



दुनिया GISCO लोहा माने



18th Annual Report 2011

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
HDFC Bank, Exhibition Road, 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.gjscotmt.com

E-MAIL ID FOR INVESTORS

gangothriironsteel@rediffmail.com

CONTENTS

Notice	2	Profit & Loss Account	17
Directors' Report	4	Cash Flow Statement	18
Report on Corporate Governance	8	Schedules	19
Auditors' Report	13	Balance Sheet Abstract	33
Balance Sheet	16		

NOTICE

TO MEMBERS

NOTICE is hereby given that the **18th Annual General Meeting** of the Members of **GANGOTRI IRON & STEEL COMPANY LIMITED** will be held on Friday, the **30th September, 2011 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, 2011 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. Debabrata Banerjee and Mr. Narendra Kumar Jaiswal, who retires by rotation and, being eligible, offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

Priti Somani
Company Secretary

Kolkata, 3rd September, 2011

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, 2011 to 30th September, 2011 (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.

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

Priti Somani
Company Secretary

Kolkata, 3rd September, 2011

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. Debabrata Banerjee
Date of Birth : 26.09.1955
Date of appointment : 20.08.2005
Expertise in specific functional areas : Mr. Debabrata Banerjee is a Bachelor in Law from Calcutta University. He is a practising advocate for the last 30 years having specialization in Income Tax and property matters. He is actively associated with the company for the last six years in legal matters..
List of other Directorship held : Nil
Number of shares held : Nil
Relationship with other Directors : Not related to any other Director
- 2) Name of the Director : Mr. Narendra Kumar Jaiswal
Date of Birth : 08.01.1957
Date of appointment : 20.08.2005
Qualification : B.E
Expertise in specific functional areas : Mr. Narendra Kumar Jaiswal, aged 54 years, Bachelor in Engineering from Calcutta University is having experience in the field of construction for more than 32 years. He worked as site engineer in M.L Dalmiya & Co. Ltd., from 1978-1980, as senior site engineer in M/s Gannon Dunnkerley & Co. Ltd., from 1980-1984, as resident engineer in M/s M.L.Dalmiya & Co. Ltd from 1984-1987 & as senior partner of M/s Kopila Engineering Co & M/s The Millenium Construction Company since 1987 till date. He is actively associated with the company for the last six years in site construction, development and other works.
List of other Directorship held : Nil
Number of shares held : Nil
Relationship with other Directors : Not related to any other Director

DIRECTORS' REPORT

To The Members

The Directors have pleasure in presenting the 18th Annual Report of the Company, together with the Audited Accounts, for the year ended 31st March, 2011.

1. Financial Results	(Rs. in Lacs)	
	2010-2011	2009-2010
Sales & Other Income (net)	19105.72	17085.98
Profit before Interest & Depreciation	1344.18	1534.92
Less: Interest & Other Financial Charges	879.23	825.63
Less : Depreciation	341.84	350.86
Profit before tax and exceptional items	123.11	358.43
Add / (Less) : Exceptional items	–	0.44
Profit before tax and after exceptional items	123.11	358.87
Less : Provision for Taxation	(25.16)	(60.99)
Less : Deferred Tax	(51.05)	(101.22)
Net Profit after Tax	46.90	196.66
Balance as per last year	594.81	398.15
Balance Carried Forward	641.71	594.81

2. Operations

During the year under review the total income have increased by 12%, compared to previous year ended on 31.03.2010.

3. Future Prospects

Due to general slackness in the market more particularly for steel resulted in poor demand of the products. The input cost particularly financial cost became unbearable and as such the Company could not perform well during the year. The Company is hopeful that the various steps taken by the Government of Bihar for economic and infrastructural development shall increase the demand of Company's product.

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 industry is passing through negative cyclical swings on account of excessive capacity and competition. The Company is taking necessary steps to restructure its working and the organization hopes to commence regular production soon.

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 of law and 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.

DIRECTORS' REPORT *(Contd.)*

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 Company has also made arrangement with Shri Ravi Kishan, a very popular movie and TV personality to act as it's 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. Sub-division of equity shares

The Company has sub-divided it's equity share of face value of Rs. 10/- each into 2 equity shares of face value of Rs. 5/- each w.e.f. 01.11.2010.

8. Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Debabrata Banerjee and Mr. Narendra Kumar Jaiswal 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 2011, all the applicable accounting standards prescribed by the ICAI have been followed.
- b) the Directors have adopted such accounting policies and have applied them consistently and have made judgments and estimates in a reasonable and prudent manner so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a going concern basis.

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.

DIRECTORS' REPORT (Contd.)

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.

