Yadvendra Sahai for appointment as a Director of the Company. Pursuant to Section 264 of the Companies Act, 1956, Mr. Yadvendra Sahai has consented to act as a Director, if appointed.

The Board recommends the resolution for your approval in the interest of the Company.

None of the Directors, except Mr. Yadvendra Sahai is, in any way, concerned or interested in the resolution.

Item 6

The Board of Directors of the Company, at their meeting held on 11th November, 2011, appointed Mr. Biswanath Bhattacharjee, as an Additional Director of the Company with effect from that date. In terms of Section 260 of the Companies Act, 1956, read with Article 157 of Articles of Association of the Company. Mr. Biswanath Bhattacharjee will hold office of Additional Director up to the date of this Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956, the Company has received a notice in writing with requisite deposit from a member signifying his intention to propose Mr. Biswanath Bhattacharjee for appointment as a Director of the Company. Pursuant to Section 264 of the Companies Act, 1956, Mr. Biswanath Bhattacharjee has consented to act as a Director, if appointed.

The Board recommends the resolution for your approval in the interest of the Company.

None of the Directors, except Mr. Biswanath Bhattacharjee is, in any way, concerned or interested in the resolution..

Item 7

Mr Yadvendra Sahai is a B.Tech (Metallurgy) from the Indian Institute of Technology, Kanpur. He has also done his Post Graduate Diploma in Management from the Indian Institute of Management, Calcutta. Mr Sahai has over 25 years of rich and diversified experience across all functional responsibilities as a Business Head and has managed marketing & sales in Global & Indian markets, Plant Operations, Projects, Procurement & HR across various manufacturing sectors of industry. These sectors include automobiles & auto components, electrical components & steel. The Board of Directors at its meeting held on November 11, 2011 appointed Mr. Yadvendra Sahai as the Managing Director of the Company, for a period of 5 years with effect from 1st December, 2011.

The Board at its meeting held on 11th November, 2011, on the recommendation of the Remuneration Committee, approved, subject to approval of the members at the ensuing Annual General Meeting, the terms and condition of appointment and remuneration payable to Mr. Yadvendra Sahai for a period of three years with effect from December 1, 2011 to November 30, 2014 as follows:-

- A. Salary : Rs. 2,10,000/- p.m. in the scale of (2,10,000 - 4,00,000) effective 1st December, 2011. The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit-based.
- B. Variable Pay : Upto Rs. 75,000/- per month, linked to the performance of the Company as per Company's Scheme from time to time.
- C. Perquisites and Allowances:
 - (i) In addition to the salary, Mr. Sahai shall also be entitled to perquisites and allowances like House Rent Allowance, Servant Allowance, Education Allowance, Special Allowance, Washing Allowance, medical reimbursement; club fees and leave travel concession for himself and his family, and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr. Sahai; such perquisites and allowances will be subject to a maximum of 125% of his annual salary.

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- (ii) For the purpose of calculating the above ceiling, perquisites and allowance shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.
- (iii) Provision for use of company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (iv) Other Benefits: In addition to the perquisites, the Managing Director shall also be entitled to the following benefits which shall not be included in the computation of ceiling on remuneration as specified above.
 - a. Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act.
 - b. Gratuity: As per the rules of the Company
 - c. Leave encashment at the end of the tenure

D. Minimum Remuneration

The Company shall also pay the above remuneration as minimum remuneration notwithstanding the fact that the Company has no profit or its profits are inadequate during any of the financial years with effect from 1st December, 2011 to 30th November, 2014.

The terms and conditions of the appointment and/or agreement are subject to the provisions of Sections 198 and 309 of the Companies Act, 1956 and may be altered or varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable in accordance with Schedule XIII of the Companies Act, 1956 or any amendment made hereafter in this regard.

The agreement may be terminated by either party giving the other party three months' notice or the Company paying three months' salary in lieu thereof.

The remuneration being paid by the Company is in line with the remuneration being paid to its managerial personnel by the Companies of comparable size. Mr. Yadendra Sahai does not have any pecuniary relationship, directly or indirectly, with the Company or its managerial personnel.

Statement of disclosure Pursuant to Schedule XIII of the Companies Act, 1956

GENERAL INFORMATION

- 1) Nature of Industry: Manufacturing
The Company manufactures Iron & Steel Rolls for Rolling Mills.
- 2) Expected date of commencement of Commercial Production: Not Applicable
- 3) In case of new companies expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: Not Applicable.
- 4) Financial Performance based on given indicators :

<u>Financial Year 2011-12</u>	<u>(Rs. in Lacs)</u>
Effective Capital	8782.10
Total Income	12666.22
Total Expenditure	15480.44
Profit / (Loss) after Tax	(1944.53)
- 5) Export Performance and net foreign exchange earnings:
Export during the financial year ended 31st March, 2012 was Rs. 3590.57 Lacs as compared to Rs. 3171.12 Lacs during the previous financial year.
There was a net foreign exchange earning of Rs 2383.73 Lacs during the financial year ended 31st March, 2012.
- 6) Foreign Investments or Collaborations, if any: Not Applicable

OTHER INFORMATION:

1. Reasons for Inadequacy of Profits

The following are the main reasons for inadequate profits :

- Increase in cost of raw materials
- Increase in cost of Power and Fuel
- Non-availability of working capital
- Higher financing costs

2. Steps taken or proposed to be taken for improvement

Management has taken various steps primarily in following areas for a sustained Business Operation:

- i. Reduction in Variable Cost by implementing effective Cost Reduction measures in Procurement.
- ii. Reduction in administrative costs by implementing several austerity measures in various areas.
- iii. Develop new grades of Rolls to meet diverse requirements of domestic and international customers.
- iv. Improve operational efficiencies at each stage of production and in the entire supply chain process.
- v. To enter into new segment of rolls.

The Company expects that the above strategies would improve its operational performance.

Expected increase in productivity and profits

Productivity and earnings is expected to increase substantially in 2012-13 compared to the financial year 2011-12, as the market sentiment improves.

The forecasts for the financial year 2012-13, though based on realistic estimates, could vary due to unforeseen circumstances.

The terms of appointment of Mr Yadvendra Sahai as stated above in the explanatory statement may be treated as an abstract for the purposes of Section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval in the interest of the Company.

The Agreement entered into between the Company and Mr. Yadvendra Sahai is available for inspection at the Registered Office of the Company on any working day except Saturday upto the date of the Annual General Meeting between 11.00 A.M. and 1.00 PM.

None of the Directors except Mr Y Sahai is, in any way concerned or interested in the resolution.

Item 8

Mr Biswanath Bhattacharjee is a B.E. (Metallurgy) from the Regional Engineering College, Durgapur. He is one of the best metallurgists of the country having more than 40 years of rich and vast experience in the Roll Industry. He has developed new types of product for various users like Paper, Rubber and Steel Rolling Mills. He also has experience across all functional responsibilities which includes Production, Quality, Maintenance and HRD activities. The Board of Directors at its meeting held on November 11, 2011 appointed Mr Biswanath Bhattacharjee as a Whole Time Director of the Company designated as Director (Operations), for a period of 5 years with effect from 11th November, 2011.

The Board at its meeting held on 11th November, 2011, on the recommendation of the Remuneration Committee, approved, subject to approval of the members at the ensuing Annual General Meeting, the terms and condition of appointment and remuneration payable to Mr Biswanath Bhattacharjee for a period of three years with effect from November 11, 2011 to November 10, 2014 as follows:-

- A. Salary : Rs. 1,25,000/- p.m. in the scale of (1,00,000 - 3,00,000) effective 11th November, 2011. The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit-based.

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B. Variable Pay : Upto Rs. 1,25,000/- per month, linked to the performance of the Company as per Company's Scheme from time to time.

C. Perquisites and Allowances :

- (i) In addition to the salary, Mr Biswanath Bhattacharjee shall also be entitled to perquisites and allowances like House Rent Allowance, Servant Allowance, Education Allowance, Books & Periodical Allowance, House Maintenance Allowance, Washing Allowance, medical reimbursement; club fees and leave travel concession for himself and his family, and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors and Mr Biswanath Bhattacharjee; such perquisites and allowances will be subject to a maximum of 125% of his annual salary.
- (ii) For the purpose of calculating the above ceiling, perquisites and allowance shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.
- (iii) Provision for use of company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- (iv) Other Benefits: In addition to the perquisites, the Director (Operations) shall also be entitled to the following benefits which shall not be included in the computation of ceiling on remuneration as specified above.
 - a. Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act.
 - b. Gratuity: As per the rules of the Company
 - c. Leave encashment at the end of the tenure

D. Minimum Remuneration

The Company shall also pay the above remuneration as minimum remuneration notwithstanding the fact that the Company has no profit or its profits are inadequate during any of the financial years with effect from 11th November, 2011 to 10th November, 2014.

The terms and conditions of the appointment and/or agreement are subject to the provisions of Sections 198 and 309 of the Companies Act, 1956 and may be altered or varied from time to time by the Board as it may, in its discretion, deem fit within the maximum amount payable in accordance with Schedule XIII of the Companies Act, 1956 or any amendment made hereafter in this regard.

The agreement may be terminated by either party giving the other party three months' notice or the Company paying three months' salary in lieu thereof.

The remuneration being paid by the Company is in line with the remuneration being paid to its managerial personnel by the Companies of comparable size. Mr Biswanath Bhattacharjee does not have any pecuniary relationship, directly or indirectly, with the Company or its managerial personnel.

The terms of appointment of Mr Biswanath Bhattacharjee as stated above in the explanatory statement may be treated as an abstract for the purposes of Section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval in the interest of the Company.

The Agreement entered into between the Company and Mr Biswanath Bhattacharjee is available for inspection at the Registered Office of the Company on any working day except Saturday upto the date of the Annual General Meeting between 11.00 A.M. and 1.00 PM.

None of the Directors, except Mr. B N Bhattacharjee is, in any way, concerned or interested in the resolution.

Mr Bhattacharjee has received the "Best Foundryman" Award in the year 1997. He has also received the O P Jindal Gold Medal for the year 2002 from the Indian Institute of Metals.

The general and other information as required under Schedule XIII of the Companies Act, 1956 are set out in the Explanatory Statement to Item No. 7 of the Notice convening the ensuing 43rd Annual General Meeting.

Item 9

The Board of Directors of the Company, at their meeting held on 29th May, 2012, appointed Mr. Anil Sureka, as an Additional Director of the Company. In terms of Section 260 of the Companies Act, 1956, read with Article 157 of Articles of Association of the Company, Mr. Anil Sureka will hold office of Additional Director up to the date of this Annual General Meeting. Pursuant to Sec 257 of the Companies Act, 1956, the Company has received a notice in writing with requisite deposit from a member signifying his intention to propose Mr. Anil Sureka for appointment as a Director of the Company. Pursuant to Section 264 of the Companies Act, 1956, Mr. Anil Sureka has consented to act as a Director, if appointed.

The Board recommends the resolution for your approval in the interest of the Company.

None of the Directors, except Mr. Anil Sureka is, in any way, concerned or interested in the resolution.

Item 10

The Board of Directors of the Company, at their meeting held on 29th May, 2012, appointed Mr. Rajendra Kumar Parakh, as an Additional Director of the Company. In terms of Section 260 of the Companies Act, 1956, read with Article 157 of Articles of Association of the Company, Mr. Rajendra Kumar Parakh will hold office of Additional Director up to the date of this Annual General Meeting. Pursuant to Sec 257 of the Companies Act, 1956, the Company has received a notice in writing with requisite deposit from a member signifying his intention to propose Mr. Rajendra Kumar Parakh for appointment as a Director of the Company. Pursuant to Section 264 of the Companies Act, 1956, Mr. Rajendra Kumar Parakh has consented to act as a Director, if appointed.

