



दुनिया GISCO लोहा माने



17th Annual Report 2010

GANGOTRI IRON & STEEL CO. LTD.

FACTORY AT BIHTA



15 Tonne Capacity Ladle carrying molten material to CCP



Continuous Casting Plant at Bihta



A VIEW OF TMT ROLLING MILL

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY INFORMATION

COMPANY SECRETARY

Ms. Priti Somani

AUDITORS

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

BANKERS

State Bank of India, Commercial Branch, Patliputra, Patna
The Federal Bank Ltd., Kolkata
Standard Chartered Bank, Patna
HSBC Ltd., Patna
The Tapindu Urban Co-operative Bank Ltd., Patna

FACTORY

Phulwari Shariff, Nayatola
Patna - 801 505

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

REGISTERED OFFICE

307, Ashiana Towers
Exhibition Road
Patna - 800 001

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

WEBSITE

www.giscotmt.com

E-MAIL ID FOR INVESTORS

gangotriironsteel@rediffmail.com

CONTENTS

Notice	2	Profit & Loss Account	18
Directors' Report	5	Cash Flow Statement	19
Report on Corporate Governance	9	Schedules	20
Auditors' Report	14	Balance Sheet Abstract	34
Balance Sheet	17		

NOTICE

TO MEMBERS

NOTICE is hereby given that the **17th Annual General Meeting** of the Members of **GANGOTRI IRON & STEEL COMPANY LIMITED** will be held on Thursday, the **30th September, 2010 at 2.00 P.M., at 307, Ashiana Towers, Exhibition Road, Patna - 800 001**, the Registered Office of the Company to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 Profit and Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint Directors in place of Mr. Sanjiv Kumar Choudhary and Mr. Aditya Dalmiya, who retires by rotation and, being eligible, offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification(s), the following resolutions :

1. As an Ordinary Resolution

"RESOLVED THAT pursuant to section 94 of the Companies Act, 1956 (including any modification or re-enactment thereof) and other applicable provisions, if any, and subject to approvals, consents, permissions and sanctions as may be necessary from the concerned Statutory Authorities, 2,00,00,000 equity shares of the nominal value of Rs. 10/- each in the authorised share capital of the Company be and are hereby sub-divided into 4,00,00,000 equity shares of Rs. 5/- each AND THAT Clause V of the Memorandum of Association of the Company be altered accordingly."

"RESOLVED FURTHER THAT the issued, subscribed and fully paid-up Equity Share Capital of the Company, comprising of 1,34,11,794 (One Crore Thirty Four Lakh Eleven Thousand Seven Hundred and Ninety Four) equity shares of the face value of Rs. 10/- each aggregating to Rs. 13,41,17,940/- (Thirteen Crore Forty One Lakh Seventeen Thousand Nine hundred Forty Only) be subdivided into 2,68,23,588 (Two Crore Sixty Eight Lakh Twenty Three Thousand Five hundred Eighty Eight) equity shares of the face value Rs. 5/- each, as on record date that may be fixed by the Board."

"RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board", which expression shall also include a Committee thereof) be and is hereby authorised to issue new share certificates representing the sub-divided equity shares consequent to the sub-division of shares as aforesaid and/or credit the shareholders' accounts maintained with depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof to any Director(s) or Company Secretary, to give effect to the aforesaid resolution."

2. As an Ordinary Resolution

"RESOLVED THAT the existing Clause V of the Memorandum of the Association of the Company as to Share Capital be and is hereby altered and the following words be substituted :

The Authorised Share Capital of the Company is Rs. 40,00,00,000 (Rupees Forty Crore Only) divided into 4,00,00,000 (Four Crore Only) Equity Shares of Rs. 5 (Rupees Five Only) each."

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

Priti Somani
Company Secretary

Kolkata, 1st September, 2010

NOTICE

NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxies, to be effective should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
2. The Register of members and Share Transfer Register of the company will remain closed from 24th September, 2010 to 30th September, 2010 (both days inclusive).
3. Members are requested to notify the company immediately of any change in their address.
4. Members seeking any information with regard to Accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
5. The instrument of the share transfers, complete in all respects should reach the company prior to closure of the Register of Members as stated above.
6. Members /proxies are requested to bring with them the printed Annual Report being sent to them, along with the Notice, to avoid inconvenience.

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

Item Nos. 1 & 2

The shareholders to note that the equity shares of your Company are listed on Bombay Stock Exchange Ltd., (BSE). The shares are actively traded on BSE.

The market price of the shares of the Company has witnessed significant spurt over the last 6 months. In order to improve the liquidity of the company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ("the Board") at its meeting held on 14th August 2010, considered it desirable to sub-divide the nominal value of the equity portion of the authorized share capital of the Company.

The shareholders may please note that presently the nominal value of the equity shares is Rs. 10/- each and consequent to the subdivision it is being divided into 2 (two) equity shares of Rs. 5/- each. The date on which this sub-division would become effective will be decided by the Board of Directors after obtaining the shareholders' approval and the same will be notified through Stock Exchange.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V in the Memorandum of Association of the Company relating to equity shares also need relevant amendment to give effect to the sub-division.

The Directors of the Company are deemed to be concerned or interested in the resolutions only to the extent of shares held by them in the Company.

The Board recommends the resolution as set out at item No. 1 & 2 of the notice for your approval.

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

Priti Somani
Company Secretary

Kolkata, 1st September, 2010

NOTICE (Contd.)

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

- 1) Name of the Director : **Mr. Sanjiv Kumar Choudhary**
Date of Birth : 25.03.1963
Date of appointment : 04.02.1993
Qualification : B.Com
Expertise in specific functional areas : Mr. Sanjiv Kumar Choudhary, aged 47 years is a commerce graduate from Calcutta University with an experience of 27 years in diverse business activities. He is working as the Managing Director of the Company and is associated with Iron & Steel Industry for the last 17 years. Mr. Sanjiv Kumar Choudhary held many position of repute. He is actively associated with Bihar Chamber of Commerce. He was awarded with Great Entrepreneur Award by Global Entrepreneurship and Management Academy in the year 2007. He has also received the Best Citizen of India Award by International Publishing House in the year 2006.
List of other Directorship held : Gangotri Electrocastings Ltd., Gangotri Industries Ltd., Gangotri Concast Ltd., and other private limited companies.
Number of shares held : 5,98,730 fully paid up shares of Rs. 10/-each (out of which 40,000 shares in the capacity of Karta).
Relationship with other Directors : Not related to any other Director.
- 2) Name of the Director : **Mr. Aditya Dalmiya**
Date of Birth : 25.04.1961
Date of appointment : 22.02.2002
Qualification : B.Com, PGDBM (Post Graduate)
Expertise in specific functional areas : Mr. Aditya Dalmiya aged 49 years, a commerce graduate & PGDBM is a promoter director of the Company. He is also engaged in the business of C & F Agent of Castrol, Eternit Everest, Monsanto Chemicals, Jaypee Cement etc., stockist and distributor of cement, steel, water proofing chemicals, real estate development at Patna and Kolkata and in software development and IT business.
List of other Directorship held : Tara Ispat Ltd., and other private limited companies.
Number of shares held : 2,000 fully paid up shares of Rs. 10/- each.
Relationship with other Directors : Not related to any other Director.

DIRECTORS' REPORT

To The Members

The Directors have pleasure in presenting the 17th Annual Report of the Company, together with the Audited Accounts, for the year ended 31st March, 2010.