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, 3rd September, 2011

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	2010-11	2009-10
A) Power & Fuel Consumption		
1. Electricity		
a) Purchased Unit (KWH)	59,291,500	6,97,37,199
b) Total Amount (Rs.)	228,611,050	26,83,34,737
c) Rate/Unit (Rs.)	3.86	3.85
2. Coal		
a) Qty (Kg.)	2,531,267	43,30,784
b) Total Amount (Rs.)	6,277,240	77,27,081
c) Average Rate (Rs.)	2.48	1.78
3. Coke		
a) Qty (Kg.)	265,345	5,41,155
b) Total Amount (Rs.)	4,545,800	20,20,676
c) Average Rate (Rs.)	17.13	3.73
B) Consumption per unit of Production		
Product		
a) Units (M.T.)		
- M.S. Bars	53,994	56504.879
- M.S.Billet	41,482	48702.300
b) Electricity (KWH)	621.01	662.86
c) Coal (Kg.)	26.51	41.16
d) Coke (kg.)	2.78	5.14

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 Jhunjhunwala, 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 7 and the dates are as follows: 08.05.10, 15.05.10, 14.08.10, 01.09.10, 11.10.10, 17.11.10 & 15.02.11. The details of attendance, directorship and membership are given as per table shown below :

Name	Category	Attendance		Number of other Directorship & Committee Member/Chairman		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Ramautar Jhunjhunwala	Non-Executive & Promoter	3	Yes	6	–	–
Mr. Sanjiv Kumar Choudhary	Executive & Promoter	6	Yes	7	–	–
Mr. Aditya Dalmiya	Non-Executive & Promoter	4	Yes	4	–	–
Mr. Ashok Agarwal	Non-Executive & Independent	7	Yes	–	–	–
Mr. Debabrata Banerjee	Non-Executive & Independent	5	No	–	–	–
Mr. Narendra Kumar Jaiswal	Non-Executive & Independent	4	Yes	–	–	–

3. AUDIT COMMITTEE

The Audit Committee consists of Directors (Mr. Ramautar Jhunjhunwala, Mr. Debabrata Banerjee, Mr. Ashok Agarwal & Mr. Narendra Kumar Jaiswal) and the Company Secretary as the secretary of the audit committee. The Statutory Auditors, Internal auditors and Heads of Finance, Marketing, Production and Commercial functions are invitees to the meetings. During the financial year ended 31.03.2011 six meetings were held on 28.04.10, 14.05.10, 13.08.10, 31.08.10, 16.11.10 & 14.02.11.

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

Name	Position	Category	Attendance (2010-11)
Mr. Debabrata Banerjee	Chairman	Independent & Non-Executive	6
Mr. Ramautar Jhunjhunwala	Member	Non Executive	3
Mr. Ashok Agarwal	Member	Independent & Non-Executive	6
Mr. Narendra Kumar Jaiswal	Member	Independent & Non-Executive	4

4. REMUNERATION COMMITTEE

There is no remuneration committee as there is only one Managing Director, whose terms are approved by members of the Company. He is being paid a remuneration of Rs. 80,000/- 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. 130928/-
TOTAL	Rs. 1090928/-

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

5. INVESTORS / SHAREHOLDERS GRIEVANCE COMMITTEE

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

During the year under review 26 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
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
17th AGM	30.09.2010	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
15th AGM	NIL
16th AGM	NIL
17th AGM	NIL

No Resolutions were put through postal ballot during the year 2010-2011 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 has been concluded. The Company has approached the Settlement Commission, Kolkata to settle the income tax matter. The tax liability on the income offered by the Company has already been paid and the case has been admitted by the Settlement Commission, Kolkata. 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, 2011 at 2.00 P.M at 307, Ashiana Towers, Exhibition Road, Patna - 800001
Financial Calendar	: April to March
First Quarter Result	: September, 2011
Second Quarter Result	: Last week of October 2011 / Mid of November 2011
Third Quarter Result	: Last week of January 2012 / Mid of February 2012
Fourth Quarter & Annual Results	: May 2011
Book Closure Date	: 24th September, 11 to 30th September, 11
Dividend Payment Date	: The Board of Directors has not recommended any dividend for the financial year 10-11.

Mr. Ramautar Jhunjhunwala, 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

Notes : 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 : INE437F01023

Dematerialisation of shares : 2,63,32,632 out of 2,68,23,588 equity shares have been dematerialised upto 31.03.2011 representing 98.17% 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,10 to March,11 is given below :

Month	High (Rs.)	Low (Rs.)	Volume	BSE Sensex	
				High	Low
April'10	64.00	51.35	5999304	18048	17277
May'10	63.05	39.00	4104337	17537	15960
June'10	68.25	56.25	10154291	17920	16318
July'10	77.40	56.10	6464703	18238	17396
Aug'10	68.90	58.90	2879878	18475	17820
Sept'10	94.40	60.00	5492873	20268	18027
Oct'10	100.40	42.80	3433113	20855	19769
Nov'10	45.40	41.00	1943596	21109	18955
Dec'10	45.35	37.25	2076768	20552	19075
Jan'11	40.90	32.50	1898590	20665	18038
Feb'11	43.45	35.00	2299087	18691	17296
Mar'11	49.90	41.30	3915826	19575	17792

Note : The Company has sub-divided it's equity share of face value of Rs. 10/- each into 2 equity shares of face value of Rs. 5/- each w.e.f 01.11.2010.

