

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY INFORMATION

COMPANY SECRETARY

Ms. Puja Gupta

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
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

REGISTRAR & SHARE TRANSFER AGENT

S. K. Infosolutionos Pvt. Ltd.
34/1A, Sudhir Chatterjee Street
Kolkata - 700 006

WEBSITE

www.giscotmt.com

E-MAIL ID FOR INVESTORS

cs@giscotmt.com

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NOTICE

TO THE MEMBERS

NOTICE is hereby given that the 19th Annual General Meeting of the Members of GANGOTRI IRON & STEEL COMPANY LIMITED will be held on Saturday, the 29th September 2012 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 made as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date together with the schedules and annexure along with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Aditya Dalmiya and Mr. Ashok Agarwal, retiring by rotation and, being eligible, offer themselves for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:-
"RESOLVED THAT Mr. Ankit Choudhary who was appointed by the Board of Directors as an Additional Director of the Company with effect from 22.05.2012 and who holds office only up to the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company and shall be liable to retire by rotation."
5. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Section 269 and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded for the appointment of Mr. Sanjiv Kumar Choudhary, presently the Managing Director of the Company, as Chairman of the Company and to designate him as Chairman-cum- Managing Director of the Company with effect from 03.09.2012 and he shall remain as Chairman unless otherwise decided by the Board."
6. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special resolution :-
"RESOLVED THAT pursuant to Section 269 and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded for the re-appointment of Mr. Sanjiv Kumar Choudhary as the Managing Director of the Company for a period of next five years w.e.f 1st July, 2012, on the remuneration, as set out in the Explanatory Statement with liberty to the Board of Directors to alter or vary the terms and conditions of the said appointment in such manner as it may deem fit in the best interests of the Company so as not to exceed the limits in that behalf contained in Schedule XIII to the said Act."
"RESOLVED FURTHER THAT where in any financial year, the company has no profit or its profits are inadequate, the company may pay Mr. Sanjiv Kumar Choudhary remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit specified under Section II of Part II of Schedule XIII to the Companies Act, 1956."
"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, commission, perquisites and other allowances within such prescribed limit or ceiling without any further reference to the Company in general meeting."
"RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of the Remuneration Committee hereby decided that Mr. Sanjiv Kumar Choudhary shall get the same remuneration as fixed by the Board in his previous agreement in this regard. The details of the agreement has been set out in the Explanatory Statement."
"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to this resolution."

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

Place : Patna
Date : 3rd September, 2012

Ms. Puja Gupta
Company Secretary

NOTICE *(Contd.)*

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 Member and Share Transfer Register of the Company will remain closed from 24th September 2012 to 29th September, 2012 (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 the 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 notice, to avoid inconvenience.
7. An Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 4, 5 and 6 of the notice is given hereto.

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

Item No. 4

Mr. Ankit Choudhary was appointed as an Additional Director by the Board of Director w.e.f. May 22, 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956.

Pursuant to Section 260 of the Companies Act, 1956 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

Mr Ankit Choudhary has completed his MBA from the University of Pittsburgh, USA, in Operations and Strategy Concentrations. He is young, dynamic and focused. The Board feels that presence of Mr. Ankit Choudhary on the Board is desirable and would be beneficial to the company and hence recommends resolution in item No.4 for adoption.

Mr. Sanjiv Kumar Choudhary, Chairman Cum Managing Director, is concerned or interested in the resolution being related to Mr. Ankit Choudhary.

The Board recommends resolutions under Item No. 4 to be passed as an ordinary resolution.

Item No. 5

The Board of the Company at its meeting held on 3rd September, 2012 resolved to appoint Mr. Sanjiv Kumar Choudhary, presently Managing Director of the company, as the Chairman of the Company and to designate him as Chairman-cum-Managing Director of the Company with effect from 3rd September, 2012. Board of Directors on the recommendation of Remuneration Committee has recommended that there shall be no change in terms of the Remuneration payable to Mr. Sanjiv Kumar Choudhary for his new designation and he shall get the same remuneration as fixed by the Committee for the Designation of Managing Director.

Mr. Ankit Choudhary, Director, is concerned or interested in the resolution being related to Mr. Sanjiv Kumar Choudhary.