1. Financial Results

	(Rs. in Lacs)	
	2009-2010	2008-2009
Sales & Other Income (net)	17085.98	4967.41
Profit before Interest & Depreciation	1534.92	400.15
Less : Interest & Other Financial Charges	825.63	139.58
Less : Depreciation	350.86	80.63
Profit before tax and exceptional items	358.43	179.94
Add / (Less) : Exceptional items	0.44	2.16
Profit before tax and after exceptional items	358.87	182.10
Less : Provision for Taxation	(60.99)	(21.49)
Less : Fringe Benefit Tax	-	(1.86)
Less : Deferred Tax	(101.22)	(54.40)
Net Profit after Tax	196.66	104.35
Balance as per last year	398.15	293.80
Balance Carried Forward	594.80	398.15

2. Operations

During the year under review the total income and profit after tax have increased by 244% and 88% respectively, compared to previous year ended on 31.03.2009. This was achieved due to operational efficiencies despite several adverse factors, particularly substantial increase in prices of inputs and enhanced competition.

3. Future Prospects

The product manufactured at the Bihta unit continues to be well received in the market as far as quality is concerned. The Company is hopeful that the various steps taken by the Government of Bihar for economic and infrastructural development will increase the demand of Company's product. The Company does not apprehend that it will face much problem in marketing its product despite serious competition although the profitability may get affected.

4. Management Discussion and Analysis

Business Segment - wise Performance

The company's operation comprises of M.S.Bar and M.S.Billet that falls under one segment. Hence Segment wise operational performance is not applicable.

Outlook

The steel industry is subject to cyclical swings on account of excessive capacity expansion and unpredictable demand swings. This sector was also affected due to global economic crisis and the market downturn began to level out in the second half of the financial year as business environment began to improve slowly. The Company has widened its marketing network and the products are being sold in some locations of Uttar Pradesh, in addition to the various areas of Bihar being served earlier.

Risks and Concerns

In view of the sharp expansion in capacity of similar products fierce competition is likely to continue affecting the profitability of the Company. However in view of ambitious programme taken by the Government of Bihar, improvement in law and

DIRECTORS' REPORT (Contd.)

order situation and indication of overall economic improvement, the demand is likely to improve in Bihar, although the profitability is likely to remain tight due to increased cost of raw materials and extreme competitiveness in the market.

Internal Control Systems and their Adequacy

There exists an internal audit system during the year under review, which needs to be strengthened for being commensurate with the size and nature of business.

Human Resource Development / Industrial Relations

The Company has been taking various initiatives for HR development, a process that will continue in the coming years. Your Company organizes Architects and Masons meets on a regular basis in various areas where it markets its products. These meets are very well attended and have resulted in better demand for its products apart from popularizing its brand image.

The relations between the employees, workers and the management were satisfactory and an atmosphere of understanding prevailed throughout the year. The Company has also made arrangement with Shri Ravi Kishan, a very popular movie and TV personality to act as its brand ambassador.

5. Dividend

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

6. Finance

During the year, the Company continued to avail credit facilities by way of overdrafts, cash credits, issuance of guarantees, including deferred payment guarantees and indemnities, negotiation and discounting of demand and/or usance bills and cheques and such other facilities from State Bank of India, Commercial Branch, Patliputra, Patna and other private bodies for the existing and Bihta unit.

7. Rights Issue

In April 2009, the Company raised Rs. 571.97 Lacs through rights issue of 57,19,694 equity shares of Rs.10/- each for cash at a price of Rs.20/- each including a premium of Rs.10/- per equity share to the equity shareholders on rights basis in the ratio of 4 equity shares for every 5 equity shares held on record date i.e. 20.03.2009. The issue price for the equity share payable in two instalments: 50% on application & 50% on call within 12 months.

Pursuant to this the Company made first & final call of Rs. 10/- per share (comprising of Rs. 5/- per share towards equity capital and Rs. 5/- per share as premium) on each of 57,19,694 partly paid up equity shares and fixed 26.02.2010 as the record date for the same. On 08.05.2010 the company converted the entire 57,19,694 partly paid up equity shares into fully paid up equity shares of Rs. 10/- each after the first & final call money of Rs. 571.97 Lacs was received.

The net proceeds have been utilized for repayment of unsecured loan and for purchase of long term capital goods for the Bihta unit.

8. Directors

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

9. Directors' Responsibility Statement

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

- a) in preparation of the Annual Accounts, for the year ended 31st March 2010, all the applicable accounting standards prescribed by the ICAI have been followed.
- b) the Directors have adopted such accounting policies and have applied them consistently and have made judgments and estimates in a reasonable and prudent manner so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year.

DIRECTORS' REPORT *(Contd.)*

- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a going concern basis.

10. Auditors

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

11. Depository System

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

12. Public Deposit

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

13. Personnel

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

14. Conservation of Energy

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

15. Social Welfare Activities

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

16. Corporate Governance

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

17. Acknowledgement

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

For and on behalf of the Board

Kolkata, 1st September, 2010

Sanjiv Kumar Choudhary
Managing Director

Aditya Dalmiya
Director

ANNEXURE TO THE DIRECTORS' REPORT

"Annexure - A" to the Directors' Report

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

Particulars	2009-10	2008-09
A) Power & Fuel Consumption		
1. Electricity		
a) Purchased Unit (KWH)	6,97,37,199	1,36,59,000
b) Total Amount (Rs.)	26,83,34,737	6,72,23,685
c) Rate/Unit (Rs.)	3.85	4.92
2. Coal		
a) Qty (Kg.)	43,30,784	17,17,008
b) Total Amount (Rs.)	77,27,081	51,15,495
c) Average Rate (Rs.)	1.78	2.98
3. Coke		
a) Qty (Kg.)	5,41,155	95,500
b) Total Amount (Rs.)	20,20,676	17,16,047
c) Average Rate (Rs.)	3.73	17.97
B) Consumption per unit of Production		
Product		
a) Units (M.T.)		
- M.S. Bars	56504.879	19665.314
- M.S.Billet	48702.300	8887.075
b) Electricity (KWH)	662.86	478.38
c) Coal (Kg.)	41.16	60.14
d) Coke (kg.)	5.14	3.34

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**“Annexure - B” to the Directors' Report
Report on Corporate Governance****1. COMPANY'S PHILOSOPHY**

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

2. BOARD OF DIRECTORS

The strength of Board of Directors is six comprising Mr. Ramautar Jhunjunwala, Chairman, Mr. Sanjiv Kumar Choudhary, Managing Director, Mr. Aditya Dalmiya, Mr. Ashok Agarwal, Mr. Debabrata Banerjee & Mr. Narendra Kumar Jaiswal. Total no. of Board meetings held during the year were 10 and the dates are as follows: 12.05.09, 30.06.09, 28.08.09, 09.09.09, 31.10.09, 26.11.09, 28.11.09, 30.01.10, 11.02.10 & 25.02.10. The details of attendance, directorship and membership are given as per table shown below :

Name	Category	Attendance		Number of other Directorship & Committee Member/Chairman		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Ramautar Jhunjunwala	Non-Executive & Promoter	9	Yes	6	–	–
Mr. Sanjiv Kumar Choudhary	Executive & Promoter	6	Yes	8	–	–
Mr. Aditya Dalmiya	Non-Executive & Promoter	8	No	4	–	–
Mr. Ashok Agarwal	Non-Executive & Independent	8	Yes	–	–	–
Mr. Debabrata Banerjee	Non-Executive & Independent	5	Yes	–	–	–
Mr. Narendra Kumar Jaiswal	Non-Executive & Independent	6	Yes	–	–	–

3. AUDIT COMMITTEE

The Audit Committee consists of Directors (Mr. Ramautar Jhunjunwala, Mr. Debabrata Banerjee, Mr. Ashok Agarwal & Mr. Narendra Kumar Jaiswal) and the Company Secretary as the secretary of the audit committee. The Statutory Auditors, Internal auditors and Heads of Finance, Marketing, Production and Commercial functions are invitees to the meetings. During the financial year ended 31.03.2010 six meetings were held on 29.04.09, 29.06.09, 27.08.09, 08.09.09, 29.10.09 & 29.01.10.