The Board recommends the resolution for your approval in the interest of the Company.

None of the Directors, except Mr. Rajendra Kumar Parakh is, in any way concerned or interested in the resolution.

Dated : 29th May, 2012

By Order of the Board
Gontermann-Peipers (India) Limited

Registered Office :
P.O. Pailan, Diamond Harbour Road
Kolkata - 700 104, West Bengal

S Subramanian
Company Secretary

As a part of Green Initiatives in the Corporate Governance, The Ministry of Corporate Affairs vide its Circular Nos.17 & 18 dated April 21, 2011 and April 29, 2011 respectively, clarified that a company would have complied with Section 53 of the Companies Act, 1956, if the service of the document has been made through electronic mode, provided the company has obtained e-mail addresses of its members for sending the notice/documents through e-mail by giving an advance opportunity to every shareholder to register their e-mail address and changes therein from time to time with the company.

Accordingly, the members are requested to intimate their e-mail address to the Company's Registrar and Share Transfer Agent, MCS Limited to their dedicated e-mail I.D. i.e., "mcskol@rediffmail.com" and to the DP in respect of shares held in physical mode and demat mode respectively, in case the members wish to avail the aforesaid facility.

ANNEXURE TO NOTICE
DETAILS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING
(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. Pramod Kumar Mittal	Mr. Mahesh Trivedi	Mr. Yadvendra Sahai	Mr. Biswanath Bhattacharjee	Mr. Anil Sureka	Mr. Rajendra Kumar Parakh
Date of Birth	08.06.1956	01.12.1940	02.01.1960	01.03.1949	19.11.1955	28.12.1967
Date of Appointment	29.06.1995	29.11.1994	01.12.2011	11.11.2011	29.05.2012	29.05.2012
Qualifications	B.Com., DBM	B.Com., M.A. (Eng)	B.Tech (Metallurgy) PGDM, IIM Calcutta	B.E (Metallurgy)	B.Com., ACS	B.Com., FCA
Expertise in specific functional areas	Strategic Planning, managing and implementation of projects and overseeing business operations	Rich Experience in finance and project implementation. Varied knowledge in Marketing, procurement & joint venture projects.	Rich and diversified experience across all functional responsibilities as a Business Head and has managed marketing & sales in Global & Indian markets, Plant Operations, Projects, Procurement & HR across various manufacturing sectors of industry. These sectors include automobiles & auto components, electrical components & steel.	Planning Operations, Project Implementation, Quality Assurance, Plant Maintenance and HRD activities.	Finance, Project Planning & Execution, Costing & Cost control, Secretarial, Legal, Supply Chain Management and Marketing.	Accounting & Audit Function, Finance, Treasury, Management & Cost Accounting, MIS, Export & Import Functions
List of other Companies in which Directorship held*	Balalore Alloys Limited Chattisgarh Energy Limited JSW Ispat Steel Limited	Balalore Alloys Limited	- None -	Altos Sales Pvt. Ltd. Leadstone Energy Ltd.	Balalore Alloys Limited Chattisgarh Energy Ltd. Central India Power Co. Ltd. Ispat Corp Pvt. Ltd. Vaniya Urja Pvt. Ltd. Ayaan Mineral Resources Pvt. Ltd.	Balalore Alloys Limited Patron Consultants Pvt. Ltd. Padmashree Capital Markets Pvt. Ltd. Sparck Industries India Pvt. Ltd.
Chairman/Member of the Committees of the Board of other Companies on which he is a Director.	- None -	Balalore Alloys Limited Chairman - Audit Committee Share Transfer and Investor Grievance Committee Remuneration Committee	- None -	-None-	-None-	-None-
No. of Equity Shares held in the Company	132690 shares held in his name	Nil	Nil	Nil	Nil	Nil

* Directorship in other Companies excludes foreign companies.



Rolling Solutions

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the Forty Third Annual Report of your Company together with the Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

Particulars	(Rs in Lacs)	
	Year ended 31.03.2012	Year ended 31.03.2011
Sales/Income from Operations	13559.55	16907.46
Less: Excise Duty	1124.88	1,367.46
	12435.07	15,540.01
Other Income	231.15	16.50
Total Income	12666.22	15,556.50
Total Expenditure	15480.44	15,411.36
Profit/(Loss) before Tax and Exceptional Items	(2814.22)	145.14
Add: Exceptional Items	(52.19)	(1.72)
Profit/(Loss) before Tax	(2762.03)	146.86
Provision for Taxation		
– Current Tax	–	63.46
– Tax related to earlier years	0.53	(74.10)
– Deferred Tax Liability	(1000.80)	67.01
Net Profit/(Loss) after Taxation	(1944.53)	90.49
Balance brought forward	4596.92	4506.43
Surplus available for appropriation	2652.39	4596.92
Balance carried to Balance Sheet	2652.39	4596.92

During the year under review, the net revenue from Sales was Rs.12,435.07 Lacs representing a decrease of 19.98% from Rs. 15,540.01 Lacs in the previous year. Operating Profit before interest and depreciation amounted to Rs. 240.24 Lacs as against Rs 1914.17 Lacs during the previous year. Net Loss after providing for interest, depreciation and tax amounted to Rs. 1944.53 Lacs as against net profit of Rs. 90.49 Lacs during the previous year. The decrease in profitability was mainly due to increase in the finance cost, cost of inputs and power and fuel.

DIVIDEND

Your Directors regret their inability to recommend any dividend for the period ended 31st March, 2012.

PERFORMANCE

CAST ROLL DIVISION

Production during the period under review decreased to 8645 MT as against 9781 MT during 2010-11. Cast Roll sales decreased from 9701 MT in the last year to 8105 MT in 2011-12. Consequently the total revenue from the Cast Roll division decreased to Rs. 11004.32 Lacs as compared to Rs. 13217.94 Lacs in the previous year.

The sales of Special General Castings increased by 50% to 159 MT as compared to 80 MT in the last year. The revenue from the Special General Castings increased by 60% from Rs 52.06 Lacs in the year 2010-11 to Rs. 133.03 Lacs in 2011-12.

FORGE ROLL DIVISION

Production during the period under review decreased to 624 MT as against 1389 MT during the previous year. Forge Roll sales decreased from 1300 MT in the last year to 643 MT in 2011-12. Consequently the total revenue from the Forge roll division decreased to Rs. 1359.32 Lacs compared to Rs. 3046.48 Lacs in the previous year.

EXPORTS

During the year under review the Company exported 2348 MT of Cast Rolls as compared to 2099 MT during the previous year. The Company exported 142 MT of Forged Steel Roll as against 289 MT during the previous year.

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

Improved market penetration planned in Chile, Brazil, Canada, Russia, Ukraine and South Africa by appointing agents in different regions/areas.

DIRECTORS

During the period under review, Mr. L K Poddar and Mr S Banerjee resigned from the Directorship as well as services of the company with effect from 11th November, 2011. Mr. Sushil Ray resigned from the Directorship as well as services of the company with effect from 1st May, 2012. Mr R K Jena resigned as Director of the Company with effect from 11th November, 2011.

The Board of Directors accepted with regret the resignations of Mr R K Jena, Mr. L K Poddar, Mr Sushil Ray and Mr S Banerjee and placed on record its appreciation for the valuable contribution made by them during their tenure with the Company.

The nomination of Mr. N D Auddy was withdrawn by IFCI Limited with effect from 30th May, 2011. Mr. B K Roy has been nominated as Director by IFCI Ltd. in place of Mr. N D Auddy with effect from that date. The Board of Directors wish to place on record its appreciation for the services rendered by Mr. N D Auddy during his tenure as Director of the Company.

Mr. Biswanath Bhattacharjee was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 11th November, 2011 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. Biswanath Bhattacharjee as a Director of the Company.

Mr Biswanath Bhattacharjee was also appointed as a Whole time Director designated as Director(Operations) for a period of five years with effect from 11th November, 2011, subject to the approval of the Members and other authorities, as may be required.

Mr. Yadvendra Sahai was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 11th November, 2011 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. Yadvendra Sahai as a Director of the Company.

Mr. Yadvendra Sahai was also appointed as Managing Director for a period of five years with effect from 1st December, 2011, subject to the approval of the Members and other authorities, as may be required.

Mr. Anil Sureka, was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 29th May, 2012, and holds office up to 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 Mr Anil Sureka as a Director of the Company.

Mr. Rajendra Kumar Parakh, was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 29th May, 2012, and holds office up to 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 Mr. Rajendra Kumar Parakh as a Director of the Company.

Mr. Pramod Kumar Mittal and Mr. Mahesh Trivedi, 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, 2012, 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, 2012 on a going concern basis.

COST AUDITOR

Your Company had appointed M/s N. B. Bhattacharyya & Co., Cost Accountant, as Cost Auditors, with the approval of the Central Government, for audit of cost records maintained by the Company for the financial year ended 31st March, 2011. The Cost Audit Report was filed by the Cost Auditor on 27th September, 2011 within the due date of 30th September, 2011.

In respect of the financial year ended 31st March, 2012, your Company, with the approval of the Central Government, has appointed M/s N. B. Bhattacharyya & Co., Cost Accountant, as Cost Auditors, for audit of cost records maintained by the Company. The due date for filing the Cost Audit Report is 30th September, 2012.

AUDITORS

The Board, on the recommendation of the Audit Committee, has proposed that M/s. V. Malik & Associates, Chartered Accountants, New Delhi having Firm Registration No 000155N, be re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company. M/s. V. Malik & Associates, Chartered Accountants, New Delhi, have forwarded their certificates to the Company, stating that their re-appointment, if made, will be within the limit specified in that behalf in sub-section (1B) of Section 224 of the Companies Act, 1956.

AUDITORS' REPORT

The Auditors, in their statement under Companies (Auditor's Report) Order 2003, annexed to their Report, have drawn attention to the following:

- a) Delays in few cases in depositing undisputed statutory dues
- b) Certain delays in repayment of dues to domestic financial institutions and banks during the year and the arrears of such dues as on the Balance Sheet date

The Board of Directors inform that :-

- a) Delays in few cases in depositing undisputed statutory dues have been due to mis-matches in cash flows. The company proposes to clear the same through internal accruals and working capital support.
- b) Delays in repayment of dues to domestic financial institutions and banks were mainly due to mis-matches in cash flows, which are rectified, from time to time.

The other notes referred to by the Auditors are self-explanatory and do not require further elucidation.

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CORPORATE DEBT RESTRUCTURING

During the year under review, due to sluggish market conditions in Steel Industry, your Company has not been able to repay certain loans as per the stipulated repayment schedule in respect of expansion-cum-modernization plan undertaken by your company. Your Company has undertaken measures to improve the financial position of the company by way of restructuring of bank loans and has already applied to Corporate Debt Restructuring (CDR) cell on March 28, 2012, for restructuring of loans. The application has been admitted by the CDR Cell at its meeting held on May 7, 2012.

FIXED DEPOSITS

During the year, your Company has not accepted any Deposits under Section 58A and Section 58AA of the Companies Act, 1956, read with 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

Employee relations continued to harmonious during the year. The Board wishes to place on record its appreciation for the efforts of all its employees. 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.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude for the support which the Company continues to receive from the Central Government, Government of West Bengal as well as its business partners. Your Directors also thank the members for their continued support.

For and on behalf of the Board

Kolkata
29th May, 2012

M Trivedi
Director

Yadvendra Sahai
Managing Director

ANNEXURE-A

STATEMENT CONTAINING PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDING 31ST MARCH, 2012.