The Board recommends resolutions under Item No. 5 to be passed as an ordinary resolution.

NOTICE

Item No. 6

The Board of Directors of the Company at its meeting held on 03rd September, 2012 subject to the approval of the members in the Annual General Meeting, approved the terms and conditions of re-appointment and remuneration payable to Mr. Sanjiv Kumar Choudhary, being designated as Managing Director of the Company w.e.f 1st July, 2012, for a period of next five years as under:

- Salary : Rs. 80,000/- per month.
- In addition to the salary, he shall also be entitled to perquisites which would include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, club fees, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities. The expenditure on such perquisites shall be valued as per Income Tax Act, 1961.

Requisite particulars in respect of Mr. Sanjiv Kumar Choudhary is as under :

Mr. Sanjiv Kumar Choudhary, aged 49 years is a Commerce Graduate from Calcutta University with an experience of 29 years in diverse business activities. He is associated with iron and steel industry for the last 19 years.

Mr. Sanjiv Kumar Choudhary is interested or concerned in the resolution to the extent of the remuneration relating to his re-appointment as Managing Director of the Company.

The Explanatory Statement together with the accompanying notice is and may be treated as an abstract of the terms of appointment and memorandum of interest under section 302 of the Companies Act, 1956.

Mr. Ankit Choudhary, Director, is concerned or interested in the resolution being related to Mr. Sanjiv Kumar Choudhary.

The Board recommends resolutions under Item No. 6 to be passed as a special resolution.

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

Place : Patna
Date : 3rd September, 2012

Ms. Puja Gupta
Company Secretary

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. Aditya Dalmiya
- Date of Birth : 25.04.1961
- Date of appointment : 22.02.2002
- Expertise in specific functional areas : Mr. Aditya Dalmiya a commerce graduate & PGDBM, is a businessman and is working as partner and director in different concerns 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 : NIL
- Relationship with other Directors : Not related to any other Director

NOTICE (Contd.)

- 2) Name of the Director : Mr. Ashok Agarwal
- Date of Birth : 10.11.1962
- Date of Appointment : 30.10.2002
- Qualification : B. Com
- Expertise in specific functional areas : Mr. Ashok Agarwal, aged 50 years is a commerce graduate with sound business background. He is associated with the Company for last 9 years as an Independent, Non-Executive Director.
- 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 19th Annual Report of the Company, together with the Audited Accounts, for the year ended 31st March, 2012.

1. Financial Results

(Rs. in Lacs)

	2011-2012	2010-2011
Sales & Other Income (net)	9516.85	19105.72
Profit/(Loss) before Interest & Depreciation	947.03	1344.18
Less : Interest & Other Financial Charges	956.18	879.23
Less : Depreciation	314.72	341.84
Profit/(Loss) before tax and exceptional items	(323.87)	123.11
Add / (Less) : Exceptional items	–	–
Profit/(Loss) before tax and after exceptional items	(323.87)	123.11
Less : Provision for Taxation	–	25.16
Less/(Add) : Deferred Tax	(106.96)	51.05
Net Profit /(Loss) after Tax	(216.91)	46.90
Balance as per last year	641.71	594.81
Balance Carried Forward	424.80	641.71

2. Operations

During the year under review the total revenue has decreased by 50%, compared to previous year ended on 31.03.2011.

Due to slowdown in the steel market, production was temporarily suspended during certain period in the financial year 2011-2012.

3. Future Prospects

The State of Bihar is experiencing a continuous and resounding growth phase. Huge emphasis is being laid upon growth of infrastructure in the state and therefore being the leading TMT manufacturer, both in terms of volume and quantity, we expect record-breaking demand for our product. It is pertinent to mention that our product GISCO Thermex Fe500 QST Bars is the most demanded TMT brand in the fastest growing state in country.

Furthermore, the enhancement cum restructuring of loan of the Company has been principally agreed to by our Banker and is currently under process for final sanction. Added capital will lead to better realization on finished goods as well as purchase of quality raw material at reasonable rates, thus increasing the bottom-line of the Company. Techno- Economic Viability (TEV) study to this effect was conducted by D&B Consultant on instruction of the Banker, wherein it was concluded that manufacturing unit of the Company represented a substantial potential for growth and profitability. An enhancement in the Banking arrangement is therefore expected to be received shortly

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.