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

Name	Position	Category	Attendance (2009-10)
Mr. Debabrata Banerjee	Chairman	Independent & Non-Executive	6
Mr. Ramautar Jhunjunwala	Member	Non Executive	4
Mr. Ashok Agarwal	Member	Independent & Non-Executive	5
Mr. Narendra Kumar Jaiswal	Member	Independent & Non-Executive	5

4. REMUNERATION COMMITTEE

There is no remuneration committee as there is only one Managing Director, whose terms are approved by members of the Company. He is being paid a remuneration of Rs. 80,000/- p.m. Sitting fees is being paid @ Rs. 1000/- per meeting to all the directors other than the Managing Director.

The total remuneration paid to the Managing Director is as follows :

Salaries, allowances, exgratia etc.	Rs. 960000/-
Perquisites	Rs. 117643/-
TOTAL	Rs. 1077643/-

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**5. INVESTORS / SHAREHOLDERS GRIEVANCE COMMITTEE**

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

During the year under review 16 shareholders complaints were received and all of them were resolved to the satisfaction of the shareholders, hence there were no pending complaints at the year-end.

6. GENERAL BODY MEETINGS

AGM No.	Date	Time	Venue
14th AGM	28.09.2007	2.00 P.M.	307, Ashiana Towers, Exhibition Road, Patna - 800 001
15th AGM	29.09.2008	2.00 P.M.	307, Ashiana Towers, Exhibition Road, Patna - 800 001
16th AGM	30.09.2009	2.00 P.M.	307, Ashiana Towers, Exhibition Road, Patna - 800 001

Number of special resolutions passed in previous 3 AGMs :

AGM No.	No. of Special Resolutions passed
14th AGM	NIL
15th AGM	NIL
16th AGM	NIL

No Resolutions were put through postal ballot during the year 2009-2010 and presently there is no proposal for passing any resolution through postal ballot in the ensuing AGM.

7. DISCLOSURES

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

The proceedings pursuant to the income tax search and seizure in June 2008 is still under process and the Company is extending it's co-operation for it's conclusion as soon as possible.

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

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

8. MEANS OF COMMUNICATION

Quarterly, Half-yearly and Annual results of the Company are published in Business Standard (English) and Business Standard (Hindi). Annual results are sent to each household of shareholders. Management Discussion and Analysis Report forms part of this Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

Next AGM date, time & venue	: September 30, 2010 at 2.00 P.M at 307, Ashiana Towers, Exhibition Road, Patna – 800001
Financial Calendar	: April to March
First Quarter Result	: Mid of August 2010
Second Quarter Result	: Last week of October 2010 / Mid of November 2010
Third Quarter Result	: Last week of January 2011 / Mid of February 2011
Fourth Quarter & Annual Results	: May 2011
Book Closure Date	: 24th September, 10 to 30th September, 10
Dividend Payment Date	: The Board of Directors has not recommended any dividend for the financial year 09-10.

Mr. Ramautar Jhunjunwala, non-executive Director, was the Chairman of Share Transfer Committee, with the Company Secretary as the Compliance Officer.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Listing on Stock Exchanges : Bombay Stock Exchange Ltd.
25th Floor, P. J. Towers
Dalal Street, Mumbai - 400 001
The Magadh Stock Exchange Association (Derecognised by SEBI)
Ashiana Plaza, Patna - 800 001

Notes : The Company has made an application for delisting of Equity Shares from The Magadh Stock Exchanges and follow up is being made with the said Stock Exchange. The Company has paid up to date Annual Listing Fees to Bombay Stock Exchange Ltd.

Stock Code : Bombay Stock Exchange Ltd. – 530945

ISIN Number for NSDL & CDSL : INE437F01015

Dematerialisation of shares : 1,31,09,816 out of 1,34,11,794 equity shares have been dematerialised upto 31.03.2010 representing 97.33% demated shares.

Outstanding convertible instrument : The Company has not issued any convertible instruments during the year.

The manufacturing facilities of the Company are located at Naya Tola, Khagaul Road, Phulwari Sharif, Patna - 801505 & Vill: Mahadevpur, Near Reliance Petrol Pump, Phulari, Bihta, Patna - 801103.

Address for Correspondence : **For Share Transfer to our Share Registrar and Transfer Agents :**
M/s S.K.Computers
34 / 1A, Sudhir Chatterjee Street,
Kolkata - 700006
For General Assistance
307, Ashiana Towers
Exhibition Road, Patna - 800001

MARKET PRICE DATA

Details of trading done on Bombay Stock Exchange Ltd. from April,09 to March,10 is given below :

Month	High (Rs.)	Low (Rs.)	Volume	BSE Sensex	
				High	Low
APRIL'09	15.50	10.60	324596	11492.10	9546.29
MAY'09	19.10	12.49	578708	14930.54	11621.30
JUNE'09	20.10	16.70	490929	15600.30	14016.95
JULY'09	23.30	16.35	571297	15732.81	13219.99
AUG'09	26.90	18.15	1651506	16002.46	14684.45
SEPT'09	27.70	23.80	642162	17142.52	15356.72
OCT'09	30.20	25.00	382977	17457.26	15805.20
NOV'09	36.45	28.55	1191428	17290.48	15330.56
DEC'09	47.25	35.50	2867395	17530.94	16577.78
JAN'10	40.00	35.65	817584	17790.33	15982.08
FEB'10	40.00	35.00	428270	16669.25	15651.99
MAR'10	52.20	37.70	2960001	17793.01	16438.45

Shareholding Pattern (As on 31.03.2010)

Category	No.of equity Shares	% of shareholding
Promoters	6216530	46.35
Private Corporate Bodies	2999214	22.36
Indian Public	4189713	31.24
NRI/OCB	6337	00.05
Total	13411794	100.00

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**Distribution of Shareholding (As on 31.03.2010)**

No. of equity Shares held		No. of Folios	% to total	No. of shares	% to total
UPTO	500	1588	71.40	310498	2.32
501 to	1000	227	10.21	199762	1.48
1001 to	2000	98	4.41	159287	1.19
2001 to	3000	51	2.29	132738	0.99
3001 to	4000	20	0.90	71822	0.54
4001 to	5000	36	1.62	171288	1.28
5001 to	10000	76	3.42	601905	4.49
10001 to	50000	79	3.55	1917007	14.29
50001 to	100000	23	1.03	1635288	12.19
100001 and	above	26	1.17	8212199	61.23
Grand Total		2224	100.00	13411794	100.00

For and on behalf of the Board

Kolkata, 1st September, 2010

Sanjiv Kumar Choudhary
Managing Director

Aditya Dalmiya
Director

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

"Annexure - C" to the Directors' Report
Auditors' Certificate on Corporate Governance

To the Members,
Gangotri Iron & Steel Company Limited

We have examined the compliance of conditions of Corporate Governance by Gangotri Iron and Steel Company Limited for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 315082E
CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Date : 1st September, 2010

DECLARATION UNDER CLAUSE 49

All the Board Members and Senior Management have affirmed compliance to the 'Code of Conduct' for the financial year 2009-10.

Place : Kolkata
Date : 1st September, 2010

Sanjiv Kumar Choudhary
Managing Director & CEO

AUDITORS' REPORT

The Members

Gangotri Iron & Steel Company Limited

1. We have audited the attached Balance Sheet of GANGOTRI IRON AND STEEL COMPANY LIMITED ("the Company"), as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We 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 from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the Act) and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a Statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the directors of the Company, as on 31st March, 2010 and taken on record by the Board of Directors of the Company, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - f) 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 gives 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, 2010;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 315082E
CA. Ravindra Khandelwal
Partner
Membership No. 054615

Kolkata
Date : 1st September 2010

AUDITORS' REPORT (Contd.)