Shareholding Pattern (As on 31.03.2011)

Category	No.of equity Shares	% of shareholding
Promoters	12221067	45.46
Private Corporate Bodies	10169299	37.91
Indian Public	4432425	16.53
NRI/OCB	797	0.00
Total	26823588	100.00

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

Distribution of Shareholding (As on 31.03.2011)

No. of equity Shares held	No. of Folios	% to total	No. of shares	% to total
UPTO 500	1113	60.79	207098	0.77
501 to 1000	286	15.62	247696	0.92
1001 to 2000	146	7.97	242139	0.90
2001 to 3000	42	2.29	107102	0.40
3001 to 4000	31	1.69	116598	0.43
4001 to 5000	26	1.42	122828	0.46
5001 to 10000	43	2.35	337973	1.26
10001 to 50000	88	4.81	2078044	7.75
50001 to 100000	17	0.93	1159274	4.32
100001 and above	39	2.13	22204836	82.79
Grand Total	1831	100.00	26823588	100.00

For and on behalf of the Board

Kolkata, 3rd September, 2011

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, 2011 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 : 3rd September, 2011

DECLARATION UNDER CLAUSE 49

All the Board Members and Senior Management have affirmed compliance to the 'Code of Conduct' for the financial year 2010-11.

Place : Kolkata
Date : 3rd September, 2011

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, 2011, 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, 2011 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, 2011 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
 - f) Subject to note no 2 of Schedule 19 forming part of the accounts, 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, 2011;
 - 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 : 3rd September 2011

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, 2011.

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 the company has granted unsecured loans to a company and a party covered in the register maintained under section 301 of the Companies' Act, 1956. The maximum amount involved during the year was Rs.84.94 lacs. and the year end balance of loan granted to such party was Rs.84.94 lacs.
b) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted are not prima facie, prejudicial to the interest of the company.
c) The parties are regular in repaying the principal amount and payment of interest as per stipulations.
d) In respect of the loans granted, the question of overdue amounts does not arise as the loans are repayable on demand.
e) 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 3.46 crores and the year end balance of loans taken by the company was Rs 3.42 crores.
- f) 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.
- g) 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.

AUDITORS' REPORT (Contd.)

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.

- 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, 2011 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 State Insurance Act, 1948	Employees State Insurance	4,30,912/- 3,90,242/-	2009-2010 April 2010 to August 2010	N.A.	Unpaid
Employees Provident Fund Act, 1952	Provident Fund	17,46,792/- 9,97,027/-	2009-2010 April 2010 to August 2010	N.A.	Unpaid Unpaid

- c) As at 31st March 2011 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, 2011 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 defaulted in repayment of dues of term loan taken from State Bank of India. An amount of Rs 1,15,00,000 stands overdue as on 31st March, 2011 pertaining to third quarter of the financial year 2010-11. The installments for the 4th quarter have not been considered as default in view of the grace period allowed by the bank. The company does not have any debentures outstanding as on 31st March 2011.
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 : 3rd September 2011

GANGOTRI IRON & STEEL CO. LTD.**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	134,117,940	105,519,470
Reserves and surplus	2	184,416,708	151,128,444
Loan Funds			
Secured loans	3	700,730,069	754,058,008
Unsecured loans	4	128,251,013	109,391,889
Deferred tax liability - Net		26,942,394	21,837,907
		<u>1,174,458,124</u>	<u>1,141,935,719</u>
APPLICATION OF FUNDS			
Fixed assets	5		
Gross block		596,852,352	585,345,956
Less : Depreciation/amortization		99,550,748	65,366,560
Net block		<u>497,301,604</u>	<u>519,979,396</u>
Investments	6	170,995	199,570
Current assets, loans and advances			
- Inventories	7	620,130,557	502,614,360
- Sundry debtors	8	273,702,644	268,903,335
- Cash and bank balances	9	15,873,739	9,884,126
- Other current assets	10	2,803,283	2,098,960
- Loans and advances	11	151,974,328	79,580,411
		<u>1,064,484,551</u>	<u>863,081,192</u>
Less : Current liabilities and provisions			
Current liabilities	12	375,898,767	232,602,047
Provisions	13	11,600,260	8,722,393
		<u>387,499,027</u>	<u>241,324,440</u>
Net current assets		<u>676,985,524</u>	<u>621,756,752</u>
		<u>1,174,458,124</u>	<u>1,141,935,719</u>
Significant accounting policies and Notes on accounts	19		

The Schedules referred to above form an integral part of the 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 : 3rd September, 2011