(A) CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken

The Company is continuously engaged in the process of energy conservation through improved operational and maintenance practices. Following measures have been taken by the Company:

1. LPG based Heat Treatment Furnaces with recuperator commissioned, thus reducing fuel consumption.
2. Fuel conversion work done on Heat Treatment Furnace & Dry Oven from Oil to LPG fuel.
3. Transparent Fibre Sheets on roof top are used to utilize natural light instead of electric light.
4. LDO consumption for Ladle heating system reduced.
5. Furnace blower consumption reduced by using VFD.
6. Cooling Tower power consumption reduced by water temperature, sensor & controller.
7. Electrical consumption reduced by installation of LED light fittings.
8. All reciprocating compressor changed by screw compressor with VFD drive thus reducing power consumption and cost.
9. LPG based Rapid Heating furnace commissioned, thus reducing fuel consumption.

b) Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy:

1. Replacement of conventional tube lights with LED based low voltage lights.
2. Installation of LPG fired, recuperator fitted, VFD operated Heat Treatment Furnaces.
3. To install an Energy Management System(EMS) with automatically recording of power consumption.

c) Impact of Measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted/will result in reduction in energy consumption, increase in productivity and reduction in energy cost.

FORM 'A'

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption

	2011-2012	2010-2011
1. Electricity		
a) Purchased		
Unit (Kwh)	1,83,54,850	2,19,93,150
Total amount (Rs.)	12,72,83,629	13,28,47,133
Rate/Unit (Rs.)	6.93	6.04
b) Own generation		
i) Through diesel generator		
Unit (Kwh)	1,31,867	98,706
Units per ltr. of HSD/Furnace Oil	3.78	1.80
Cost/Unit (Rs.)	11.46	21.70

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	2011-2012	2010-2011
c) Diesel/ Light Diesel Oil/Furnace Oil		
Quantity (K.ltr)	575	739
Total amount (Rs.)	3,21,72,601	3,50,26,528
Average rate (Rs./k.ltr)	55,939	47,382
d) LPG Gas		
Quantity (Kgs)	10,88,698	13,08,910
Total amount (Rs.)	6,21,52,766	6,00,75,920
Rate/Unit (Rs.)	57	46
B. Consumption per M.T. of production		
	2011-2012	2010-2011
Electricity (Kwh/M.T)	1994	1978
Furnace Oil (Ltr/M.T.)	62	66
Coal (Kgs)	NIL	NIL
LPG(Kgs/M.T.)	117	117

(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 Spheroidal Graphite Double Poured back up Rolls to replace forged back up Rolls for Cold Rolling Mill.
- Improving depth of hardness in Forged Work Rolls by cryogenic treatment.
- Improving as cast quality of steel rolls with the help of MAGMA simulation software.
- Development of Forged back-up rolls.

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 and 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 HiCr Steel roll to replace forge rolls for HSM roughing stand. This product is under stabilization.

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 Steel Roll.
- Establish the Process for Spun Cast Plate Mill Roll.
- Yield Improvement of Cast Rolls.

5. EXPENDITURE ON R & D

	(Rs. in Lacs)
a) Capital:	—
b) Recurring:	46.26
c) Total:	<u>46.26</u>
d) Total R&D expenditure as A percentage of total turnover	0.34%
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 2492 MT of Cast and Forge Rolls valued at Rs 3590.57 Lacs during the financial year ended 31st March, 2012.

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

Improved market penetration planned in Chile, Brazil, Canada, Russia, Ukraine and South Africa by appointing agents in different regions/areas.

2. Total foreign exchange used and earned

No.	Particulars	(Rs. In lacs)
1)	Foreign Exchange Earnings	3590.57
2)	Foreign Exchange Outgo:	
	CIF Value of Imports of raw materials, components & spare parts	1104.88
	Capital Goods	7.33
	Others	94.63

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, 2012.

Employed for part of 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*	54	Managing Director	1,11,71,334	79,29,598	B.Com., LLB, FCS	33	01.04.2001	Ispat Industries Ltd Asst. Secretary

* Resigned with effect from November 11, 2011.

- 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 was 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 financial year 2011-12 was a challenging year. The global economy, witnessed lower economic growth of 3.8% in 2011, vis-a-vis 5.2% in 2010, primarily due the Euro Zone debt crisis and high oil prices. The US registered a GDP growth of 1.8% in the last quarter of 2011 as against 2.8% registered in the corresponding quarter of 2010. The major emerging economies, China and India were forced to tighten liquidity to tame rising inflation. In addition, civil unrest in Libya and the tsunami in Japan posed further challenges.

The performance of the Roll Industry is closely linked to the steel industry. World crude steel production reached 1,527 million tonnes in the year 2011, an increase of 6.8% over 2010. The increase in production largely took place in Asian countries and Brazil.

The global steel demand is estimated to have increased by 6% in 2011 to reach a new high of 1,373 million tonnes. The growth was led by the emerging economies, notably China and India from key steel end-user industries including infrastructure, construction and automotive. The steel demand in Europe increased by 5% but fell in Japan by 3%, as the impact of the earthquake and subsequent tsunami was felt on the manufacturing activity. All the major steel-producing countries apart from Japan and Spain showed growth in 2011. Growth was particularly robust in Turkey, South Korea and Italy.

India ranked as the fourth largest producer of crude steel in the world in 2011 after China, Japan, and the USA. The major consumption sectors of growth are infrastructure, construction, automobile, transportation, industrial applications, white goods, etc.

OPPORTUNITIES & THREATS

The apparent steel consumption in India is expected to grow by 6.9 per cent in 2012. It is projected to grow by 9.4 per cent in 2013 based on Government's expected support to infrastructure development in both rural and urban areas and incentive plans to boost economic growth by injecting funds in various industries, such as construction, infrastructure, automobile, and power.

The Indian steel industry, which entered into a new development stage from 2007-08 with new projects in both greenfield and brownfield, is projected to reach a capacity of 140 million tonnes by 2016-17. Further, based on the status of MOUs signed by the private producers with the various State Governments, it is expected that India's steel capacity would exceed 200 million tonnes by 2020.

The steel sector was affected badly during the world economic crisis and this had a strong impact on demand for rolls. Although the steel industry has been recovering since the global financial crisis, the recent Eurozone sovereign debt crisis has again created a lot of uncertainty in the market. The overall export volumes and realisations have declined due to the economies of developed nations not doing well. The global steel demand is expected to increase by 3% in 2012. Europe and America are expected to grow by 3% while Asian growth is pegged higher at 4.9%. However, it has also now opened new window of opportunities with specific global steel players looking for new suppliers beyond their current Roll purchases of more expensive European suppliers.

In India, the cheaper imports and low-end inexpensive roll manufacturers continue to be a great challenge for the Company. The Company has taken effective steps to counter the same by providing greater value to our customers through after sales in-use Roll monitoring. The increasing trend in the input prices is a challenge, which would be countered through effective supply-chain management and strategic sourcing. Adverse foreign exchange movements would increase net purchase costs of our imported inputs - although these would be partially offset by gains of higher rupee realisations in export sales.

OPERATIONAL PERFORMANCE

CAST ROLL DIVISION

Production during the period under review decreased to 8645 MT as against 9781 MT during 2010-11. Cast Roll sales decreased from 9701 MT in the last year to 8105 MT in 2011-12. Consequently the total revenue from the Cast Roll division decreased to Rs. 11004.32 Lacs as compared to Rs. 13217.94 Lacs in the previous year.

The Special General Castings sales increased to 159 MT as compared to 80 MT in the last year. The revenue from the Special General Castings increased from Rs 52.06 Lacs in the year 2010-11 to Rs 133.03 Lacs in 2011-12.

FORGE ROLL DIVISION

Production during the period under review decreased to 624 MT as against 1389 MT during the previous year. Forge Roll sales decreased from 1300 MT in 2010-11 to 643 MT in 2011-12. Consequently the total revenue from the Forge roll division decreased to Rs. 1359.32 Lacs compared to Rs. 3046.48 Lacs in the previous year.

FUTURE OUTLOOK

As per the International Monetary Fund's (IMF) World Economic Outlook (WEO) the global economy is expected to grow by 3.3 per cent in 2012 as compared to 3.8 per cent in 2011. Gross domestic product (GDP) growth in advanced economies is expected to be lower at 1.2 per cent in 2012. Growth in emerging economies is projected to be 5.4 per cent in 2012.

The outlook for steel demand is cautious due to continued financial uncertainty and volatility of the markets. The global steel sector is expected to grow, although at a lower rate. The emerging economies are expected to perform much better than developed countries. The steel sector is only expected to grow by 2.5% in Europe and around 5.0% in the North America Free Trade Agreement region. Chinese steel production and consumption will continue to outperform the rest of the world. The steel sectors in other emerging countries, such as India, Russia, Brazil and South Korea, will continue to grow, although the uncertain economic outlook may have some effect. In India, however, demand for steel from the domestic sector is creating a positive outlook as India is expected to perform better than most steel producing countries.

World Steel Association forecasts that apparent steel consumption worldwide will grow by 3.6% to 1,422 million tonnes in 2012 and should grow by 4.5% in 2013. Steel demand in the EU in 2012 is expected to contract by 1.2% in 2012, while growing by 3.3% in the following year. This represents below 80% of the pre-crisis demand levels. Chinese steel demand growth is expected to be moderate as the government pursues economic restructuring. India is expected to resume its high growth trend (after a sluggish performance in 2011). In 2012, India's steel use is forecast to grow by 6.9% to reach 72.5 Mt. In 2013, the growth rate is forecast to accelerate to 9.4% on the back of urbanisation and surging infrastructure investment.

As per the report of the Working Group on Steel for the 12th Plan, there exist many factors which carry the potential of raising the per capita steel consumption in the country, currently estimated at 55 kg (provisional). These include among others, an estimated infrastructure investment of nearly a trillion dollars, a projected growth of manufacturing from current 8% to 11-12%, increase in urban population to 600 million by 2030 from the current level of 400 million, emergence of the rural market for steel currently consuming around 10 kg per annum.

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.

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FINANCIAL RESULTS

(Rs in Lacs)

	Year ended 31st March, 2012	Year ended 31st March, 2011
Sales/Income from Operations	13559.55	16907.46
Less: Excise Duty	1124.88	1,367.46
	12435.07	15,540.01
Other Income	231.15	16.50
Total Income	12666.22	15,556.50
Total Expenditure	15480.44	15,411.36
Profit before Interest, Finance Charges and Depreciation and Exceptional Items	240.24	1914.17
Interest & Finance Charges	2102.76	1038.35
Depreciation	951.70	730.68
Profit/(Loss) before Tax and Exceptional Items	(2814.22)	145.14
Exceptional Items		
Prior period items (Net)	(52.19)	(1.72)
Profit/(Loss) before Tax	(2762.03)	146.86
Provision for Taxation		
– Current Tax	–	63.46
– Tax related to earlier years	0.53	(74.10)
– Deferred Tax Liability	(1000.80)	67.01
Net Profit/(Loss) after Taxation	(1944.53)	90.49
Balance brought forward	4596.92	4506.43
Surplus available for appropriation	2652.39	4596.92

Income from operations during the year under review was Rs 13559.55 Lacs. After considering other income of Rs 231.15 Lacs, Profit before interest, finance charge and depreciation was Rs 240.24 Lacs as compared to Rs 1914.17 Lacs during the previous year.

After providing for interest and finance charges of Rs 2102.76 Lacs and depreciation of Rs 951.70 Lacs, Loss before tax provisions was Rs 2762.03 Lacs for the period under review as compared to profit of Rs 146.86 Lacs during the previous year.

After considering deferred tax liability of Rs 1000.80 Lacs and Tax relating to earlier years of 0.53 Lacs the Net loss during the year under review was Rs 1944.53 Lacs as against Net Profit of Rs 90.49 Lacs during the previous year.