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of **GANGOTRI IRON AND STEEL COMPANY LIMITED** on the financial statements for the year ended March 31, 2010.

1. a) The company is in the process of updating the fixed assets register.
b) The fixed assets have been physically verified by the management during the year, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
c) Since there is no disposal of substantial part of fixed assets during the year, paragraph 4(i) (c) of the Companies (Auditor's Report) Order, 2003 is not applicable.
2. a) The management has conducted the physical verification of inventory at reasonable intervals during the year. As informed, no material discrepancies were noticed on such physical verification.
b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
c) The Company has maintained proper record of its inventories and no discrepancies were noticed on physical verification.
3. a) According to the information and explanation given to us & in our opinion the company has not granted any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies' Act, 1956. Accordingly clauses 4(iii) (b) to 4(iii) (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
b) According to the information and explanation given to us & in our opinion the company has taken interest free loans from two companies and one other party covered in the register maintained under section 301 of the Companies' Act, 1956. The maximum amount outstanding during the year was Rs 7.04 crores and the year end balance of loans taken by the company was Rs 5.97 crores.
c) In our opinion and according to the information given to us, as the loans taken are interest free, the clause 4(iii) (f) of the Companies (Auditor's Report) Order, 2003 is not applicable. However other terms and conditions on which loans have been taken are not, in our opinion, prima facie, prejudicial to the interest of the company.
d) The company is regular in paying the principal amounts as stipulated.
4. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register in pursuance Section 301 of Act, have been so entered in the register maintained as per requirement of that Section.
b) In our opinion and according to the information and explanations given to us, each of these transactions have been made in pursuance of such contracts or arrangements at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.
7. In our opinion, the company has an internal audit system during the year under review, which needs to be strengthened for being commensurate with the size and nature of its business.
8. The provisions of the Companies Act for maintenance of cost records under Section 209(1) (d) are not applicable to the company.
9. a) According to the information and explanations given to us and the books and records examined by us, the company is generally regular in depositing with the appropriate authorities the undisputed statutory dues relating to provident fund, employees state insurance, investor education and protection fund, income tax, wealth tax, service tax, customs duty, excise duty, cess and statutory dues with the appropriate authorities though there has been delay in few cases. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in position to comment upon the regularity or otherwise of the Company in depositing the same.

AUDITORS' REPORT (Contd.)

- b) According to the information and explanations given to us and the books and records examined by us, there are no undisputed amount payable, in respect of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess outstanding as at 31st March, 2010 for a period exceeding 6 months from the date they become payable except the followings.

Nature of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount related	Due Date	Date of Payment
Central Excise Act, 1944	Excise Duty	3,23,366/-	2006-2007	N.A.	Unpaid
Employees Provident Fund Act, 1952	Provident Fund	1,62,502/- 1,34,012/-	July 2009 August 2009	20/08/2009 20/09/2009	Unpaid Unpaid
Central Sales Tax, 1956	Sales Tax	53,399/-	May to September 2009	21st of subsequent month	Unpaid
Bihar Entry Tax Act 1993	Entry Tax	34,01,689/-	April to September 2009	21st of subsequent month	Paid 27.08.2010

- c) As at 31st March 2010 according to the records of the Company, the following are the particulars of the disputed dues on account of Excise duty :

Nature of Statute	Nature of Dues	Amount (Rs)	Period to which the amount related	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	14,43,471/-	1998-2001	High Court, Patna

10. The Company has no accumulated losses as at 31st March, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institution or bank. The company does not have any debentures outstanding as on 31st March 2010.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of special nature applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. According to the information and explanation given to us, and an 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.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investments.
18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. In our opinion, the price at which shares have been issued is not prejudicial to the interest of the company.
19. The Company has not issued any Debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given by the management to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For ARSK & ASSOCIATES
Chartered Accountants
 Firm's Registration No. 315082E
CA. Ravindra Khandelwal
Partner
 Membership No. 054615

Kolkata
 Date : 1st September 2010

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS			
Shareholder's Fund			
Capital	1	105,519,470	76,921,000
Reserves & Surplus	2	151,128,444	104,887,422
Loan Funds			
Secured Loans	3	754,058,008	578,109,989
Unsecured Loans	4	109,391,889	113,038,217
Deferred Tax Liability		<u>21,837,907</u>	<u>11,716,067</u>
		1,141,935,719	884,672,695
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	585,345,956	570,840,443
Less : Depreciation/Amortization		<u>65,366,560</u>	<u>30,369,334</u>
Net Block		519,979,396	540,471,110
Investments			
	6	199,570	217,480
Current Assets, Loans & Advances			
- Inventories	7	502,614,360	217,693,893
- Sundry Debtors	8	268,903,335	115,317,359
- Cash & Bank Balances	9	9,884,126	14,946,362
- Other Current Assets	10	2,098,960	1,371,784
Loans & Advances	11	<u>79,580,411</u>	<u>102,499,851</u>
		863,081,192	451,829,249
Less : Current Liabilities & Provisions			
Liabilities	12	232,602,047	107,001,281
Provisions	13	<u>8,722,393</u>	<u>2,514,262</u>
		<u>241,324,440</u>	<u>109,515,543</u>
Net Current Assets		<u>621,756,752</u>	<u>342,313,707</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)		<u>-</u>	<u>1,670,399</u>
		1,141,935,719	884,672,695
Significant Accounting Policies and Notes on Accounts	19		
Balance Sheet Abstract & Company Profile	20		

The Schedules referred to above form an integral part of Balance Sheet

As per our report of even date attached

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 315082E
CA. Ravindra Khandelwal
Partner
Membership No. 054615
Place : Kolkata
Date : 1st September, 2010

Priti Somani
Company Secretary

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary
Managing Director

Aditya Dalmiya
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule No.	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME			
Sales and other Income	14	1,933,887,510	584,802,442
Less : Excise Duty		159,478,187	67,016,113
Less : Sales Tax		65,811,614	21,045,717
		<u>1,708,597,709</u>	<u>496,740,612</u>
EXPENDITURE			
Cost of goods sold	15	1,186,587,884	388,192,084
Personnel expenses	16	22,919,471	5,590,087
Manufacturing, administrative selling and distribution expenses	17	345,559,397	61,972,537
Interest and finance charges	18	82,562,672	13,958,259
Depreciation/amortization		35,086,183	8,063,048
Diminution in value of investments		39,410	971,120
		<u>1,672,755,018</u>	<u>478,747,135</u>
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		35,842,691	17,993,477
Exceptional Items		43,573	216,380
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS		<u>35,886,264</u>	<u>18,209,857</u>
Provision for tax :			
Income tax			
- Current tax		6,098,870	2,148,690
- Deferred tax		10,121,840	5,439,691
- Fringe benefit tax		-	186,224
		<u>19,665,554</u>	<u>10,435,251</u>
PROFIT AFTER TAX		19,665,554	10,435,251
Balance brought forward from previous year		39,815,172	29,379,921
Amount available for appropriation		<u>59,480,726</u>	<u>39,815,172</u>
Balance carried to balance sheet		<u>59,480,726</u>	<u>39,815,172</u>
Number of equity shares outstanding during the year of Rs. 10/- each		13,038,293	7,692,100
Basic and diluted earnings per share :		1.51	1.36
Significant Accounting Policies and Notes on Accounts	19		
Balance Sheet Abstract & Company Profile	20		

The Schedules referred to above form an integral part of Profit and Loss Account.