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, 2011

	Schedule	For the year ended 31st March, 2011	For the year ended 31st March, 2010
INCOME			
Sales and other income	14	2,158,458,677	1,933,887,510
Less : excise duty		172,681,232	159,478,187
Less : sales tax		75,205,061	65,811,614
Sales and other income (net)		1,910,572,384	1,708,597,709
EXPENDITURE			
Cost of goods sold	15	1,463,558,487	1,186,587,884
Personnel expenses	16	20,368,730	22,919,471
Manufacturing, administrative, selling and distribution expenses	17	292,198,458	345,559,397
Interest and finance charges	18	87,923,440	82,562,672
Depreciation/amortization		34,184,183	35,086,183
Diminution in value of investments		28,575	39,410
		1,898,261,873	1,672,755,018
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		12,310,511	35,842,691
Exceptional items		–	43,573
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS		12,310,511	35,886,264
Provision for tax :			
Income tax			
- Current tax		2,516,230	6,098,870
- Deferred tax		5,104,487	10,121,840
PROFIT AFTER TAX		4,689,794	19,665,554
Balance brought forward from previous year		59,480,726	39,815,172
Amount available for appropriation		64,170,520	59,480,726
Balance carried to balance sheet		64,170,520	59,480,726
Number of equity shares outstanding during the year of Rs.5/-(PYRs.10) each		26,823,588	13,038,293
Basic and diluted earnings per share		0.17	1.51
Significant accounting policies and notes on accounts	19		
Balance sheet abstract & company profile			

The Schedules referred to above form an integral part of the 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 : 3rd September, 2011

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, 2011

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and after exceptional items	12,310,511	35,886,264
Adjustments for :		
Depreciation/amortization	34,184,183	35,086,183
Dividend Income	(1,000)	–
Interest income	(391,224)	(486,936)
Interest Paid	87,923,440	82,562,672
Profit / Loss on sale of fixed assets (net)	–	17,543
Provision for diminution in the value of investments	28,575	39,410
Sundry balances written off	1,059	(19,996)
Operating profit before working capital changes	<u>134,055,544</u>	<u>153,085,140</u>
Adjustments for :		
(Increase) / Decrease in trade receivables	(4,800,364)	(153,585,976)
(Increase) / Decrease in inventories	(117,516,197)	(284,920,467)
(Increase) / Decrease in loans and advances	(73,098,240)	22,192,262
Increase / (Decrease) in trade and other payables	143,658,357	125,710,027
Cash generated from Operations	82,299,099	(137,519,016)
Direct taxes paid	–	–
Net cash from operating activities	<u>82,299,099</u>	<u>(137,519,016)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase / sale of fixed assets	(11,506,395)	(14,717,013)
Purchase / sale of investments	–	(21,500)
(Increase) / Decrease in Fixed Deposit	(10,472)	–
Interest received	391,224	486,936
Dividend received	1,000	–
Net cash (used in) / from investing activities	<u>(11,124,643)</u>	<u>(14,251,577)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity capital	28,598,470	28,598,470
Securities premium received	28,598,470	28,598,470
Share issue expenses	–	(352,603)
Proceeds from long term loan	(55,789,701)	(46,157,733)
Proceeds from bank borrowings	2,461,762	222,105,752
Interest paid	(87,923,440)	(82,562,672)
Increase/(decrease) in Unsecured Loans	18,859,124	(3,646,328)
Net cash (used in) / from financing activities	<u>(65,195,315)</u>	<u>146,583,356</u>
Net increase in cash and cash equivalents	5,979,141	(5,187,236)
Cash and cash equivalents at the beginning of the year	4,300,993	9,488,229
Cash and cash equivalents at the end of the year	<u>10,280,134</u>	<u>4,300,993</u>

Notes : 1 Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under Schedule 9 of the accounts

2 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 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 : 3rd September, 2011

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary

Managing Director

Priti Somani
Company Secretary

Aditya Dalmiya
Director

Schedules forming part of the Accounts

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
4,00,00,000 (P.Y. 2,00,00,000) Equity shares of Rs.5/- (P.Y. Rs.10/-) each	<u>200,000,000</u>	<u>200,000,000</u>
Issued and subscribed		
2,68,23,588 (P.Y. 1,34,11,794) Equity shares of Rs.5/- (P.Y. Rs.10/-) each	<u>134,117,940</u>	<u>134,117,940</u>
Paid-up		
2,68,23,588 (P.Y. 1,34,11,794) Equity shares of Rs.5/- (P.Y. Rs.10/-) each	134,117,940	134,117,940
Less : Calls in arrears	—	28,598,470
	<u>134,117,940</u>	<u>105,519,470</u>
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital reserve		
Balance as per last balance sheet	19,509,750	19,509,750
Add : Transferred during the year	—	—
	<u>19,509,750</u>	<u>19,509,750</u>
Securities premium account		
Balance as per last balance sheet	72,137,968	45,562,500
Add : Received/Receivable during the year	28,598,470	57,196,940
Less : Issue expenses adjusted	—	2,023,002
	<u>100,736,438</u>	<u>100,736,438</u>
Less : Calls in arrears	—	28,598,470
	<u>100,736,438</u>	<u>72,137,968</u>
Profit and loss account		
Surplus as per profit and loss account	64,170,520	59,480,726
	<u>184,416,708</u>	<u>151,128,444</u>
SCHEDULE 3		
SECURED LOANS		
Term loans		
From the scheduled bank	228,415,594	285,033,439
From the Bodies Corporate	296,810	455,290
Working capital facilities from the scheduled banks	470,236,413	467,774,651
Loans against vehicles from bank	1,781,252	794,628
	<u>700,730,069</u>	<u>754,058,008</u>
SCHEDULE 4		
UNSECURED LOANS		
From the bodies corporate	128,251,013	109,391,889
	<u>128,251,013</u>	<u>109,391,889</u>