The income from operations was lower as compared to last year due to lower production volumes as well as lower sales realization. The profitability of the Company was mainly affected due to increase in the finance cost, cost of inputs and power and fuel, increase in bank interest rates, higher term loan and working capital interest cost, increase in the price of stores, spares and consumables.

Other income increased during the year under review on account of receipt of insurance claim of Rs 77 Lacs, writing off of old liabilities of Rs 74 Lacs and exchange rate difference income of Rs 43 Lacs.

RISKS & CONCERNS

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 internal 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.

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. Wherever necessary, the Company takes adequate insurance coverage of its assets for safeguarding from unforeseen risks.

QUALITY ASSURANCE

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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 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 authorization and ensuring compliance of corporate policies. The internal control systems are regularly reviewed for effectiveness. 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.

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 round the clock Ambulance Service is maintained by your Company to meet any emergency in the factory or in the neighbouring areas.

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

SOCIAL COMMITMENTS

GPIL 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, GPIL 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

Your Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various Human Resource initiatives are taken to align the HR Policies to the growing requirements of the business. Your Company has a structured induction process and management development programmes to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff. Technical and safety training programmes are given periodically to workers. Industrial relations remained generally cordial.

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

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

At the Chapter Convention of Quality Circles (CCQC)- 2011 held in September, 2011:

- ❖ Two teams from Machine Shop and One from Foundry Shop were honoured with "Gold Award".
- ❖ One team from Melting Shop was honoured with the "Silver Award".

At the National Council of Quality Circles (NCQC)-2011 held in Hyderabad:

- ❖ One team from Machine Shop & Foundry Shop honoured with "Par Excellence Award".
- ❖ One team from Machine Shop honoured with "Excellence Award".

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 2012 was 651.

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 75% 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, 2012.

The following is the composition of the Board of Directors as on 31st March, 2012.

Category	No. of Directors	Percentage of total number of Directors
Promoter		
– Executive Director	Nil	—
– Non-Executive Directors	2	16.67
Executive Directors	3	25.00
Non-Executive/Independent Directors	5	41.67
Nominee Directors – representing lending institutions	2	16.66
Total	12	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 12.08.2011	No. of Directorships in other Companies #		No. of Membership in Committee of Directors in other Companies \$	
			Chairman	Director	Chairman	Member
Mr. Pramod Kumar Mittal (Chairman)	3	No	2	1	—	—
Ms. Shristi Mittal ^(a)	2	N.A.	—	—	—	—
Mr. M. Trivedi	4	Yes	—	1	2	—
Prof. M.K.Mitra	4	Yes	—	—	—	—

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Name of Director	No. of Board Meetings Attended	Attended Last AGM held on 12.08.2011	No. of Directorships in other Companies #		No. of Membership in Committee of Directors in other Companies \$	
			Chairman	Director	Chairman	Member
Dr. Shekhar Chaudhuri	3	Yes	—	3	1	1
Mr. Vinod Kothari	1	No	—	3	2	1
Mr. N. D. Auddy ^(b) (IFCI Nominee)	—	N.A.	—	—	—	—
Mr. B K Roy ^(a) (IFCI Nominee)	3	No	—	1	—	—
Mr. S Balasubramanian	2	No	—	5	—	1
Mr. S. S. Saswat (Exim Bank Nominee)	4	No	—	—	—	—
Mr. R. N. Pandey ^(b)	—	N.A.	—	1	—	1
Mr. R K Jena ^(c)	—	No	—	1	—	1
Mr. L.K. Poddar ^(c)	2	Yes	—	—	—	—
Mr. S. Banerjee ^(c)	2	Yes	—	—	—	—
Mr. S. Ray	4	Yes	—	—	—	—
Mr. Y Sahai ^(d)	1	N.A.	—	—	—	—
Mr. B N Bhattacharjee ^(e)	2	N.A.	—	—	—	—

(a) Appointed as a Director w.e.f 30th May, 2011

(b) Ceased to be Director w.e.f. 30th May, 2011

(c) Ceased to be Director w.e.f. 11th November, 2011

(d) Appointed as a Director w.e.f 1st December, 2011

(e) Appointed as a Director w.e.f 11th November, 2011

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 Kumar Mittal and Ms. Shristi Mittal are related to each other.

Four Board meetings were held during the year ended 31st March, 2012. The dates on which the Board meetings were held are 30.05.2011, 12.08.2011, 11.11.2011 and 14.02.2012.

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

Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for their consideration.

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 six Non-Executive Professional Directors all 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, 2012, four meetings of the Audit Committee were held on 30.05.2011, 12.08.2011, 11.11.2011 and 14.02.2012. 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, 2012
Mr. M. Trivedi, Chairman	4
Prof. Manoj Kumar Mitra	4
Dr. Shekhar Chaudhuri	3
Mr. N.D. Auddy (IFCI Nominee)*	—
Mr. B K Roy**(IFCI Nominee)	3
Mr. Vinod Kothari	1
Mr. S S Saswat (Exim Bank Nominee)	4
Mr. R N Pandey*	—
Mr. R K Jena***	—

* Ceased to be Member w.e.f. 30th May, 2011

** Appointed as a Member w.e.f. 30th May, 2011

*** Ceased to be Member w.e.f. 11th November, 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.

Two meetings were held during the year ending 31st March, 2012. The dates on which the meetings were held are 30.05.2011 and 14.02.2012.

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

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

* Ceased to be Member w.e.f. 11th November, 2011

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

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, 6 (six) complaints were received from investors, all complaints were replied/resolved to the satisfaction of the investors. There are no pending complaints as on 31.03.2012.

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.

One meetings was held during the year ending 31st March, 2012. The date on which the meeting was held is 11.11.2011.

The Composition of the Remuneration Committee is as below :

Name of Members	Category	Number of Meetings attended
Mr. M. Trivedi, Chairman	Independent, Non-executive	1
Prof. Manoj Kumar Mitra	Independent, Non-executive	1
Dr. Shekhar Chaudhuri	Independent, Non-executive	1
Mr. N D Auddy* (IFCI Nominee)	Independent, Non-executive	—
Mr. B K Roy** (IFCI Nominee)	Independent, Non-executive	—
Mr. Vinod Kothari	Independent, Non-executive	1
Mr. S S Saswat (Exim Bank Nominee)	Independent, Non-executive	—

* Ceased to be Member w.e.f. 30th May, 2011

** Appointed as a Member w.e.f. 30th May, 2011

The details of the payments made to the Whole-time Directors during the year ended 31st March, 2012 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	111.71	Nil	111.71	5	28.07.2009 To 27.07.2014
Mr. S. Banerjee** Director (Operations)	21.97	Nil	21.97	3	14.05.2009 To 13.05.2012
Mr. S Ray Director (Marketing & Technical Services)	20.31	Nil	20.31	5	10.11.2010 To 09.11.2015
Mr. Y Sahai*** Managing Director	20.35	Nil	20.35	5	01.12.2011 To 30.11.2016
Mr. B N Bhattacharjee**** Director (Operations)	13.61	Nil	13.61	5	11.11.2011 To 10.11.2016

* Mr. L K Poddar resigned as Managing Director of the company with effect from 11th November, 2011

** Mr. S Banerjee resigned as Director (Operations) of the company with effect from 11th November, 2011

*** Mr. Y Sahai was appointed as Managing Director of the company with effect from 1st December, 2011

**** Mr. B N Bhattacharjee was appointed as Director (Operations) of the company with effect from 11th November, 2011



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- Service Contract – The service contract of the Managing Director/Executive Director /Director (Operations) 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/Executive Director/Director (Operations)/ Director (Marketing & Technical Services).
- 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 2011-12 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 2012 (In Rs.)
Mr. M. Trivedi	None	None	1,35,000/-
Prof Manoj Kumar Mitra	None	None	1,35,000/-
Dr Shekhar Chaudhuri	None	None	1,00,000/-
Mr. B K Roy	None	Nominee of IFCI Ltd, a lender to the company	90,000/-
Mr Vinod Kothari	None	None	35,000/-
Mr. S Balasubramanian	None	None	30,000/-
Mr. S S Saswat	None	Nominee of EXIM Bank, a lender to the company	1,25,000/-
Ms. Shristi Mittal	Daughter of Mr. Pramod Kumar Mittal	Promoter Director	30,000/-

OTHER COMMITTEES

In addition to the Committees mentioned hereinabove, the Board of Directors have two more committees viz., Finance Committee and Project Management Committee. No meeting of both the committees were held during the financial year ended 31st March, 2012.

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 2011-12. A separate declaration to this effect is annexed to the Corporate Governance Report.

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GENERAL BODY MEETINGS

The last three Annual General Meetings were held as under

Year Ended	Venue	Date	Time	Special Resolutions Passed
31.03.2011	P. O. Pailan Diamond Harbour Road,24-Parganas (S), West Bengal-743512	12.08.2011	11.00 A.M.	<ul style="list-style-type: none"> ● Appointment of Mr. Sushil Ray as Director (Marketing & Technical Services) of the Company
31.03.2010		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

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, 2012 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.

MEANS OF COMMUNICATION

- The quarterly results of the Company were announced within forty five days of completion of the quarter. Audited annual results along with 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 (in English) and in Dainik Statesman/Ekdin/Newz Bangla (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, if any, 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.



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GENERAL SHAREHOLDERS INFORMATION

1) Annual General Meeting	
Day, date and time Venue	Friday, the 28th day of September, 2012, at 11.00 A.M. Registered Office at P.O. Pailan, Diamond Harbour Road, Kolkata - 700 104, West Bengal
2) Book Closure Date	26th September, 2012 to 28th September, 2012 (both days inclusive)
3) Dividend Payment Date	NA
4) Financial Calendar	1st April, 2012 to 31st March, 2013
– Annual General Meeting	August, 2013
– Board Meeting for considering Unaudited quarterly results for first three quarters of the financial year ending 31st March, 2012	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, 2012	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 2012-2013 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

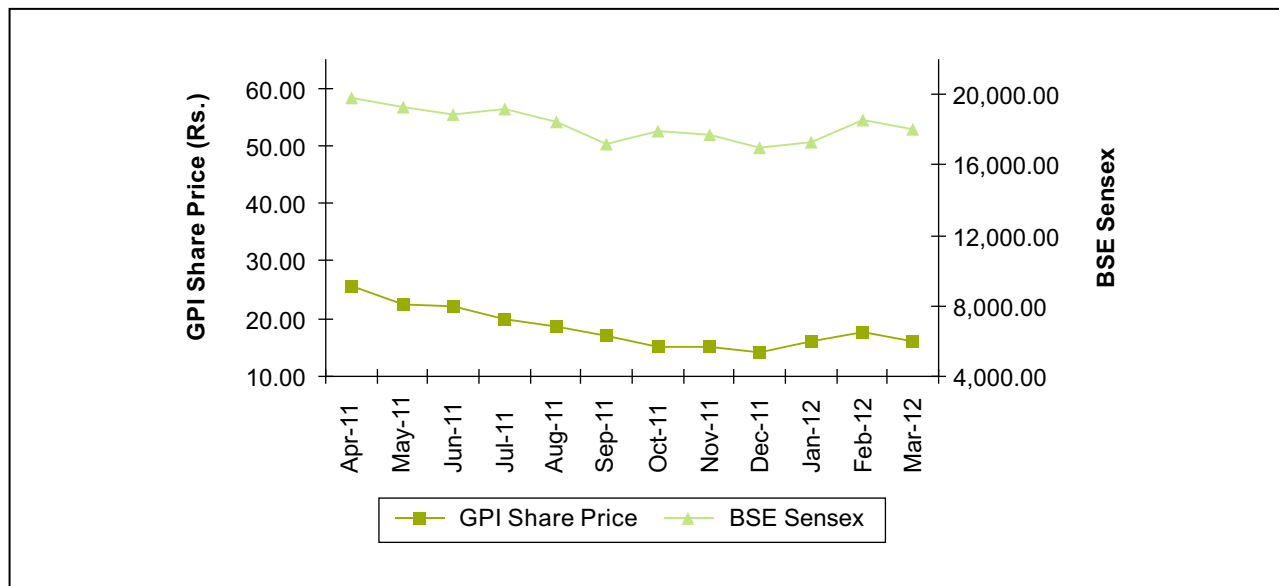
(i) Market Price

Months	Share Price Data on BSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
2011 April	25.60	18.90	19,811.14	18,976.19
May	22.55	18.05	19,253.87	17,786.13
June	22.20	16.70	18,873.39	17,314.38
July	20.00	16.60	19,131.70	18,131.86
August	18.50	12.20	18,440.07	15,765.53
September	17.00	13.05	17,211.80	15,801.01
October	14.98	12.37	17,908.13	15,745.43
November	15.00	11.10	17,702.26	15,478.69
December	14.20	10.71	17,003.71	15,135.86
2012 January	16.00	11.20	17,258.97	15,358.02
February	17.65	13.21	18,523.78	17,061.55
March	16.00	10.00	18,040.69	16,920.61

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

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(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 two and the total number of shares physically transferred during the year was 773.