As per our report of even date attached

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 315082E
CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Date : 1st September, 2010

Priti Somani
Company Secretary

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary
Managing Director

Aditya Dalmiya
Director

Cash Flow Statement for the year ended 31st March, 2010

	For the year ended 31.03.2010	For the year ended 31.03.2009
A. Cash flows from operating activities		
Profit before taxation and after exceptional items	35,886,264	18,209,857
Adjustments for :		
Depreciation/Amortization	35,086,183	8,063,048
Dividend Income	–	(2,200)
Interest Income	(486,936)	(509,912)
Interest Paid	82,562,672	13,958,259
Profit/Loss on sale of fixed assets (net)	17,543	–
Provision for dimunition in the value of investments	39,410	971,120
Sundry balances written off	(19,996)	–
Operating profit before working capital changes	153,085,140	40,690,172
Adjustments for :		
(Increase) / Decrease in trade receivables	(153,585,976)	(76,343,727)
(Increase) / Decrease in inventories	(284,920,467)	(192,381,473)
(Increase) / Decrease in loans and advances	22,192,262	20,078,587
Increase / (Decrease) in trade and other payables	125,710,027	93,709,663
Cash generated from Operations	(137,519,016)	(114,246,778)
Direct taxes paid	–	(2,334,914)
Net cash from operating activities	(137,519,016)	(116,581,692)
B. Cash flows from investing activities		
Purchase / sale of fixed assets	(14,717,013)	(228,778,225)
Purchase / sale of investments	(21,500)	–
Interest received	486,936	509,912
Dividend received	–	2,200
Net cash (used in) / from investing activities	(14,251,577)	(228,266,113)
C. Cash flows from financing activities		
Proceeds from issue of equity capital	28,598,470	–
Securities premium received	28,598,470	–
Share issue expenses	(352,603)	(789,163)
Proceeds from long term loan	(46,157,733)	75,552,798
Proceeds from bank borrowings	222,105,752	194,229,802
Interest paid	(82,562,672)	(13,958,259)
Increase/(decrease) in unsecured loans	(3,646,328)	96,938,217
Net cash (used in) / from financing activities	146,583,356	351,973,395
Net increase in cash and cash equivalents	(5,187,236)	7,125,590
Cash and cash equivalents at the beginning of the year	9,488,229	2,362,640
Cash and cash equivalents at the end of the year	4,300,993	9,488,229

Notes :

- Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under Schedule 9 of the accounts.
- The above cash flow statement has been prepared under the indirect method as set out in accounting Standard 3 on "Cash Flow Statement".

As per our attached report of even date

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 315082E
CA. Ravindra Khandelwal
Partner
Membership No. 054615
Place : Kolkata
Date : 1st September, 2010

Priti Somani
Company Secretary

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary
Managing Director

Aditya Dalmiya
Director

Schedules forming part of the Balance Sheet

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,00,00,000 Equity shares of Rs.10/- each	<u>200,000,000</u>	<u>200,000,000</u>
Issued and subscribed		
1,34,11,794 (76,92,100) Equity shares of Rs.10/- each	<u>134,117,940</u>	<u>76,921,000</u>
Paid-up		
1,34,11,794 (76,92,100) Equity shares of Rs. 10/- each	134,117,940	76,921,000
Less : Calls in arrears	<u>28,598,470</u>	-
	<u>105,519,470</u>	<u>76,921,000</u>
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital reserve		
Balance as per last balance sheet	19,509,750	19,509,750
Securities premium account		
Balance as per last balance sheet	45,562,500	45,562,500
Add : Received/Receivable during the year	57,196,940	-
Less : Issue expenses adjusted	<u>2,023,002</u>	-
	100,736,438	45,562,500
Less : Calls in arrears	<u>28,598,470</u>	-
	72,137,968	45,562,500
Profit and loss account		
Surplus as per profit and loss account	<u>59,480,726</u>	<u>39,815,172</u>
	<u>151,128,444</u>	<u>104,887,422</u>
SCHEDULE 3		
SECURED LOANS		
Term loans		
From the scheduled bank	285,033,439	331,794,187
From the Bodies Corporate	455,290	-
Working capital facilities from the scheduled banks	467,774,651	245,668,899
Loans against vehicles from bank	<u>794,628</u>	<u>646,903</u>
	<u>754,058,008</u>	<u>578,109,989</u>
SCHEDULE 4		
UNSECURED LOANS		
From the bodies corporate	109,391,889	111,038,217
From directors	-	2,000,000
	<u>109,391,889</u>	<u>113,038,217</u>

Schedule forming part of the Balance Sheet

Particulars	SCHEDULE 5 FIXED ASSETS (Amount in Rs.)									
	GROSS BLOCK			DEPRECIATION/AMORTISATION			NET BLOCK			
	As at 31.03.2009	Additions	Deducti ons/adju stments	As at 31.03.2010	Upto 31.03.2009	For the Year	Deduc tions/adju stments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Intangible assets										
Computer software	39,000	18,000	-	57,000	4,003	11,321	-	15,324	41,676	34,997
Tangible assets										
Land-freehold	25,478,855	92,000	-	25,570,855	-	-	-	-	25,570,855	25,478,855
Land-leasehold	166,891	-	-	166,891	120,163	6,676	-	126,839	40,052	46,728
Buildings	106,480,404	510,693	-	106,991,097	3,166,459	3,538,008	-	6,704,467	100,286,630	103,313,945
Plant & machinery	431,341,646	10,673,992	-	442,015,638	24,448,430	30,807,596	-	55,256,26	386,759,612	406,893,216
Furniture & Fixtures	991,830	-	-	991,830	446,293	62,783	-	509,076	482,754	545,537
Office & Other equipments	2,292,457	41,126	-	2,333,583	677,506	109,018	-	786,524	1,547,060	1,614,952
Computer	1,002,518	154,578	-	1,157,096	326,871	178,584	-	505,455	651,641	675,647
Vehicles	3,046,842	3,226,624	211,500	6,061,966	1,179,610	372,197	88,957	1,462,850	4,599,116	1,867,232
Total	570,840,443	14,717,013	211,500	585,345,956	30,369,334	35,086,183	88,957	65,366,560	519,979,396	540,471,110
Previous year	86,698,806	484,141,638	-	570,840,443	22,088,175	8,281,158	-	30,369,334	540,471,110	

Schedules forming part of the Balance Sheet

	As at 31.03.2010		As at 31.03.2009	
		Rs.		Rs.
SCHEDULE 6				
INVESTMENTS				
Long-term investments (quoted-non-trade-at cost)				
(i) In equity shares				
(Face Value Rs. 10 unless otherwise stated)				
Name of the company	Qty		Qty	
Filmcity Media Limited (F.V. Re 1/-)	50000	165,998	50000	165,998
Pentium Infotech Limited (F.V. Re 1/-)	75000	233,990	75000	233,990
Singer India Limited	1000	280,095	1000	280,095
LGS Global Limited	1000	58,841	1000	58,841
Crane Software Limited (F.V. Rs 2/-)	1000	132,309	1000	132,309
Sujana Metals Limited	5000	227,200	5000	227,200
SPEL Semiconductor Limited	3000	90,167	3000	90,167
Tapindu Urban Co-operative Bank	2150	21,500	-	-
		<u>1,210,100</u>		<u>1,188,600</u>
Less : Diminution in value of investments		<u>1,010,530</u>		<u>971,120</u>
		<u>199,570</u>		<u>217,480</u>
Aggregate market value of quoted investments		199,570		217,480
SCHEDULE 7				
INVENTORIES				
(As valued and certified by the management)				
Stores, spares and packing materials		26,531,320		17,814,651
Stock-in-trade				
Raw materials and components		160,098,168		77,404,855
Finished goods		315,984,872		111,281,077
Trading goods		-		11,193,309
		<u>502,614,360</u>		<u>217,693,893</u>
SCHEDULE 8				
SUNDRY DEBTORS				
(Unsecured, considered good)				
Debts outstanding for a period exceeding six months		4,009,393		7,868,337
Other debts		<u>264,893,942</u>		<u>107,449,022</u>
		<u>268,903,335</u>		<u>115,317,359</u>
SCHEDULE 9				
CASH AND BANK BALANCES				
Cash-in-hand (as certified by the management)		1,316,607		5,201,938
Cheques in hand including remittances in transit		-		2,971,341
Bank balances with scheduled banks				
- In current accounts		2,984,386		1,314,950
- In deposit accounts		5,583,133		5,458,133
		<u>9,884,126</u>		<u>14,946,362</u>
SCHEDULE 10				
OTHER CURRENT ASSETS				
Interest accrued on bank deposits		1,225,063		763,093
Claims and other receivables		873,897		608,691
		<u>2,098,960</u>		<u>1,371,784</u>