Schedules forming part of the Accounts

SCHEDULE 5 FIXED ASSETS											
Particulars	GROSS BLOCK						DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 31.03.2010	Additions	Deducti ons/adju stments	As at 31.03.2011	Upto 31.03.2010	For the Year	Deduc tions/adju stments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010	
	Intangible assets										
Computer software	57,000	-	-	57,000	15,325	11,400	-	26,725	30,275	41,676	
Tangible assets											
Land-freehold	25,570,855	-	-	25,570,855	-	-	-	-	25,570,855	25,570,855	
Land-leasehold	166,891	-	-	166,891	126,839	6,676	-	133,515	33,376	40,052	
Buildings	106,991,097	-	-	106,991,097	6,704,467	3,545,658	-	10,250,125	96,740,972	100,286,630	
Plant & machinery	442,015,638	11,291,540	44,477	453,262,701	55,256,028	29,669,738	-	84,925,766	368,336,934	386,759,612	
Furniture & fixtures	991,830	53,032	-	1,044,862	509,075	65,709	-	574,784	470,078	482,754	
Office & other equipments	2,333,583	136,500	-	2,470,083	786,524	116,893	-	903,416	1,566,667	1,547,060	
Computer	1,157,096	69,800	-	1,226,896	505,455	192,223	-	697,679	529,218	651,641	
Vehicles	6,061,966	-	-	6,061,966	1,462,850	575,887	-	2,038,737	4,023,229	4,599,116	
Total	585,345,957	11,550,872	44,477	596,852,352	65,366,563	34,184,183	-	99,550,748	497,301,605	519,979,396	
Previous year	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		

Schedules forming part of the Accounts

	As at 31.03.2011		As at 31.03.2010	
	Rs.		Rs.	
SCHEDULE 6				
INVESTMENTS				
Long-term investments (quoted-non-trade-at cost)				
(i) In equity shares				
(Face Value Rs. 10 unless otherwise stated)	Qty	Value	Qty	Value
Name of the company				
Filmcity Media Limited(F.V. Re 1)	50,000	165,998	50,000	165,998
Pentium Infotech Limited(F.V. Re 1)	75,000	233,990	75,000	233,990
Singer India Limited	1,000	280,095	1,000	280,095
LGS Global Limited	1,000	58,841	1,000	58,841
Crane Software Limited (F.V. Rs 2)	1,000	132,309	1,000	132,309
Sujana Metals Limited	5,000	227,200	5,000	227,200
SPEL Semiconductor Limited	3,000	90,167	3,000	90,167
Tapindu Urban Co-operative Bank	2,150	21,500	2,150	21,500
		<u>1,210,100</u>		<u>1,210,100</u>
Less : Diminution in value of investments		1,039,105		1,010,530
		<u>170,995</u>		<u>199,570</u>
Aggregate market value of quoted investments		170,995		199,570
SCHEDULE 7				
INVENTORIES				
(As valued and certified by the Management)				
Stores, spares and packing materials		27,845,612		26,531,320
Stock-in-trade				
Raw materials and components		302,945,333		160,098,168
Finished goods		<u>289,339,612</u>		<u>315,984,872</u>
		<u>620,130,557</u>		<u>502,614,360</u>
SCHEDULE 8				
SUNDRY DEBTORS				
(Unsecured, Considered good)				
Debts outstanding for a period exceeding six months		158,643,014		4,009,393
Other debts		<u>115,059,630</u>		<u>264,893,942</u>
		<u>273,702,644</u>		<u>268,903,335</u>
SCHEDULE 9				
CASH AND BANK BALANCES				
Cash-on-hand (as certified by the management)		9,925,189		1,316,607
Bank balances with scheduled banks				
- In current accounts		354,945		2,984,386
- In deposit accounts		<u>5,593,605</u>		<u>5,583,133</u>
		<u>15,873,739</u>		<u>9,884,126</u>
SCHEDULE 10				
OTHER CURRENT ASSETS				
Interest accrued on bank deposits		1,567,958		1,225,063
Claims and other receivables		<u>1,235,325</u>		<u>873,897</u>
		<u>2,803,283</u>		<u>2,098,960</u>