9) Unclaimed Dividends

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years have to be transferred to the Investor Education and Protection Fund administered by the Central Government. The date of declaration of dividend and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government is given below:

Financial Year	Date of declaration	Due Date for transfer to Investor Education and Protection Fund
2006-07	16th August, 2007	21st September, 2014
2007-08	27th September, 2008	2nd November, 2015

10) Investor Grievance Redressal System

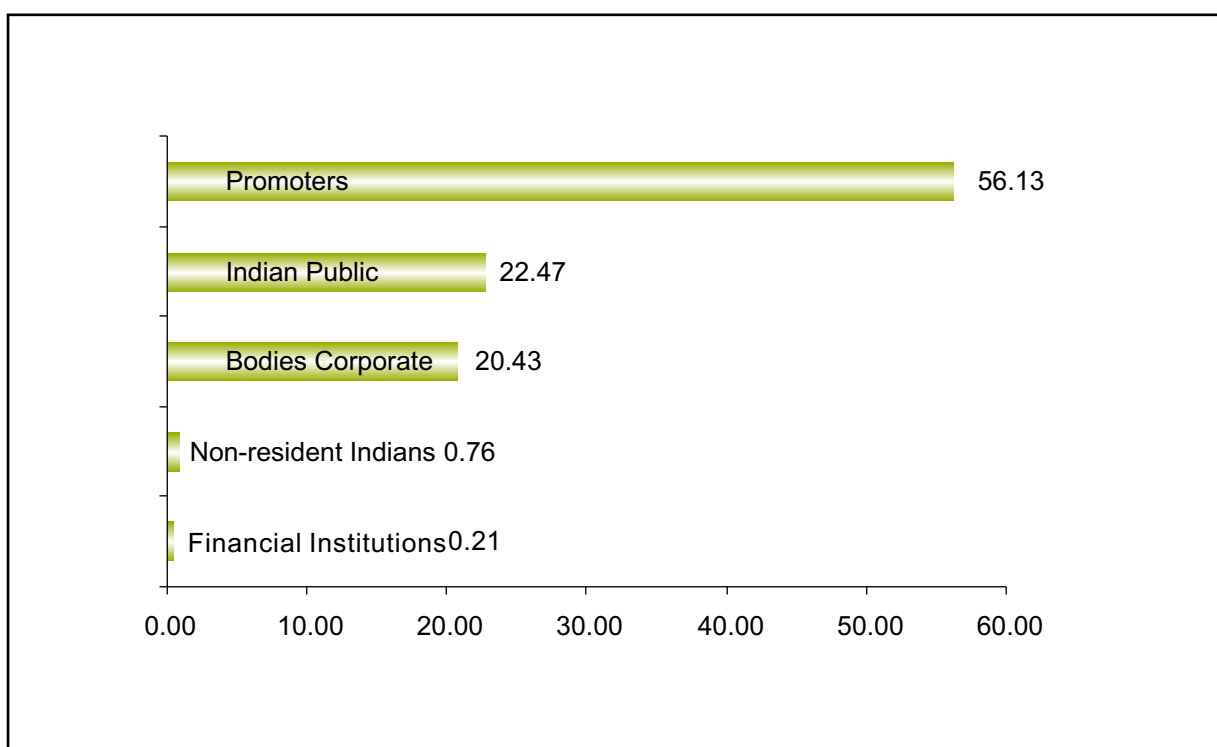
The investor grievances against the Company are handled by the Company's Registrars and Share Transfer Agents, M/s. MCS Limited, Kolkata, in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advanced computer systems 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.

11) Distribution of Equity Shares as on 31st March, 2012

Number of Shares held	No. of Shares	No. of Shareholders	Percentage of Shareholding
1 to 500	5,89,140	5503	4.23
501 to 10000	19,45,240	937	13.99
10001 to 50000	10,66,440	51	7.66
50001 to 100000	3,83,181	6	2.75
100001 and above	99,30,999	15	71.37
Total	1,39,15,000	6512	100.00

12) (a) Categories of Shareholders as on 31st March, 2012

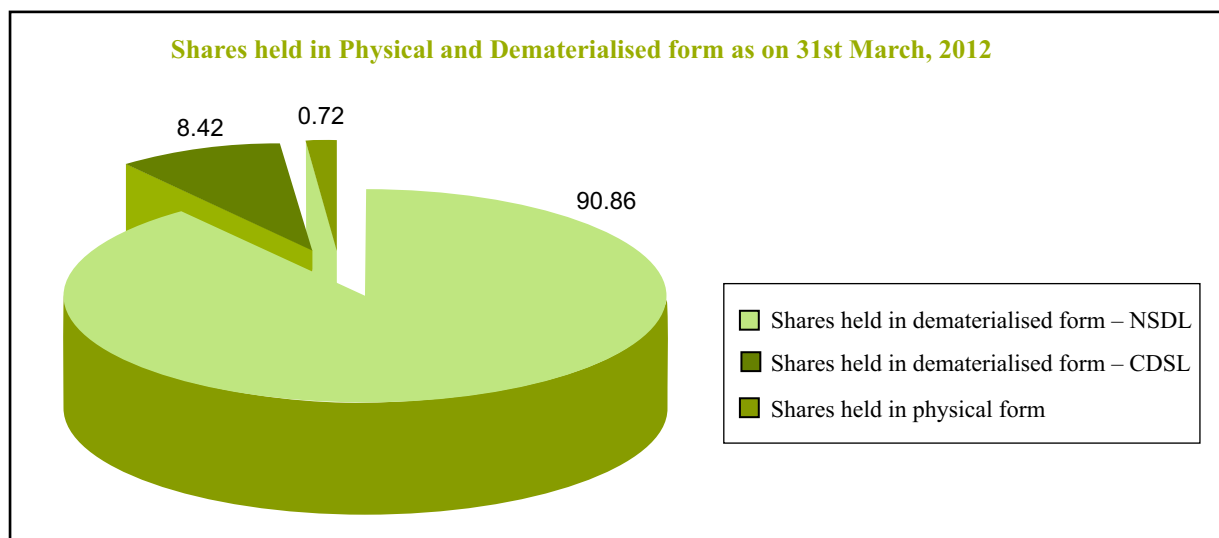
Category	No. of Shares held	% of total shareholding
Promoter Group	78,11,073	56.13
Financial Institution / Insurance Cos./ Banks / Mutual Funds	29,027	0.21
Bodies Corporate	28,42,293	20.43
Public & Others	32,32,607	23.23
Total	1,39,15,000	100

12) (b) Shareholding Pattern as on 31st March, 2012


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13) Dematerialisation of Shares and Liquidity

Approximately 99.28% of the Equity Shares have been dematerialised upto 31.03.2012. 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.



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

15) Plant Location

P.O. Pailan, Diamond Harbour Road
Kolkata - 700 104, West Bengal
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

Mr. R K Banthia
Asst. Company Secretary
Gontermann-Peipers (India) Limited
P.O. Pailan, Diamond Harbour Road
Kolkata - 700 104, West Bengal
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

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

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 : investor@gontermann-peipers.com

Note : Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

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 2011-2012.

Date : 29th May, 2012

Yadvendra Sahai
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, 2011 to 31st March, 2012, as stipulated in Clause 49 of the Listing Agreements 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 compliances is neither an assurance as to the future viability of the Company nor the efficiency or the 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 : 29th May, 2012

CEO / CFO CERTIFICATION

We, Yadvendra Sahai, Managing Director and K.K. Maheshwari, 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, 2012 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, 2012 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, 2012;
 - (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
29th May, 2012

Yadvendra Sahai
Managing Director

K.K. Maheshwari
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, 2012 and also the Statement of Profit and Loss 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 accounting policy as stated in Annexure 1 as (i) 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss 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 2012, we report that none of the director is disqualified as on 31st March 2012 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 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the loss 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.

Camp : Kolkata
Dated : 29th May, 2012

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

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT TO THE MEMBERS OF GONTERMANN-PEIPERS (INDIA) LIMITED FOR THE YEAR ENDING 31ST MARCH 2012

- (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, 2012.
- (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 generally 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, 2012 for a period of more than six months from the date they became payable except for Gratuity aggregating to Rs.107.67 Lacs and ESI Rs.1.21 Lacs.



Rolling Solutions

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)	
	2.02	2007-2008	Commissioner Appeal (Central Excise)	
	2.09	2006-2007	Commissioner Appeal (Central Excise)	
	5.68	2007-2008	Commissioner Appeal (Central Excise)	
	4.57	2008-2009	Commissioner Appeal (Central Excise)	
	0.96	2008-2009	Commissioner Appeal (Central Excise)	
	0.31	2007-2008	Commissioner Appeal (Central Excise)	
	6.31	2008-2009	Dy. Commissioner Excise	
	Sales Tax	34.08	2007-2008	Revision Board of Commercial Tax
		15.28	2008-2009	Dy Commissioner of Commercial Tax
Service Tax	11.17	2006-2007 to 2008-2009	Tribunal (Central Excise)	
	5.38	2009-2010	Commissioner Appeal (Central Excise)	
	85.57	2004-2005 to 2007-2008	Commissioner Appeal (Central Excise)	

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, 2012. The Company has incurred cash loss in the current year but has not incurred any cash loss in the immediately preceding financial year.
- (xii) Based on our audit procedure and as per information and explanation given by the management, the company has delayed in repayment of dues to domestic financial institutions, banks during the year to the extent of Rs.1213.33 Lacs which includes Rs.558.10 Lacs towards working capital facilities (delay in such repayments for more than 60 days being Rs.535.09 Lacs). Further Rs.794.88 Lacs of such dues were in arrears as on the balance sheet date which includes Rs.371.81 Lacs towards working capital (the dues in arrears for a period more than 60 days being Rs.215.07 Lacs).
- (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.