Schedules forming part of the Balance Sheet

	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SCHEDULE 11		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Loans	2,464,914	2,464,914
Advances recoverable in cash or in kind or for value to be received	30,389,209	65,526,306
Other deposits	5,001,102	5,001,102
Balances with government authorities	41,725,186	29,507,529
	<u>79,580,411</u>	<u>102,499,851</u>
SCHEDULE 12		
LIABILITIES		
Sundry creditors	84,207,995	34,903,617
Advances from customers	52,773,707	18,683,951
Other liabilities	95,620,345	53,413,714
	<u>232,602,047</u>	<u>107,001,282</u>
SCHEDULE 13		
PROVISIONS		
For employee benefits	474,833	536,294
For income tax	8,247,560	1,895,541
For fringe benefit tax (net of advance tax)	-	82,427
	<u>8,722,393</u>	<u>2,514,262</u>
Schedules forming part of the Profit and Loss Account		
	For the year ended March 31, 2010	For the year ended March 31, 2009
SCHEDULE 14		
SALES AND OTHER INCOME		
Sale of finished goods (net of returns)	1,819,815,855	552,228,892
Scrap sales	14,809,088	13,571,766
Commission	98,530,103	-
[Tax deducted at source Rs. 1,10,85,126 (Rs. Nil)]		
Interest Income on :		
a) Fixed deposits with banks	486,936	509,912
b) Security deposit	-	100,828
[Tax deducted at source Rs.42,545/- (Rs 110,726/-)]		
Insurance and other claims received	-	327,438
Profit from commodity & derivative trading	-	15,240,271
Government subsidy	-	2,820,035
Dividends received	17,466	2,200
Miscellaneous income	228,063	1,100
	<u>1,933,887,510</u>	<u>584,802,442</u>
SCHEDULE 15		
COST OF GOODS SOLD		
Opening Stock :		
Semi - finished goods	5,143,631	443,672
Finished / trading goods	111,281,077	22,205,989
Add : Consumption of raw and packing materials	1,401,504,244	481,967,131
Less : Closing Stock :		
Semi - finished goods	15,356,195	5,143,631
Finished / trading goods	315,984,872	111,281,077
	<u>1,186,587,884</u>	<u>388,192,084</u>

Schedules forming part of the Profit & Loss Account

	For the year ended March 31, 2010	For the year ended March 31, 2009
SCHEDULE 16		
PERSONNEL EXPENSES		
Salaries, wages, bonus and gratuity	20,677,790	4,802,365
Contribution to provident and other funds	1,488,925	436,110
Workmen and staff welfare expenses	752,756	351,612
	<u>22,919,471</u>	<u>5,590,087</u>
SCHEDULE 17		
MANUFACTURING, ADMINISTRATIVE SELLING AND DISTRIBUTION EXPENSES		
Advertisement	2,969,387	3,770,453
Auditor's remuneration	158,000	120,500
Bank charges	1,326,111	350,963
Commission on sales	193,895	-
Consumption of stores and spares	52,145,933	6,177,318
Directors' remuneration	1,077,643	1,030,508
Directors' sitting fees	36,000	45,000
Filing fee	3,500	2,000
Insurance	553,609	202,710
Legal and professional charges	1,491,352	465,516
Loss on sale of fixed assets	17,543	-
Postage, telegram and telephone	934,617	687,843
Power and fuel	278,347,050	45,490,701
Printing and stationery	280,302	178,080
Rates and taxes	299,069	82,391
Rent and hire charges	1,166,336	1,061,612
Repairs and maintenance :		
- Plant and machinery	610,951	281,864
- Others	931,042	652,350
Sales promotion expenses	689,458	179,178
Travelling and conveyance	643,023	335,792
Miscellaneous expenses	1,684,577	857,756
	<u>345,559,397</u>	<u>61,972,537</u>
SCHEDULE 18		
FINANCIAL EXPENSES		
Interest on		
- Term loans to banks	35,683,851	31,901,980
- Working capital limits to bank	46,642,275	9,662,249
Finance charges to bank	236,546	10,486
Less :		
Interest capitalised	-	27,616,456
	<u>82,562,672</u>	<u>13,958,259</u>

Schedules forming part of the Accounts

SCHEDULE - 19

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A Significant Accounting Policies

a. Basis of preparation of accounts

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies applied by the Company are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Fixed assets

i) Tangible assets

Fixed assets are stated at cost of acquisition inclusive of duties (net of CENVAT and other credits, wherever applicable), taxes, incidental expenses, erection / commissioning expenses and borrowing costs etc. up to the date the assets are ready for their intended use.

Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalised and depreciated over the residual life of the respective assets.

Expenditure directly relating to construction activity are capitalised. Indirect expenditure incurred during construction period are capitalised as part of the indirect construction cost to the extent to which the expenditure are indirectly related to construction or are incidental thereto. Expenditure incurred on new projects under implementation are carried forward as pre-operative expenditure to be allocated appropriately to Fixed Assets on completion of the projects.

Fixed assets retired from active use are valued at net realisable value.

ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Computer software is amortised on a straight line basis over a period of five years.

d. Depreciation

Depreciation on Fixed Assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at rates determined based on the useful life of the assets, whichever is higher.

e. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, but provision for diminution in value is made to recognise a decline other than temporary in the value of such investments.

f. Inventories

Description	Basis of Valuation
i) Coal	At cost or realisable value whichever is less
ii) Stores & spare parts	At cost or realisable value whichever is less
iii) Raw materials	At cost or realisable value whichever is less
iv) Finished goods	At cost or market price whichever is less
v) Scrap	At estimated realisable value

The value of the opening stock and closing stock of finished goods includes excise duty as per Guidance Note "Accounting Treatment of Excise Duty" issued by the Institute of Chartered Accountants of India.

g. Revenue recognition

Revenue (income) is recognised when no significant uncertainty as to determination/realisation exists.

i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Schedules forming part of the Accounts

ii) Insurance and other claims / refunds

Revenue, due to uncertainty in realisation, are accounted for on acceptance / actual receipt basis.

iii) Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

iv) Dividends

Dividend is recognised when the shareholders' right to receive payment is established by the balance sheet date.

h. Retirement and other employee benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are accrued. There are no obligations other than the contribution payable to the respective trusts.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

i. Borrowing costs

Borrowing costs relating to the acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

j. Taxation

Tax expense comprises of current tax and deferred tax.

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 on a prudent basis for 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 asset is recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such asset can be realised against future taxable income. Unrecognised deferred tax asset of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

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

l. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

m. Contingent liabilities

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.

n. Provisions

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance date and adjusted to reflect the current best estimates.