Schedules forming part of the Accounts

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 11		
LOANS AND ADVANCES		
(Unsecured, considered good except otherwise stated)		
Loans	2,464,914	2,464,914
Advances recoverable in cash or in kind or for value to be received	122,998,964	30,389,209
Other deposits	4,981,369	5,001,102
Balances with government authorities	21,529,081	41,725,186
	<u>151,974,328</u>	<u>79,580,411</u>
SCHEDULE 12		
LIABILITIES		
Sundry creditors	162,279,501	84,207,995
Advances from customers	131,695,561	52,773,707
Other liabilities	81,923,705	95,620,345
	<u>375,898,767</u>	<u>232,602,047</u>
SCHEDULE 13		
PROVISIONS		
For employee benefits	836,470	474,833
For income tax	10,763,790	8,247,560
	<u>11,600,260</u>	<u>8,722,393</u>
	For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
SCHEDULE 14		
SALES AND OTHER INCOME		
Sale of finished goods (net of returns)	1,962,516,870	1,819,815,855
Scrap sales	14,145,174	14,809,088
Interest Income on :		
a) Fixed deposits with banks	391,224	-
b) Security deposit	177,713	486,936
[Tax deducted at source Rs.37,857 /-(Rs 42,545/-)]		
Dividend received on long term non trade investments	1,000	17,466
Vat receivable	74,400,000	-
Commission received [Tax deducted at source (Rs. 1,10,85,126/-)]	-	98,530,103
Profit from commodity trading	106,157,270	-
Miscellaneous income	669,426	228,063
	<u>2,158,458,677</u>	<u>1,933,887,510</u>
SCHEDULE 15		
COST OF GOODS SOLD		
Opening Stock :		
Semi - finished goods	15,356,195	5,143,631
Finished / trading goods	315,984,872	111,281,077
	<u>331,341,067</u>	<u>116,424,708</u>
Add : Consumption of raw and packing materials	1,424,147,707	1,401,504,244
Less : Closing Stock :		
Semi - finished goods	2,590,675	15,356,195
Finished / trading goods	289,339,612	315,984,872
	<u>291,930,287</u>	<u>331,341,067</u>
	<u>1,463,558,487</u>	<u>1,186,587,884</u>

Schedules forming part of the Accounts

	For the year ended March 31, 2011 Rs.	For the year ended March 31, 2010 Rs.
SCHEDULE 16		
PERSONNEL EXPENSES		
Salaries, wages, bonus and gratuity	18,113,240	20,677,790
Contribution to provident and other funds	1,026,235	1,488,925
Workmen and staff welfare expenses	1,229,255	752,756
	<u>20,368,730</u>	<u>22,919,471</u>
SCHEDULE 17		
MANUFACTURING, ADMINISTRATIVE SELLING AND DISTRIBUTION EXPENSES		
Advertisement	1,933,916	2,969,387
Auditor's remuneration	190,000	158,000
Bank charges	1,247,819	1,326,111
Commission on sales	-	193,895
Consumption of stores and spares	42,448,043	52,145,933
Directors' remuneration	1,090,928	1,077,643
Directors' sitting fees	23,000	36,000
Filing fee	1,500	3,500
Insurance	219,634	553,609
Legal and professional charges	448,131	1,491,352
Loss on sale of fixed assets	-	17,543
Postage, telegram and telephone	1,154,114	934,617
Power and fuel	236,532,370	278,347,050
Printing and stationery	354,801	280,302
Rates and taxes	-	299,069
Rent and hire charges	1,269,018	1,166,336
Repairs and maintenance :		
- Plant and machinery	1,256,034	610,951
- Others	635,918	931,042
Sales promotion expenses	361,093	689,458
Travelling and conveyance	700,695	643,023
Miscellaneous expenses	2,331,444	1,684,577
	<u>292,198,458</u>	<u>345,559,397</u>
SCHEDULE 18		
FINANCIAL EXPENSES		
Interest on		
- Term loans to banks	33,207,609	35,683,851
- Working capital limits to bank	54,367,350	46,642,275
Finance charges to bank	348,481	236,546
	<u>87,923,440</u>	<u>82,562,672</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.

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.

Schedules forming part of the Accounts

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.

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.

Schedules forming part of the Accounts

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.

B. Notes to accounts

(Amount in Rs.)

As at 31.03.2011 As at 31.03.2010

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. 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.	1,443,471	1,443,471
	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
	d) The Income Tax Department has conducted search and survey u/s 132 of the Income Tax Act, 1961 (Act) and thereafter directed the Company to get the accounts audited u/s 142(2A) of the Act. Not satisfied with the outcome of the Income Tax proceedings, the company has filed an application with the settlement Commission u/s 245C of the Act, which has been admitted for further proceedings. Any liability or outcome of the aforesaid proceedings is indeterminate and has not been provided for. Such liability will be accounted for on final settlement of case by the settlement commission under the Act.		
2.	The Company has claimed Rs 7.44 crores as Subsidy / Incentive receivable on VAT and entry tax paid in respect of new manufacturing unit implemented at Bihta, in terms of the scheme mentioned in the Industrial Incentive Scheme, 2006 by the Department of Industries, Bihar.		

Schedules forming part of the Accounts

However, in terms of the requirement under the scheme, the industrial unit must get a passbook from the State Government in which the details of tax paid under Bihar VAT would be entered and verified by the Commercial Tax Department. The company is yet to get the passbook and hence the claim for such Subsidy / Incentive remains unsubstantiated.