DIRECTORS' REPORT (Contd.)

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.

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

As the Company incurred loss during the year hence no dividend payment was considered.

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. Directors

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

8. 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 2012, 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/loss 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.

9. 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.)

10. 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.

11. 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.

12. 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.

13. 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 earnings and outgo.

14. Social Welfare Activities

The Company organises mason's meet from time to time at various centres.

15. 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".

16. 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

Place : Patna
Date : 3rd September, 2012

Sanjiv Kumar Choudhary
Chairman-cum-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	2011-12	2010-11
A) Power & Fuel Consumption		
1. Electricity		
a) Purchased Unit (KWH)	38,62,000	5,92,91,500
b) Total Amount (Rs.)	6,58,91,822	22,86,11,050
c) Rate/Unit (Rs.)	17.06	3.86
2. Coal		
a) Qty (Kg.)	4,28,170	25,31,267
b) Total Amount (Rs.)	21,22,649	62,77,240
c) Average Rate (Rs.)	4.96	2.48
3. Coke		
a) Qty (Kg.)	0.00	2,65,345
b) Total Amount (Rs.)	0.00	45,45,800
c) Average Rate (Rs.)	0.00	17.13
B) Consumption per unit of Production		
Product		
a) Units (M.T.)		
- M.S. Bars	6941.68	53,994
- M.S.Billet	2066.10	41,482
b) Electricity (KWH)	428.74	621.01
c) Coal (Kg.)	61.68	26.51
d) Coke (Kg.)	0.00	2.78

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. Sanjiv Kumar Choudhary, Chairman-Cum-Managing Director, Mr. Ankit Choudhary, Mr. Aditya Dalmiya, Mr. Ashok Agarwal, Mr. Debabrata Banerjee & Mr. Narendra Kumar Jaiswal. Total no. of. Board meetings held during the financial year were 6 and the dates are as follows: 09.06.11, 18.07.11, 03.09.11, 07.11.11, 24.01.12 & 31.03.12. 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	0	No	6	–	–
Mr. Sanjiv Kumar Choudhary	Executive & Promoter	6	Yes	5	–	–
Mr. Aditya Dalmiya	Non-Executive & Promoter	6	Yes	4	–	–
Mr. Ashok Agarwal	Non-Executive & Independent	6	Yes	–	–	–
Mr. Debabrata Banerjee	Non-Executive & Independent	5	Yes	–	–	–
Mr. Narendra Kumar Jaiswal	Non-Executive & Independent	5	Yes	–	–	–
**Mr. Ankit Choudhary	Non-Executive & Promoter	0	No	2	–	–

* Mr. Ramautar Jhunjhunwala was continuously unavailable to attend the meetings of the company due to his health problems and thus he was approved leave of absence during all the meeting held in the financial year ended March-2012. He submitted his resignation on 28th March,2012 which was approved by the Board w.e.f 22.05.2012 .

** Mr. Ankit Choudhary was appointed as the Additional Director on Board. w.e.f. 22.05.2012.

3. AUDIT COMMITTEE

The Audit Committee consists of Directors (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 31.03.2012 six meetings were held on 12.05.11, 17.07.11, 02.09.11, 06.11.11, 22.01.12 & 30.03.12.

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

Name	Position	Category	Attendance (2011-12)
Mr. Debabrata Banerjee	Chairman	Independent & Non-Executive	6
Mr. Ashok Agarwal	Member	Independent & Non-Executive	5
Mr. Narendra Kumar Jaiswal	Member	Independent & Non-Executive	4

4. REMUNERATION COMMITTEE

There is no remuneration committee as there is only one Chairman -Cum- Managing Director, whose terms are approved by members of the Company. He is being paid a remuneration of Rs. 80,000/- p.m. The total remuneration paid to the Chairman cum Managing Director is as follows :

Salaries, allowances, exgratia etc.	Rs. 960000/-
Perquisites	Rs. 25713/-
TOTAL	Rs. 985713/-

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

The Non-Executive Directors are being paid sitting fees @ Rs. 1000/- per meeting attended by them.