Schedules forming part of the Accounts

B. NOTES TO ACCOUNTS

	As at 31.03.2010	As at 31.03.2009
	Rs.	Rs.
1. Contingent liabilities not provided for in respect of :		
a) The company has contested and lodged claims against Bihar State Electricity Board (BSEB) excess bills and charges. No provision has been made in the accounts.	7,919,656	7,919,656
b) Disputed Excise Duty matters u/s 3A of Central Excise Act, 1944 pending with High Court, Patna related to year 1998-99, 1999-2000 wherein provision has not been made by the Company.	1,443,471	1,443,471
However, there is an apparent discrepancy as per the Commissioner's Order according to which the liability works out Rs 37,40,926/- which the company is in the process of getting rectified.		
c) No provision has been made in the accounts towards CENVAT credit wrongly availed during the year 2004-2005 by the Company as per the Excise department on the strength of fake / fraudulent invoices by different parties.	298,412	298,412
2. As per information available with the Company there are no amounts payable or paid during the period which are required to be disclosed as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.		
3. Balances of some of the Sundry debtors, Sundry creditors, Lenders, Loans and advances, incorporated in the books as per balances appearing in the relevant subsidiary records, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management however is of the view that there will be no material discrepancies in this regard.		
4. Secured loans		
a. Term loan & cash credit limit is secured by hypothecation of inventory, stock in trade/transit, book debts, fixed deposits of Rs 68.08 lakhs and mortgage of land & building and entire fixed assets at the factory premises of the company along with the personal guarantee of four directors of the company and three other persons including relatives of directors.		
b. Term loans (vehicle loans) from banks are secured by hypothecation of respective vehicles.		
5. Directors' remuneration	(Amount in Rs.)	
		For the year ended March 31
		2010 2009
a. Managerial remuneration under Section 198 of the Companies Act, 1956 : (Paid to Managing Director and Whole Time Director)		
i. Salaries, allowances, exgratia, etc.	960,000	960,000
ii. Perquisites	117,643	70,508
TOTAL	1,077,643	1,030,508

Notes :

The above remuneration excludes monetary value of non cash perquisites as per Income-tax Act, 1956

Schedules forming part of the Accounts

b. Computation of Net Profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956	Rs.	Rs.
i. Profit before Tax	35,842,691	18,209,857
ii. Addition as per Section 349		
Depreciation as per accounts	35,086,183	8,063,048
Managerial remuneration	1,077,643	1,030,508
iii. Deduction as per Section 349		
Depreciation as per Sec. 350 of the Companies Act, 1956	35,086,183	8,063,048
iv. Net Profit as computed U/s 349 of the Companies Act, 1956	36,920,334	19,240,365
v. Maximum remuneration payable to a managing director @ 11% of net profit as computed above	4,061,237	2,116,440
vi. Managerial remuneration restricted to	1,077,643	1,030,508
6. Payment to auditors		
a. As auditors		
- statutory audit	125,000	60,000
- tax audit	25,000	10,000
- half yearly review	8,000	7,500
b. As advisor in respect of income tax matters	–	25,000
c. In other manner		
- certifications	9,000	18,000
Total	167,000	120,500

Service tax, being claimed for set-off as input credit, has not been included in the above expenditure.

7. Deferred Tax Liability

Movement of Provision for Deferred Tax for the year ended 31.03.2010 is as given below :

Particulars	As at 01.04.2009	(Charges) Credit for the year	As at 31.03.2010
Timing Difference on account of :			
Deferred Tax (Liabilities)			
a. Depreciation on assets	30,152,474	10,388,224	40,540,698
b. Disallowances u/s 40(a)(ia)	(34,330)	68,660	34,330
c. Bonus & Leave encashment paid during the year	–	86,247	86,247
(A)	30,118,144	10,543,131	40,661,275
Deferred Tax (Assets)			
a. Provision for gratuity, bonus and leave encashment	119,924	(81,177)	38,747
b. Carried forward losses	18,282,153	–	18,282,153
c. Employer's contribution to ESIC and PF	–	502,468	502,468
(B)	18,402,077	421,291	18,823,368
Net (A-B)	11,716,067	10,121,840	21,837,907

8. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

Schedules forming part of the Accounts

a. Licensed capacity, Installed capacity and actual production

Particulars of goods	Unit	For the year ended March 31			
		2010		2009	
		Installed capacity	Actual production	Installed capacity	Actual production
i. M.S.Bars	MT	145,000	56,505	145,000	19,665
ii. M.S.Billet	MT	108,900	48,702	108,900	8,887
iii. Oxygen Gas	M ³	540,000	59,625	540,000	N.A.

Notes :

- Licensed capacity is not applicable in terms of the Government of India Notification No. 477(E) dated 25th July, 1991.
- Installed capacity, being technical matter, is as certified by the management.

b. Sales (Net)

Particulars of goods	Unit	For the year ended March 31			
		2010		2009	
		Quantity	Value (Rs)	Quantity	Value (Rs)
i. M.S. Bars	MT	50,704	1,449,307,302	18,593	546,633,305
ii MS Billet	MT	5,678	133,411,808	4,225	97,960,215
iii Waste & Scrap	MT	1,132	14,809,099	890	13,571,766

Notes :

- Quantity includes free quantity issued under various sales schemes to customers.
- Value is net of discount ,claims and rebates but includes excise duty and sales tax.
- It also includes the sales during test run details of which are given below.

c. Sales (during test run)

Particulars of goods	Unit	For the year ended March 31			
		2010		2009	
		Quantity	Value (Rs)	Quantity	Value (Rs)
i. M.S. Bars	MT	–	–	630	17,693,458
ii. MS Billet	MT	–	–	3,264	74,671,170

d. Consumption of raw and packing materials

Particulars of goods	Unit	For the year ended March 31			
		2010		2009	
		Quantity	Value (Rs)	Quantity	Value (Rs)
i. Non alloy ingot	MT	19,740	393,920,907	19,145	383,833,700
ii. MS Billet*	MT	42,058	N.A.	2,221	N.A.
iii. Ferro Alloys	MT	675	33,135,911	132	5,595,148
iv. Pig Iron	MT	6,065	96,817,973	1,960	35,201,689
v. Sponge Iron	MT	4,988	617,079,094	8,519	121,435,691
vi. Packing Material	Rs	–	122,432	–	619,223

Schedules forming part of the Accounts

Notes :

- i. It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.
 - ii. * Value of consumption of MS Billet has not been provided as this is out of captive production.
 - iii. It also includes the raw material consumption during test run details of which are given below.
- e. Consumption of raw and packing materials (during test run)

Particulars of goods	Unit	For the year ended March 31			
		2010		2009	
		Quantity	Value (Rs)	Quantity	Value (Rs)
i. MS Billet	MT	–	–	724	17,282,392
ii. Ferro Alloys	MT	–	–	88	3,717,714
iii. Pig Iron	MT	–	–	1,671	35,392,085
iv. Sponge Iron	MT	–	–	5,014	68,373,870

- f. Imported and indigenous raw materials, components and spare parts consumed

Particulars of goods	For the year ended March 31			
	2010		2009	
	%	Value (Rs)	%	Value (Rs)
i. Raw materials - Indigenous	100%	1,140,953,885	100%	546,066,228
ii. Stores & spares - Indigenous	100%	851,372	100%	10,385,025

- g. Details of stock of finished goods

Particulars of goods	Unit	For the year ended March 31			
		2010		2009	
		Quantity	Value (Rs)	Quantity	Value (Rs)
i. M.S.Bars	MT	7,884	226,889,991	2,084	53,931,806
ii. M.S.Billets	MT	3,408	89,094,881	2,442	57,349,271
iii. Waste & Scrap	MT	870	15,356,155	322	5,143,631

Notes :

Quantity is net of damages.