3. 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.
4. 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.
5. **Secured loans**
 - a. Term loan & cash credit limit is secured by hypothecation of inventory, stock in trade/transit, book debts, fixed deposits of Rs 71.61 lac 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.

6. Directors' remuneration	(Amount in Rs.)	
	For the year ended	
	2011	2010
a. Managerial remuneration under Section 198 of the Companies Act, 1956 : (Paid to Managing Director)		
i. Salaries, allowances, exgratia, etc.	960,000	960,000
ii. Perquisites	130,928	117,643
Total	1,090,928	1,077,643

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

	(Amount in Rs.)	
	For the year ended	
	2011	2010
b. Computation of Net Profit in accordance with Section 198 read with Section 309(5) of the Companies Act, 1956		
i. Profit before Tax	12,310,511	35,842,691
ii. Addition as per Section 349		
Depreciation as per accounts	34,184,183	35,086,183
Managerial remuneration	1,090,928	1,077,643
iii. Deduction as per Section 349		
Depreciation as per Sec. 350 of the Companies Act, 1956	34,184,183	35,086,183
iv. Net Profit as computed U/s 349 of the Companies Act, 1956	13,401,439	36,920,334
v. Maximum remuneration payable to a managing director @ 11% of net profit as computed above	1,474,158	4,061,237
vi. Managerial remuneration restricted to	1,090,928	1,077,643

Schedules forming part of the Accounts

7. Payment to auditors

a. As auditors			
- statutory audit	130,000	125,000	
- tax audit	52,000	25,000	
- half yearly review	8,000	8,000	
b. As advisor in respect of			
- income tax matters	-	-	
c. In other manner			
- certifications	-	9,000	
Total	190,000	167,000	

8. Deferred Tax Liability

Movement of Provision for Deferred Tax for the year ended 31.03.2011 is as given below :

Particulars	As at 01.04.2010	(Charges) Credit for the year	As at 31.03.2011
Timing Difference on account of :			
Deferred Tax (Liabilities)			
a. Depreciation on assets	40,540,698	8,995,327	49,536,025
b. Disallowances u/s 40(a)(ia)	34,330	(34,330)	-
c. Bonus & Leave encashment paid during the year	86,247	(35,530)	50,717
d. Employer's contribution to ESIC and PF paid during the year	-	189,325	189,325
(A)	40,661,275	9,114,792	49,776,067
Deferred Tax (Assets)			
a. Provision for gratuity, bonus and leave encashment	38,747	106,656	145,403
b. Carried forward losses	18,282,153	3,899,160	22,181,313
c. Employer's contribution to ESIC and PF	502,468	4,489	506,957
(B)	18,823,368	4,010,305	22,833,673
Net (A-B)	21,837,907	5,104,487	26,942,394

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

a. Licensed capacity, Installed capacity and actual production

Particulars of goods	Unit	For the year ended March 31			
		2011		2010	
		Installed capacity	Actual production	Installed capacity	Actual production
i. M.S. Bars	MT	145,000	53,994	145,000	56,505
ii. M.S. Billet	MT	108,900	41,482	108,900	48,702
iii. Oxygen Gas	M ³	540,000	72,945	540,000	59,625

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.

Schedules forming part of the Accounts

b. Sales (Net)

Particulars of goods	Unit	For the year ended March 31			
		2011		2010	
		Quantity	Value (Rs)	Quantity	Value (Rs)
i. M.S. Bars	MT	54,950	–	50,704	1,449,307,302
ii MS Billet	MT	694	–	5,678	133,411,808
iii Waste & Scrap	MT	5,090	–	1,132	14,809,088

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.

c. Consumption of raw and packing materials

Particulars of goods	Unit	For the year ended March 31			
		2011		2010	
		Quantity	Value (Rs)	Quantity	Value (Rs)
i. Non alloy ingot	MT	17777.56	409,667,987	19,740	393,920,907
ii MS Billet*	MT	41084	N.A.	42,058	N.A.
iii Ferro Alloys	MT	499.37	27,247,673	675	33,135,911
iv Pig Iron	MT	3858.28	59,822,651	6,065	96,817,973
v Sponge Iron	MT	39928.39	724,552,669	4,988	617,079,094
vi. Packing Material	Rs	–	–	–	122,432

Notes :

- 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.
 - * Value of consumption of MS Billet has not been provided as this is out of captive production.
- d. Imported and indigenous raw materials, components and spare parts consumed

Particulars of goods	For the year ended March 31			
	2011		2010	
	%	Value (Rs)	%	Value (Rs)
i. Raw materials - Indigenous	100%	1,221,290,980	100%	1,140,953,885
ii. Stores & spares - Indigenous	100%	1,456,796	100%	851,372

e. Details of stock of finished goods

Particulars of goods	Unit	For the year ended March 31			
		2011		2010	
		Quantity	Value (Rs)	Quantity	Value (Rs)
i. M.S.Bars	MT	6,928	220,688,451	7,884	226,889,991
ii. M.S.Billets	MT	3,112	68,651,161	3,408	89,094,881
iii. Waste & Scrap	MT	167	2,590,675	870	15,356,195

Notes : Quantity is net of damages.