5. INVESTORS / SHAREHOLDERS GRIEVANCE COMMITTEE

The Committee consists of Mr. Aditya Dalmiya 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 8 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**Details of Last Three Annual General Meetings held :**

S.No.	Financial Year	Date & Time	Venue	Details of Special Resolution Passed
1	2008-09	Sept. 30, 2009 2:00P.M.	307, Ashiana Towers, Exhibition Road, Patna-800 001	No Special Resolution was passed at the meeting.
2	2009-10	Sept. 30, 2010 2:00P.M.	307, Ashiana Towers, Exhibition Road, Patna-800 001	No Special Resolution was passed at the meeting.
3	2010-11	Sept. 30, 2011 2:00P.M.	307, Ashiana Towers, Exhibition Road, Patna-800 001	No Special Resolution was passed at the meeting.

EXTRA-ORDINARY GENERAL MEETING/POSTAL BALLOT

There were no Extra-Ordinary General Meetings/Postal Ballot conducted during the Financial Year 2011-12.

ANNUAL GENERAL MEETING 2012

Day, Date and Time	: Saturday, September 29, 2012 at 2.00 P.M
Venue	: 307, Ashiana Towers, Exhibition Road, Patna-800001
Book Closure Date	: Sept.24, 2012 to Sept. 29, 2012 (both days inclusive)
Last Date of Receipt of Proxy Forms	: Friday Sept. 27, 2012
Dividend Payment Date	: Not Applicable

7. TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING MARCH 31, 2013

The tentative dates for Board Meetings for consideration of quarterly financial results are as follows:

Sr. No.	Particulars of Quarter	Tentative dates
1.	First Quarter Results	In or before the Second week of August 2012.
2.	Second Quarter & Half Yearly Results	In or before the Second week of October 2012.
3.	Third Quarter & Nine-months Results	In or before the Second week of January 2013.
4.	Fourth Quarter & Annual Results	In or before the Second week of April 2013.

8. 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 are being denied any access to the Audit Committee.

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)**9. MEANS OF COMMUNICATION**

The Financial 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.

LISTING ON STOCK EXCHANGE : Bombay Stock Exchange Limited,
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

STOCK CODE : 530945

ISIN NUMBER FOR NSDL & CDSL : INE437F01023

DEMATERIALIZATION OF SHARES : 26364632 (98.29% of Total Share Capital)

OUT STANDING CONVERTIBLE WARRENTS : Not issued any convertible instrument during the year.

Note : The Company has paid up to date Annual Listing Fees to Bombay Stock Exchange Ltd.

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

10. REGISTRARS AND TRANSFER AGENTS : M/s S. K. Infosolutions Pvt. Ltd.

(Share transfer and communication regarding 34/1A, Sudhir Chatterjee Street ,
share certificates, dividends and change of Kolkata-700006
address)

11. INVESTOR CORRESPONDANCE

Company Secretary, 307Ashiana Towers, Exhibition Road, Patna-800 001 Tel: 0612-2323457 E-mail: cs@giscotmt.com

12. MARKET PRICE DATA

Details of trading on Bombay Stock Exchange Limited from April, 2011 to March, 2012 are given below :

Month	High (Rs.)	Low (Rs.)	Volume	BSE Sensex	
				High	Low
April,11	73.00	48.95	698795	19811	18976
May,11	65.90	54.50	204389	19254	17786
June,11	62.80	51.65	221997	18873	17314
July,11	66.05	53.55	365604	19132	18132
Aug,11	59.95	46.00	211673	18440	15766
Sept,11	51.90	46.85	227259	17212	15801
Oct,11	53.75	49.60	221508	17908	15745
Nov,11	53.00	47.85	238581	17702	15479
Dec,11	51.25	47.70	258800	17004	15136
Jan,12	49.90	28.70	294707	17259	15358
Feb,12	48.80	36.45	270793	18524	17062
March,12	45.75	39.80	141894	18041	16921

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

13. GENERAL INFORMATION

Shareholding Pattern as on 31.03.2012

Category	No. of equity Shares	% of shareholding
Promoters	12007343	44.76
Private Corporate Bodies	10169272	37.91
NRI/OCB	230000	0.86
Indian public	4416973	16.47
TOTAL	26823588	100