Camp : Kolkata
Dated : 29th May, 2012

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

GONTERMANN-PEIPERS (INDIA) LIMITED
ANNUAL REPORT 2011-2012

BALANCE SHEET as at 31st March, 2012

	Note no.	As at 31st March, 2012 (Rs. in Lacs)	As at 31st March, 2011 (Rs. in Lacs)
(I) EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	1	1,523.37	1,523.37
b. Reserves and Surplus	2	7,206.51	9,345.94
		8,729.88	10,869.31
2. Non-Current Liabilities			
a. Long-term borrowings	3	3,762.03	4,844.76
b. Long-term provisions	4	76.57	94.78
		3,838.60	4,939.54
3. Current Liabilities			
a. Short-term borrowings	5	8,165.49	7,578.23
b. Trade payables	6	3,364.27	3,584.20
c. Other current liabilities	7	2,861.40	2,071.19
d. Short-term provisions	8	366.48	371.72
		14,757.64	13,605.35
		27,326.12	29,414.20
TOTAL EQUITY AND LIABILITIES			
(II) ASSETS			
1. Non-Current Assets			
a. Fixed Assets	9		
i. Tangible assets		12,868.19	12,278.95
ii. Intangible assets		230.85	358.60
iii. Capital Work-in-progress		2,124.46	2,945.44
		15,223.50	15,582.99
b. Non-current Investments	10	111.08	111.08
c. Deferred tax Assets / (Liabilities) (net)	11	350.94	(649.86)
d. Long-term loans and advances	12	1,386.23	1,704.38
		17,071.75	16,748.59
2. Current Assets			
a. Inventories	13	4,245.57	4,862.42
b. Trade Receivables	14	4,336.76	6,142.04
c. Cash and cash equivalents	15	420.47	459.90
d. Short-term loans and advances	16	965.64	762.49
e. Other current assets	17	285.93	438.76
		10,254.37	12,665.61
		27,326.12	29,414.20
TOTAL ASSETS			

Significant Accounting policies - Annexure I
Notes on Financial Statement

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In terms of our attached report of even date

For V. Malik & Associates
Chartered Accountants
Vipin Malik
Proprietor

Camp : Kolkata
Date : 29th May, 2012

S Subramanian
Company Secretary

K K Maheshwari
Chief Financial Officer

For and on behalf of the Board

M Trivedi
Prof. Manoj Kumar Mitra
Dr Shekhar Chaudhuri
Vinod Kothari
R K Parakh
Y Sahai
B N Bhattacharjee

} Directors
Managing Director
Director (Operations)



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STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2012

	Note no.	Year Ended 31.03.2012 (Rs. in Lacs)	Year Ended 31.03.2011 (Rs. in Lacs)
I. Revenue from operation	18	13,559.95	16,907.46
Less : Excise Duty		1,124.88	1,367.46
Revenue from operation		12,435.07	15,540.00
II. Other income	19	231.15	16.50
III. Total Revenue (I+II)		12,666.22	15,556.50
IV. Expenses			
a. Cost of material consumed	20	5,150.29	6,866.42
b. Change in inventory of finished goods, work-in-progress	21	(103.09)	(1,058.73)
c. Employee benefit expenses	22	2,344.10	2,513.63
d. Finance costs	23	2,102.76	1,038.35
e. Depreciation and amortisation expenses	24	951.70	730.68
f. Other Expenses	25	5,034.68	5,321.01
		15,480.44	15,411.36
V. Profit/(Loss) before Exceptional and Extraordinary items & Tax (III-IV)		(2,814.22)	145.14
VI. Exceptional Items	26	(52.19)	(1.72)
VII. Profit/(Loss) before Extraordinary Items & Tax (V-VI)		(2,762.03)	146.86
VIII. Extraordinary items	27	182.77	—
IX. Profit/(Loss) before Tax (VII- VIII)		(2,944.80)	146.86
X. Tax Expenses			
1) Current Tax			
i) Current Tax		—	63.45
ii) Tax related to earlier years		0.53	(74.10)
2) Deferred Tax		(1,000.80)	67.01
XI. Profit/(Loss) for the year		(1,944.53)	90.49
XII. Earning per share			
- Basic - in Rs.		(14.04)	0.58
- Diluted - in Rs.		(12.76)	0.59

**Significant Accounting policies - Annexure I
Notes on Financial Statement**

1-40

In terms of our attached report of even date

For V. Malik & Associates
Chartered Accountants
Vipin Malik
ProprietorCamp : Kolkata
Date : 29th May, 2012S Subramanian
Company SecretaryK K Maheshwari
Chief Financial Officer

For and on behalf of the Board

M Trivedi	} Directors
Prof. Manoj Kumar Mitra	
Dr Shekhar Chaudhuri	
Vinod Kothari	
R K Parakh	
Y Sahai	Managing Director
B N Bhattacharjee	Director (Operations)

CASH FLOW STATEMENT for the year ended 31st March, 2012

	Year ended 31.03.2012 (Rs. in Lacs)	Year ended 31.03.2011 (Rs. in Lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	(2,944.80)	146.86
Adjustments for :		
Depreciation	951.70	730.68
Interest & Finance Expenses	2,456.47	1,642.07
Loss/ (Profit) on Fixed Assets sold/discarded	1.81	5.06
Interest Income	(31.12)	(43.25)
Operating Profit before working capital changes	434.06	2,481.42
Increase / (Decrease) in trade payables	(651.20)	1,845.01
Decrease / (Increase) in trade & other receivables	2,068.24	(1,370.81)
Decrease / (Increase) in inventories	616.85	(1,293.71)
Cash Generated from operations :	2,467.95	1,661.91
Direct taxes (paid) / Received	(33.09)	63.66
Net Cash flow from operating activities	2,434.86	1,725.57
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Fixed Assets	1.11	3.65
Interest received	35.98	130.71
Purchase of Fixed assets(including for new projects)	(790.02)	(2,814.44)
Net Cash used in Investing activities	(752.93)	(2,680.08)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	1,697.55
Proceeds from Bank borrowings (for working capital)	1,261.94	1,285.33
Repayment of loans	(531.65)	(299.29)
Dividend (including Tax on dividend) paid	-	(9.26)
Interest & Finance charges paid	(2,451.65)	(1,679.22)
Net Cash flow from financing activities	(1,721.36)	995.11
(D) NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	(39.43)	40.60
(E) CASH & CASH EQUIVALENTS OPENING BALANCE	459.90	419.30
(F) CASH & CASH EQUIVALENTS CLOSING BALANCE	420.47	459.90

For and on behalf of the Board

M Trivedi	}	<i>Directors</i>
Prof. Manoj Kumar Mitra		
Dr Shekhar Chaudhuri		
Vinod Kothari		
R K Parakh		
Y Sahai		
B N Bhattacharjee		<i>Managing Director</i>
		<i>Director (Operations)</i>

In terms of our attached report of even date

For V. Malik & Associates
Chartered Accountants
Vipin Malik
Proprietor

Camp : Kolkata
Date : 29th May, 2012

S Subramanian
Company Secretary

K K Maheshwari
Chief Financial Officer



Rolling Solutions

Notes to the Financial Statements for the year ended 31st March, 2012

	As at 31st March, 2012 Rs. in Lacs	As at 31st March, 2011 Rs. in Lacs
Note 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
13,18,700 (13,18,700) 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

Reconciliation of Number of shares

	As on 31st March, 2012		As on 31st March, 2011	
	No. of shares	Rs. in Lacs	No. of shares	Rs. in Lacs
Equity shares				
At the beginning of the year	1,39,15,000	1,391.50	1,39,15,000	1,391.50
Issued during the year	-	-	-	-
At the end of the year	1,39,15,000	1,391.50	1,39,15,000	1,391.50
Preference shares				
At the beginning of year	13,18,700	131.87	13,18,700	131.87
Issued during the year	-	-	-	-
At the end of the year	13,18,700	131.87	13,18,700	131.87

The Company has one class of Equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend as and when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

6% Cumulative Optionally Convertible Redeemable Preference Shares (COCRPS) 13,18,700 of Rs 10/- each fully paid up were issued to Export Import Bank of India and are redeemable at par in two equal annual instalments commencing from 2013.

Details of shares held by shareholders holding more than 5% of aggregate shares in the company

Name of the share holder	As on 31st March, 2012		As on 31st March, 2011	
	No. of shares held	% of holding	No. of shares held	% of holding
Goldline Tracom Pvt. Ltd.	32,09,625	23.07	32,09,625	23.07
Securix Holdings Limited	12,15,102	8.73	12,15,102	8.73
Navdisha Real Estate Pvt. Ltd.	7,57,054	5.44	7,57,054	5.44

Notes to the Financial Statements (contd.)

	As at 31st March, 2012 Rs. in Lacs		As at 31st March, 2011 Rs. in Lacs
Note 2. RESERVES AND SURPLUS			
Capital Reserve *			
At the beginning of the year	172.58	172.58	
Add - Addition during the year	-	-	
At the end of the year	172.58		172.58
Share Premium Account			
At the beginning of the year	702.81	702.81	
Add - Addition during the year	-	-	
At the end of the year	702.81		702.81
Revaluation Reserve **			
At the beginning of the year	3,793.63	4,040.02	
Less : Transfer to Profit & Loss Account towards additional Depreciation on revalued assets.	194.90	246.39	
Less : Adjustment on account of Assets discarded /sold during the period	-	-	
At the end of the year	3,598.73		3,793.63
General Reserve			
At the beginning of the year	80.00	80.00	
Add - Transfer from Profit & Loss Account	-	-	
At the end of the year	80.00		80.00
Surplus as per Profit & Loss Account			
At the beginning of the year	4,596.92	4506.43	
Profit /(Loss) for the period	(1,944.53)	90.49	
At the end of the year	2,652.39		4,596.92
	7,206.51		9,345.94

* represents capital investment subsidy received from Govt.

** 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. Consequence to the said revaluation there is an additional charge of depreciation of Rs 194.90 lacs (Rs. 246.39 Lacs) and an equal amount has been withdrawn from Revaluation reserve and credited to the Profit & Loss account. This has no impact on profit for the year.



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Notes to the Financial Statements (contd.)

Note 3. LONG TERM BORROWINGS

Secured

Term Loan

- From banks
- From Other parties (including foreign currency loan of Rs. Nil, Previous year Rs. 100.33 Lacs)

As at 31st March, 2012 Rs. in Lacs	As at 31st March, 2011 Rs. in Lacs
3,442.59	4,149.68
319.44	695.08
3,762.03	4,844.76

Nature of securities and terms of repayment of Long Term Secured Loans

Nature of securities	Terms of repayment
Term loan amounting to Rs 35.07 Lacs (Rs. 140.54 Lacs) is 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 stock and book debts for securing borrowing for working capital requirements.	Repayable in 24 quarterly instalments commencing from June, 2006. Last instalment due in January, 2012. Rate of interest is 12.50% p.a. at the end of the year. (previous year 12.50% p.a.)
Term loan amounting to Rs 670.28 Lacs (Rs. 670.28 Lacs) is 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 stock and book debts for securing borrowing for working capital requirements.	Repayable in 2 equal instalments commencing from January, 2013. Last instalment due in January, 2014. Rate of interest is 4.31% p.a. at the end of the year. (previous year 4.31% p.a.)
Term loan amounting to Rs Nil (Rs. 100.33 Lacs) is 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 stock and book debts for securing borrowing for working capital requirements.	Repayable in 16 Half yearly instalments commencing from June, 2004. Last instalment due in December, 2011. Rate of interest is 5.00% p.a. at the end of the year. (previous year 5.00% p.a.)
Term loan amounting to Rs 4662.59 Lacs (Rs. 4983.01 Lacs) is 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 stock and book debts for securing borrowing for working capital requirements.	Repayable in 24 quarterly instalments commencing from April, 2011. Last instalment due in January, 2017. Rate of interest is 14.50% p.a. at the end of the year. (previous year 14.75% p.a.)
Rupee Loan amounting to Rs 19.37 Lacs (Rs 24.80 Lacs) Under Equipment Finance/Refinance scheme is Secured by an exclusive charge on the assets	Repayable in EMI ranging from 3 to 5 years. Rate of interest range from 8.44% to 9.04% (previous year 8.44% to 9.04%)

-Instalments falling due in respect of above Loans upto 31.03.2013 have been grouped under "Current maturity of long-term debts" (Refer note 7)

Status of continuing default as on the Balance Sheet date

(Rs. in Lacs)

	Principal	Interest
Less than 60 days	208.00	184.36
61 days and above	215.07	4.52

Notes to the Financial Statements (contd.)