Schedules forming part of the Accounts

10. Earning Per Share (EPS)

	Rs.	
	For the year ended March 31	
	2011	2010
a. Profit after Tax	4,689,794	19,665,554
b. Weighted average number of equity shares outstanding during the year (Nos.)	26,823,588	13,038,293
c. Nominal value of equity per share	5	10
d. Basic & diluted earning per share (EPS)	0.17	1.51

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)
 - b. Mr. Ankit Choudhary (Son 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 :

Nature 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	1,768,000 (570,000)	– (–)	6,950,000 (59,250,000)	8,718,000 (58,680,000)
ii. Loans repaid	1,426,000 (–)	– (–)	15,254,892 (–)	16,680,892 (–)
iii. Managerial remuneration paid	1,090,928 (1,077,643)	– (–)	– (–)	1,090,928 (1,077,643)
iv. Car hire charges	– (–)	252,000 (252,000)	– (–)	252,000 (252,000)
v. Sales	– (–)	– (–)	206,074,922 (251,797,188)	206,074,922 (251,797,188)
vi. Purchase of raw materials	– (–)	– (–)	458,931,332 (459,495,091)	458,931,332 (459,495,091)

Schedules forming part of the Accounts

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

Nature 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	1,098,000 (500,000)	– (–)	8,394,741 (60,850,000)	9,492,741 (61,350,000)
ii. Loans repaid	1,098,000 (470,000)	– (–)	– (59,250,000)	1,098,000 (59,720,000)
iii. Managerial remuneration paid	448,000 (294,755)	– (–)	– (–)	448,000 (294,755)
iv. Car hire charges	– (–)	94,740 (23,862)	– (–)	94,740 (23,862)
v. Sales	– (–)	– (–)	22,484,669 (46,100,739)	22,484,669 (46,100,739)
vi. Purchase of raw materials	– (–)	– (–)	15,501,250 (9,000,000)	15,501,250 (9,000,000)

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 2011.

(Rs. '000)

	For the year ended March 31	
	2011	2010
Current service cost	92.26	85.14
Interest cost on benefit obligation	34.11	34.54
Net actuarial(gain) / loss recognised during the period	18.96	20.82
Past Service Cost	22.23	–
Total expenses	167.56	140.50

Schedules forming part of the Accounts

b. Net assets / (liability) recognised in the balance sheet as at 31st March 2011 (Rs. '000)

	For the year ended March 31	
	2011	2010
Present value of defined benefits obligation	392.01	410.97
Fair value of plan assets	-	-
Net liability	392.01	410.97

c. Change in obligations during the year ended 31st March 2011 (Rs. '000)

	For the year ended March 31	
	2011	2010
Present value of defined obligation at the beginning of the period	572.29	431.79
Current service cost	92.26	85.14
Interest cost	34.11	34.54
Actuarial (gains)/losses	18.96	20.82
Past Service Cost	22.23	-
Present value of defined benefits obligation at the end of the period	739.85	572.29

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	
	2011	2010
Discount rate	8.35%	8.30%
Rate of increase in salaries	5.00%	5.00%
Expected Average remaining working lives of employees (years)	17.58	18.99

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 : 3rd September, 2011

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary
Managing Director

Priti Somani
Company Secretary

Aditya Dalmiya
Director

SCHEDULE - 20**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

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

I. REGISTRATION DETAILS

Registration No. : L27101BR1992PLC005129

Balance Sheet Date : 31.03.2011 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 : 1,174,458 Total Assets : 1,174,458

SOURCES OF FUNDS

Share Capital : 134,118 Reserves & Surplus : 184,417

Secured Loans : 700,730 Unsecured Loans : 128,251

Deferred Tax Liability : 26,942

APPLICATION OF FUNDS

Net Fixed Assets : 497,302 Investments : 171

Net Current Assets : 676,986 Misc. Expenditure : -

Accumulated Losses : NIL

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

Turnover Including other income : 1,910,572 Total Expenditure : 1,898,262

Profit/Loss Before Tax : 12,311 Profit/Loss after tax : 4,690

Earning per share (in Rs.) : 0.17 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 DirectorPlace : Kolkata
Date : 3rd September, 2011**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 18th ANNUAL GENERAL MEETING of the Company to be held at the Registered Office of the Company at 307, Ashiana Towers, Exhibition Road, Patna 800 001, Bihar on Friday the 30th September, 2011 at 2.00 P.M. and at any adjournment thereof.

Signed this.....day of2011.

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 18TH ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company at 307, Ashiana Towers, Exhibition Road, Patna 800 001, Bihar on Friday the 30th September, 2011 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



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GANGOTRI IRON & STEEL CO. LTD.

307 Ashiana Towers, Exhibition Road, Patna - 800 001

Phone : +91 612 2322 456, 2323 457/58, 6510 777/888, Fax : +91 612 2323 959

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