9. Investments purchased and sold during the year

Particulars of goods	For the year ended March 31			
	2010		2009	
	Nos	Value (Rs)	Nos	Value (Rs)
i. Shares & Securities Purchased				
Tapindu Urban Co-operative Bank	2,150	21,500	–	–
Total	2,150	21,500	–	–

Schedules forming part of the Accounts

10. Earning per share (EPS)

	Rs.	
	For the year ended March 31	
	2010	2009
a. Profit after Tax	19,665,554	10,435,251
b. Weighted average number of equity shares outstanding during the year (Nos.)	13,038,293	7,692,100
c. Nominal value of equity per share	10	10
d. Basic & diluted earning per share (EPS)	1.51	1.36

11. Disclosures of related party transactions :

a. List of related parties with whom the Company has transacted during the year

i. Key Management Personnel

a. Mr. Sanjiv Kumar Choudhary Managing Director

ii. Relatives of Key Management Personnel

a. Smt Manju Choudhary (wife of Mr. Sanjiv Kumar Choudhary)

iii. Enterprise owned or significantly influenced by Key Management Personnel and their relatives

- a. VIP Finstock Private Limited
- b. Gangotri Electrocastings Limited
- c. Ganga Carriers Private Limited

b. i. Transactions with related Parties during the year and year end outstanding balances thereof, are as follows :

Name of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Enterprise Owned or significantly influenced by Key Management Personnel and their relatives	Total
i. Loans received	570,000 (2,000,000)	- (-)	10,500,000 (64,350,000)	11,070,000 (66,350,000)
ii. Loans repaid	470,000 (-)	- (-)	44,500,000 (-)	44,970,000 (-)
ii. Managerial remuneration paid	1,077,643 (1,077,643)	- (-)	- (-)	1,077,643 (1,077,643)
iii. Car hire charges	- (-)	252,000 (252,000)	- (-)	(252,000) (252,000)
iv. Sales	- (-)	- (-)	251,797,188 (22,373,582)	251,797,188 (22,373,582)
v. Purchase of raw materials	- (-)	- (-)	459,495,091 (452,274,818)	459,495,091 (452,274,818)

Schedules forming part of the Accounts

b. ii. Year end outstanding balances with related Parties, are as follows :

Name of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Enterprise Owned or significantly influenced by Key Management Personnel and their relatives	Total
i. Loans received	500,000 (-)	- (-)	60,850,000 (66,350,000)	61,350,000 (66,350,000)
ii. Loans repaid	470,000 (-)	- (-)	59,250,000 (-)	59,72,000 (-)
ii. Managerial remuneration paid	294,755 (190,560)	- (-)	- (-)	294,755 (190,560)
iii. Car hire charges	- (-)	23,862 (66,275)	- (-)	23,862 (66,275)
iv. Sales	- (-)	- (-)	46,100,739 (-)	46,100,739 (-)
v. Purchase of raw materials	- (-)	- (-)	9,000,000 (18,625,906)	9,000,000 (18,625,906)

Note :

The above transactions do not include reimbursement of expenses made / received during the year.

Previous year figures are given in the brackets

12. In accordance with the requirements of Accounting Standard (AS 17) on Segment Reporting issued by the Institute of Chartered Accountants of India, the Company operates in only one primary segment, i.e. M.S.Bar. There are no reportable geographical segment.

13. Gratuity and post-employment benefits plans

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

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

a. Expenses recognised in the statement of profit and loss account for the year ended 31st March 2010.

(Rs. '000)

	For the year ended March 31	
	2010	2009
Current service cost	85.14	74.81
Interest cost on benefit obligation	34.54	27.61
Net actuarial(gain) / loss recognised during the period	20.82	(3.34)
Total expenses	140.50	99.08

Schedules forming part of the Accounts

b. Net assets / (liability) recognised in the balance sheet as at 31st March 2010 (Rs. '000)

	For the year ended March 31	
	2010	2009
Present value of defined benefits obligation	410.97	431.79
Fair value of plan assets	-	-
Net liability	410.97	431.79

c. Change in obligations during the year ended 31st March 2010 (Rs. '000)

	For the year ended March 31	
	2010	2009
Present value of defined obligation at the beginning of the period	431.79	332.71
Current service cost	85.14	74.81
Interest cost	34.54	27.61
Actuarial (gains)/losses	20.82	(3.34)
Present value of defined benefits obligation at the end of the period	572.29	431.79

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

	For the year ended March 31	
	2010	2009
Discount rate	8.00%	8.00%
Rate of increase in salaries	5.00%	5.00%
Expected Average remaining working lives of employees (years)	19.64	19.64

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

14. Previous year's figures have been regrouped, rearranged and reclassified wherever necessary to make them comparable with the current year figures.

15. The figures are rounded off to the nearest Rupee.

As per our report of even date attached

For **ARSK & ASSOCIATES**
Chartered Accountants
Firm's Registration No. 315082E
CA. Ravindra Khandelwal
Partner
Membership No. 054615

Place : Kolkata
Date : 1st September, 2010

Priti Somani
Company Secretary

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary
Managing Director

Aditya Dalmiya
Director

Schedules to the Financial Statement

Additional information under part IV of the schedule VI to the Companies Act, 1956

SCHEDULE 20

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. : L27101BR1992PLC005129

Balance Sheet Date : 31.03.2010 State Code : 03

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

Public Issue : NIL Right Issue : 57,197
 Bonus Issue : NIL Private Placement : NIL

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

Total Liabilities : 1,141,936 Total Assets : 1,141,936

SOURCES OF FUNDS

Share Capital : 105,519 Reserves & Surplus : 151,128
 Secured Loans : 754,058 Unsecured Loans : 109,392
 Deferred Tax Liability : 21,838

APPLICATION OF FUNDS

Net Fixed Assets : 519,979 Investments : 200
 Net Current Assets : 863,081 Misc. Expenditure : –
 Accumulated Losses : NIL

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

Turnover Including other income : 1,708,598 Total Expenditure : 1,672,755
 Profit/Loss Before Tax : 35,843 Profit after tax : 19,666
 Earning per share (in Rs.) : 1.51 Dividend rate % : NIL

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

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

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary
Managing Director

Priti Somani
Company Secretary

Aditya Dalmiya
Director

GANGOTRI IRON & STEEL COMPANY LIMITED

Registered Office :

307, Ashiana Towers, Exhibition Road, Patna - 800 001

PROXY FORM

Folio No./Client ID.....

No. of Shares held.....

I/We.....of

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

of.....in the district ofas my / our proxy to vote for me / us on my / our behalf at the 17th ANNUAL GENERAL MEETING of the Company to be held at the Registered Office of the Company at 307, Ashiana Towers, Exhibition Road, Patna 800 001, Bihar on Thursday the 30th September, 2010 at 2.00 P.M. and at any adjournment thereof.

Signed this.....day of2010.

Signature.....

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

GANGOTRI IRON & STEEL COMPANY LIMITED

Registered Office :

307, Ashiana Towers, Exhibition Road, Patna - 800 001

ATTENDANCE SLIP

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

I hereby record my presence at the 17TH ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company at 307, Ashiana Towers, Exhibition Road, Patna 800 001, Bihar on Thursday the 30th September, 2010 at 2.00 P.M. and at any adjournment thereof.

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

.....
Signature

Folio No./Client ID.....

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

.....
Signature

FACTORY AT BIHTA



STEEL MELTING SHOP SHED



RE-HEATING FURNACE



ROLLING MILL AREA



ROUGHING MILL AREA



FURNACE PLATFORM



CCM AREA

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GANGOTRI IRON & STEEL CO. LTD.

307 Ashiana Towers, Exhibition Road, Patna - 800 001

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E-mail : gangotri@giscotmt.com Website : www.giscotmt.com

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