	As at 31st March, 2012 Rs. in Lacs	As at 31st March, 2011 Rs. in Lacs
Note 4. LONG TERM PROVISIONS		
Provision for Employee benefits - For Leave encashment	76.57	94.78
	76.57	94.78
Note 5. SHORT TERM BORROWINGS		
Secured		
Working Capital loans from banks (including foreign currency Rs. 2226.25 Lacs, Previous Year Rs. 1937.39 Lacs)	7,884.04	6,903.55
Unsecured		
Buyers Credit arrangements	281.45	674.68
	8,165.49	7,578.23

Working capital loans are secured against Hypothecation of Raw Materials, Finished Goods, Stock in Process, Stores & Spare parts, Trade bills, Movables etc and personal guarantee of promoters of the Company and joint mortgage through second charge on the immovable properties of the Company.

Working Capital Loans from Banks include Rs. 595.40 Lacs continuing default towards repayment of working capital facilities (includes interest default of Rs 223.59 Lacs) (period of defaults less than 90 days)

Due to Exchange rate fluctuation, working capital has become overdrawn by a sum of Rs. 375.60 Lacs.

	As at 31st March, 2012 Rs. in Lacs	As at 31st March, 2011 Rs. in Lacs
Note 6. TRADE PAYABLE		
Micro Small and medium Enterprises	4.19	0.76
Others	3,360.08	3,583.44
	3,364.27	3,584.20
Note 7. OTHER CURRENT LIABILITIES		
Current maturities of long term debts	1,625.28	1,074.20
Interest Accrued but not due on Loans	39.67	34.85
Interest Accrued and due on Loans	11.88	-
Unclaimed Dividend	0.85	0.86
Advance from Customers	250.14	136.75
Creditors for capital goods	491.68	421.72
Other payable		
Statutory dues	52.80	94.27
Other Liabilities (including employee contractual obligations)	389.10	308.54
	2,861.40	2,071.19
Note 8. SHORT TERM PROVISIONS		
Provision for Employee benefits -		
For Gratuity	140.51	121.67
For Leave encashment	12.36	3.88
Others		
Provision for Warranty Charges	198.00	198.00
Provision for Taxation (net)	15.61	48.17
	366.48	371.72

Notes to the Financial Statements (contd.)

Note 9. FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	AS AT 01.04.2011	ADDITION	DEDUCTION	AS AT 31.03.2012	UPTO 01.04.2011	FOR THE PERIOD	DEDUCTION	UPTO 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
Tangible Assets										
LAND	2,318.70	—	—	2,318.70 ^(e)	—	—	—	—	2,318.70	2,318.70
BUILDINGS	3,491.50	319.16	—	3,810.66	1,022.45	112.77	—	1,135.22	2,675.44	2,469.05
PLANT & MACHINERY	16,397.95	1,271.42	—	17,669.37 ^(b)	9,209.53	845.65	—	10,055.18	7,614.19	7,188.42
FURNITURE & FIXTURE	145.51	3.16	0.14	148.53	90.83	7.06	0.01	97.88	50.65	54.68
VEHICLES	156.47	—	7.27	149.20 ^(e)	43.55	14.20	5.15	52.60	96.60	112.92
OFFICE EQUIPMENT	313.46	9.87	13.30	310.03	178.28	31.77	12.63	197.42	112.61	135.18
TOTAL	22,823.59	1,603.61	20.71	24,406.49	10,544.64	1,011.45	17.79	11,538.30	12,868.19	12,278.95
CAPITAL WORK-IN-PROGRESS	2,945.44	792.99	1613.97	2,124.46	—	—	—	—	2,124.46	2,945.44
TOTAL	25,769.03	2,396.60	1,634.68	26,530.95	10,544.64	1,011.45	17.79	11,538.30	14,992.65	15,224.39
PREVIOUS YEAR TOTAL	23,002.14	6,195.31	3,428.42	25,769.03	9,708.41	846.93	10.70	10,544.64	15,224.39	
Intangible Assets										
COMPUTER SOFTWARE	615.76	7.40	—	623.16	280.69	124.75	—	405.44	217.72	335.07
TECHNICAL KNOW-HOW	52.04	—	—	52.04	28.51	10.40	—	38.91	13.13	23.53
TOTAL	667.80	7.40	—	675.20	309.20	135.15	—	444.35	230.85	358.60
PREVIOUS YEAR TOTAL	639.67	28.13	—	667.80	179.06	130.14	—	309.20	358.60	

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

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

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

Borrowing cost attributable to acquisition/construction of qualifying assets aggregating to Rs. 353.71 Lacs (Previous year Rs. 603.72 Lacs) in respect of ongoing expansion plan of cast roll, which has already exceeded the schedule implementation date has been capitalised.

Notes to the Financial Statements (contd.)

	As at 31st March, 2012 Rs. in Lacs	As at 31st March, 2011 Rs. in Lacs
Note 10. NON-CURRENT INVESTMENTS		
Equity - Non-Trade (Quoted)		
6,66,400 (6,66,400) Equity Shares of Rs.10 each in JSW Ispat Steel Limited *	66.64	66.64
In Preference Shares - Non-Trade (Quoted)		
4,44,266 (4,44,266) Preference Shares of Rs.10 each in JSW Ispat Steel Limited	44.42	44.42
Investment in Government Securities (Unquoted Trade)		
7 years National Savings Certificates	0.02	0.02
	111.08	111.08
Aggregate Book Value of Quoted Investments.	111.06	111.06
Aggregate Market Value of Quoted Investments.	101.00	184.77
Aggregate Book Value of Un-quoted Investments.	0.02	0.02
<ul style="list-style-type: none"> Investment in the Equity shares of JSW Ispat Steel Ltd. (JISL) have been pledged with the lenders of JISL as collateral security against financial facilities provided by the lenders to JISL. 		
Note 11. DEFERRED TAX ASSETS / (LIABILITIES) (NET)		
Deferred Tax Liability on account of -		
Depreciation	992.46	942.60
Less : Deferred Tax Assets on account of -		
Timing Difference of Taxes, Duties, Cess etc.	198.89	152.71
Provision for doubtful debts	97.55	72.73
Provision for Warranty	67.30	67.30
Carry forward losses as per Income Tax Act	979.66	-
	1,343.40	292.74
	350.94	(649.86)
Note 12. LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Capital advances	1,343.70	1,666.40
Security Deposits	2.84	2.84
Other Loans & advances	39.69	35.14
	1,386.23	1,704.38



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Notes to the Financial Statements (contd.)

Note 13. INVENTORIES

	As at 31st March, 2012 Rs. in Lacs	As at 31st March, 2011 Rs. in Lacs
a. Raw Materials	320.55	1,024.52
– In Transit	7.97	7.97
b. Work-in-progress	819.29	1,408.12
c. Finished Stock	992.73	517.72
d. Stores & Spare Parts	421.15	479.04
e. Chillers & Moulds	1,040.91	855.62
f. Rotation Scrap	642.97	569.43
	4,245.57	4,862.42

Details of Raw Material

Scrap	38.77	467.80
Nickel/Ferro Nickel/Nickel bearing scrap	28.01	66.94
Nickel Magnesium	103.78	34.10
Ferro Alloys	35.04	85.91
Fluxes and other Materials	30.46	24.66
Forged Blanks	92.46	353.08
	328.52	1,032.49

Details of Work-in-progress

Cast Rolls	704.42	1,214.16
Forge Rolls	63.62	159.41
Special General Castings	12.58	6.50
Others	38.67	28.05
	819.29	1,408.12

Details of Finished Stock

Cast Rolls	768.02	290.77
Forge Rolls	218.88	226.95
Special General Castings	5.83	–
	992.73	517.72

For mode of valuation, please refer Annexure I.

Note 14. TRADE RECEIVABLES

Trade Receivables outstanding for a period exceeding six months from the date they are due for payment -

Unsecured considered good	951.81	544.82
Unsecured considered doubtful	226.62	163.34
Less : Provision for doubtful debts	(226.62)	(163.34)

Trade Receivables outstanding for a period less than six months from the date they are due for payment -

Secured considered good	56.25	123.59
Unsecured considered good	3,328.70	5,473.63
	4,336.76	6,142.04

Notes to the Financial Statements (contd.)

	As at 31st March, 2012 Rs. in Lacs	As at 31st March, 2011 Rs. in Lacs
Note 15. CASH AND CASH EQUIVALENTS		
i) Cash and Cash Equivalents		
a) Balance with banks	47.39	18.39
b) Cash in Hand	1.47	4.37
ii) Other Bank Balances		
Unpaid Dividend Account	0.85	0.86
Balances with banks to the extent held as margin money (Includes Rs. 166.27 Lacs (Rs. 119.63 Lacs) having more than 12 months maturity)	370.76	436.28
	420.47	459.90
Note 16. SHORT-TERM LOANS AND ADVANCES		
– Unsecured considered good		
Loans and advances to related parties (refer note no 35)	349.40	349.40
Other Loans and advances	616.24	413.09
– Unsecured considered doubtful	60.39	50.63
Provsion for doubtful debts	(60.39)	(50.63)
	965.64	762.49
Note 17. OTHER CURRENT ASSETS		
Interest Receivable on Loans, Deposits etc.	22.76	27.62
Export Benefits Receivable	178.11	214.81
Balance with Central Excise Authorities	52.81	141.18
Prepaid Expenses	32.25	55.15
	285.93	438.76



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Notes to the Financial Statements (contd.)

	Year Ended 31.03.2012 Rs. in Lacs	Year Ended 31.03.2011 Rs. in Lacs
Note 18. REVENUE FROM OPERATION		
Sale of Products	13,044.18	16,163.92
Sale of Services - Processing Charges	131.20	164.10
Other Operating Revenue		
– Export Incentive	105.22	139.69
– Process Waste Sale	279.35	439.75
	13,559.95	16,907.46
Details of sale of Products :		
Cast Rolls	11,886.12	13,384.65
Forge Rolls	1,513.79	3,007.51
Special Castings	133.04	52.07
Less - Compensation for quality	(488.77)	(280.31)
	13,044.18	16,163.92
Note 19. OTHER INCOME		
Interest Income	31.12	43.25
Provisions no longer required	74.08	2.65
Exchange rate difference (Net)	43.15	(29.42)
Insurance Claims	77.56	–
Other non operating income	5.24	0.02
	231.15	16.50
Note 20. COST OF MATERIAL CONSUMED		
Raw material		
Opening Stock	1,032.49	1,033.99
Add: Purchases	4,663.64	6,934.41
	5,696.13	7,968.40
Less : Sales	217.32	69.49
Closing Stock	328.52	1,032.49
	5,150.29	6,866.42
Details of Raw material consumed		
Scrap (Excluding Rotation Scrap)	2,458.52	2,786.10
Nickel/Ferro Nickel/Nickel bearing scrap	868.42	942.77
Nickel Magnesium	261.38	330.63
Ferro Alloys	857.72	1,207.59
Fluxes and other Materials	109.88	153.52
Forged Blanks	594.37	1,445.81
	5,150.29	6,866.42
Imported and Indigenous Raw materials consumed		
	%	%
Imported	23.52	14.49
Indigenous	76.48	85.51
	5,150.29	6,866.42

Notes to the Financial Statements (contd.)

	Year Ended 31.03.2012 Rs. in Lacs	Year Ended 31.03.2011 Rs. in Lacs
Note 21. CHANGE IN INVENTORY		
Opening 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
Add : Purchases of Chillers & Moulds	41.92	273.07
	3,392.81	2,292.16
Less :Closing Stock		
– Finished Goods	992.73	517.72
– Process Stock	819.29	1,408.12
– Chiller and Moulds	1,040.91	855.62
– Rotation Scrap	642.97	569.43
	3,495.90	3,350.89
	(103.09)	(1,058.73)
Note 22. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus	1,848.70	1,956.37
Contribution to Provident and other Funds	252.35	348.37
Staff Welfare Expenses	243.05	208.89
	2,344.10	2,513.63
Note 23. FINANCE COST		
Interest on Other Loans	1,843.57	1,374.23
Other Borrowing costs	169.44	177.21
Net loss on Currency Fluctuation and transaction	443.46	90.63
	2,456.47	1,642.07
Less: Interest Capitalised	353.71	603.72
	2,102.76	1,038.35
Note 24. DEPRECIATION		
Depreciation and amortisation expenses	1,146.60	977.07
Less : Transfer from Revaluation Reserve	(194.90)	(246.39)
	951.70	730.68



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Notes to the Financial Statements (contd.)

Note 25. OTHER EXPENSES

Manufacturing Expenses

	Year Ended 31.03.2012 Rs. in Lacs	Year Ended 31.03.2011 Rs. in Lacs
Stores & Spare Parts Consumed *	1,171.11	1,414.37
Power and Fuel	2,216.09	2,279.50
Repairs & Maintenance:-		
Plant and Machinery	91.07	84.29
Buildings	18.25	51.08
Others	58.50	63.97
Processing Charges	162.25	212.50
	3,717.27	4,105.71

Selling & Distribution Expenses

Commission on Sales	37.67	85.77
Packing, Forwarding & Transport Charges	503.57	472.92
	541.24	558.69

Establishment Expenses

Payment to Statutory Auditors:-		
For Audit Fees	5.00	5.00
For Company Law & Other Matters	2.25	2.00
For Tax Audit	1.00	1.00
For Re-imbursement of expenses	0.86	1.00
Cost Audit Fees	0.18	0.17
Rent & Hire Charges	9.91	5.80
Travelling & conveyance	190.18	187.25
Irrecoverable Debts, Claims and Advances Written off	84.32	10.87
Provision for doubtful Debts & Advances	73.03	13.92
Insurance	39.33	38.26
Rates & Taxes	8.68	3.98
Sales Tax	24.42	0.13
Donation	0.20	5.40
Directors' Fees	6.80	10.40
Communication Expenses	27.06	27.01
Advertisement	6.28	16.52
Loss on Fixed Assets sold/discarded (Net)	1.81	5.06
Miscellaneous Expenses	294.86	322.84
	776.17	656.61
	5,034.68	5,321.01

* Imported and Indigenous Stores & spare parts consumed	%		%	
Imported	3.27	38.27	3.00	42.36
Indigenous	96.73	1,132.84	97.00	1,372.01
		1,171.11		1,414.37

Note 26. EXCEPTIONAL ITEMS

Prior period Items (Net)	(52.19)	(1.72)
	(52.19)	(1.72)

Note 27. EXTRA ORDINARY ITEMS

Expenses of abandoned Iron Ore Project written off	182.77	—
	182.77	—

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Note 28. Contingent Liabilities

(Rs in Lacs)

		2011-2012	2010-2011
1.	Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of Advances)	840.64	1089.99
2.	Contingent Liabilities not provided for in respect of: -		
	(i) Outstanding Bank Guarantees	1162.21	1009.93
	(ii) Bills discounted with banks	320.50	242.84
	(iii) Central Excise claims against show cause notices being disputed by the company	247.08	245.18
	(iv) Service Tax claims against show cause notices being disputed by the company	102.12	13.94
	(v) Sales Tax demands for earlier years being disputed by the Company	49.36	244.07
	(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.	515.05	468.96
3.	Estimated amount of contracts remaining to be executed on revenue account and not provided for	1400.10	935.47

29. 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.
30. Director remuneration aggregating to Rs.57.76 lacs paid in earlier year to the Ex-Managing Director is in excess of the limit specified under section 198 of the Companies Act, 1956 as well as the approval received from the Ministry of Corporate Affairs, however the said remuneration is as per the approval obtained from Remuneration Committee, Board of Directors of the company as well as approved by the shareholders of the company. The company has initiated the process of recovery of the above excess remuneration from Ex-Managing Director and the recoverable amount appears under the head short term loans and advances.
31. Due to sluggish market conditions in Steel Industries, the company has not been able to repay certain loans in respect of expansion-cum-modernization plan undertaken by the company as per the stipulated repayment schedule. The management has undertaken measures to improve the financial position of the company by way of restructuring of bank loans. The company has already applied to Corporate Debt Restructuring (CDR) cell on 28.03.2012 for restructuring of loans and the management is confident that such overdue/restructuring will not effect the ongoing concern assumption.
32. 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)

Particulars	2011-2012	2010-2011
a) Opening warranty provision	198.00	198.00
b) Provision made during the year	488.77	280.31
c) Less: Amount of warranty claims settled during the year	488.77	280.31
d) Closing warranty provision	198.00	198.00



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

Sl. No.	Particulars	2011-2012	2010-2011
A	Profit/ (Loss) after Taxation (Rs. in Lacs)	(1944.53)	90.49
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.)	(14.04)	0.58
F	Diluted earning per Share (Rs.)	(12.76)	0.59

34. Segment Information

The Company's segment information as at and for the period ended 31st March 2012 are as below:

(Rs in Lacs)

Sl. No.	Particulars	2011-2012	2010-2011
1	Segment Revenue		
	a) Cast Roll Division	11930.63	13707.55
	b) Forge Roll Division	1629.32	3199.92
	Sales / Income from Operations	13559.95	16907.47
2	Segment Results		
	<i>Profit/(Loss) before Tax and Interest & Finance charges from each segment</i>		
	a) Cast Roll Division	(824.43)	664.51
	b) Forge Roll Division	(17.61)	520.70
	Less : Interest & Finance charges	2102.76	1038.35
	Profit / (Loss) before Tax	(2944.80)	146.86
	Less : Provision for Taxation	0.53	(10.64)
	Less : Provision for Deferred Tax	(1000.80)	67.01
	Profit / (Loss) After Tax	(1944.53)	90.49
3	Capital Employed		
	a) Cast Roll Division	19805.42	20956.63
	b) Forge Roll Division	2477.26	3409.87
	Total	22282.68	24366.50

35. 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

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Key Management Personnel and their Relative	Mr. Pramod Kumar Mittal Mr. Yadvendra Sahai (wef 01.12.2011) Mr. B. N. Bhattacharjee (wef 11.11.2011) Mr. L. K. Poddar (upto 10.11.2011) Mr. Saumitra Banerjee (upto 10.11.2011) Mr. Sushil Ray
Enterprises over which Key Management Personnel / Shareholders / Relatives have Significant influence *	JSW Ispat Steel Limited Global Steel Holdings Ltd Balasore Alloys Ltd. Delta Steel Company Plc Global Steel Phillipines Plc Navoday Management Services Ltd. Navoday Consultants 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.

Note : Related party relationship is as identified by the Company and relied upon by the Auditors.

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:			
JSW Ispat Steel Ltd.		1895.82 (3609.48)	1895.82 (3609.48)
Purchases of raw materials:			
JSW Ispat Steel Ltd.		— (166.17)	— (166.17)
Global Steel Phillipines Plc		— (128.32)	— (128.32)
Salary / Managerial Remuneration:			
Mr. Yadvendra Sahai	20.35 (—)		20.35 (—)
Mr. Biswanath Bhattacharjee	13.61 (—)		13.61 (—)
Mr. L. K. Poddar	111.71 (216.35)		111.71 (216.35)
Mr. Saumitra Banerjee	21.97 (22.75)		21.97 (22.75)
Mr. Sushil Ray	20.31 (9.48)		20.31 (9.48)
Balance outstanding as at the year end – Debit			
JSW Ispat Steel Limited		708.91 (1789.12)	708.91 (1789.12)
Global Steel Phillipines Plc		349.40 (349.40)	349.40 (349.40)
Balance outstanding as at the year end – Credit			
Balasore Alloys Limited		6.25 (Nil)	6.25 (Nil)



Rolling Solutions

	2011-2012 (Rs in Lacs)	2010-2011 (Rs in Lacs)
36. Value of Imports on C.I.F. Basis		
Raw Material	1007.48	1106.46
Components & Spares	97.40	220.28
Capital Goods	7.33	28.13
37. Expenditure in Foreign Currency		
Travelling	30.17	43.88
Commission	37.67	85.78
Interest	23.70	17.80
Others	3.09	26.80
38. Earnings in Foreign Currency Export of goods on F.O.B basis (Including through third parties)	3590.57	3171.12

39. Significant accounting policies and practices adopted by the company are disclosed in the statement annexed to these financial statements as Annexure I.

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

Signatories to all Notes 1 to 40

In terms of our attached report of even date

For V. Malik & Associates
Chartered Accountants

Vipin Malik
Proprietor

Camp : Kolkata
Date : 29th May, 2012

S Subramanian
Company Secretary

K K Maheshwari
Chief Financial Officer

For and on behalf of the Board

M Trivedi
Prof. Manoj Kumar Mitra
Dr Shekhar Chaudhuri
Vinod Kothari
R K Parakh
Y Sahai
B N Bhattacharjee

Directors

Managing Director
Director (Operations)

Annexure I

Summary of Significant 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.
- e) All the assets and liabilities have been classified as current or non current as per company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act 1956. Based on the nature of the products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalent, the company has ascertained its operating cycle to be less than 12 months.

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 Statement.
- 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 Statement, 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 Statement, proportionately over the contract period.

viii) Research and Development

Research and Development expenditure of revenue nature are charged to Profit & Loss Statement, 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.



ATTENDANCE SLIP

GONTERMANN-PEIPERS (INDIA) LIMITED

Registered Office: P.O. Pailan, Diamond Harbour Road, Kolkata - 700 104, West Bengal

Folio / DP ID - Client ID No.

No. of Share(s) held:

Name and Address of the Shareholder(s)

[Empty box for Name and Address of the Shareholder(s)]

I/We hereby record my/our presence at the FORTY-THIRD ANNUAL GENERAL MEETING of the Company held at the Registered Office of the Company at P.O. Pailan, Diamond Harbour Road, Kolkata - 700 104, West Bengal, on Friday, the 28th September, 2012 at 11.00A.M.

Signature of the shareholder or proxy

- Note : 1. Please fill Attendance Slip and hand it over at the entrance of the meeting Hall.
- 2. This Attendance Slip is valid only in case shares are held on the date of meeting.



PROXY FORM

GONTERMANN-PEIPERS (INDIA) LIMITED

Registered Office: P.O. Pailan, Diamond Harbour Road, Kolkata - 700 104, West Bengal

Folio / DP ID - Client ID No.

No. of Share(s) held:

I/We of being a member/members of Gontermann-Peipers (India) Limited hereby appoint..... of or failing him of as my/our proxy to vote for me/us on my/our behalf at the FORTY-THIRD ANNUAL GENERAL MEETING to be held on Friday, the 28th September, 2012 at 11.00 A.M. or at any adjournment thereof.

Signed this..... day of.....2012.

Affix Re. 1/- Revenue Stamp

Note(s):

1. The proxy need NOT be a member.
2. The proxy form signed across revenue stamp should reach Company's registered office at least 48 hours before the scheduled time of meeting.
3. Company reserve the right to ask for identification of the proxy
4. Proxy cannot speak at the meeting or vote on a show of hands