Distribution of Shareholding (As on 31.03.2012)

No. of Equity Shares held	No. of Folios	% to total	No. of shares	% to total
Up to 500	1066	61.62	189054	0.70
501 to 1000	249	14.39	216461	0.81
1001 to 2000	117	6.76	193242	0.72
2001 to 3000	41	2.37	106249	0.40
3001 to 4000	25	1.45	94241	0.35
4001 to 5000	16	0.92	75586	0.28
5001 to 10000	52	3.01	421857	1.57
10001 to above	164	9.48	25526898	95.17
GRAND TOTAL	1730	100	26823588	100

For and on behalf of the Board

Place : Patna
Date : 3rd September, 2012

Sanjiv Kumar Choudhary **Aditya Dalmiya**
Chairman-cum-Managing Director *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, 2012 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, 2012

DECLARATION UNDER CLAUSE 49

All the Board Members and Senior Management have affirmed compliance to the 'Code of Conduct' for the financial year 2011-12.

Place : Patna
Date : 3rd September, 2012

Sanjiv Kumar Choudhary
Chairman-cum-Managing Director

AUDITORS' REPORT

TO THE MEMBERS OF GANGOTRI IRON AND STEEL COMPANY LIMITED

1. We have audited the attached Balance Sheet of **GANGOTRI IRON AND STEEL COMPANY LIMITED** ("the Company"), as at 31st March, 2012, the Profit and Loss Statement 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 draw your attention to:
 - i. Note no. 28(d) regarding non provision of income-tax liability and interest thereon.
 - ii. Note no. 29 regarding amount claimed by the company as subsidy/incentive on VAT as per Industrial Incentive Scheme, 2006 by the Department of Industries, Bihar. The Company is yet to get the passbook from the Department and we were unable to form an opinion about recoverability thereof.
 - iii. Note no. 31 regarding Balances of some of the Trade payables, Loans and advances incorporated in the books as per balances appearing in the relevant subsidiary records, are subject to confirmation from the respective parties
- iv. Note no. 32 of the notes to financial statement regarding treatment of Revenues from operations.
5. 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, subject to paragraphs 4(iii) above 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 Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
 - d) In our opinion, subject to paragraph 4(iv) above, the Balance Sheet, Profit and Loss Statement 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, 2012 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, 2012 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, subject to Paragraph 4 above, 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 give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;

AUDITORS' REPORT

- ii. in the case of the Profit and Loss Account, of the loss 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

Place : Kolkata

Date : 3rd September, 2012

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, 2012.

1. a) The company is in the process of updating the fixed assets register. granted are not prima facie, prejudicial to the interest of the company.
- 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) The parties are regular in repaying the principal amount and payment of interest as per stipulations.
- 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. d) In respect of the loans granted, the question of overdue amounts does not arise as the loans are repayable on demand.
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. e) According to the information and explanation given to us & in our opinion the company has taken interest free loans from one company covered in the register maintained under section 301 of the Companies' Act, 1956. The maximum amount outstanding during the year was Rs 4.36 crores and the year end balance of loans taken by the company was Rs 4.36 crores.
- 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. 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.
- c) The Company has maintained proper record of its inventories and no discrepancies were noticed on physical verification. g) The company is regular in paying the principal amounts as stipulated.
3. a) According to the information and explanation given to us the company has not granted unsecured loans to a companies covered in the register maintained under section 301 of the Companies' Act, 1956. 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.
- b) In our opinion, the rate of interest and other terms and conditions on which the loans have been

AUDITORS' REPORT (Contd.)

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.
- 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, 2012 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 70,98,836	2006-2007 April 2011 to August 2011	N.A. N.A	Unpaid Unpaid
Employees State Insurance Act, 1948	Employees State Insurance	4,30,912 7,53,574 1,61,041	2009-2010 2010-2011 April 2011 to August 2011	N.A N.A N.A	Unpaid Unpaid Unpaid
Employees Provident Fund Act, 1952	Provident Fund	17,46,792 19,31,053 4,10,001	2009-2010 2010-2011 April 2011 to August 2011	N.A N.A N.A	Unpaid Unpaid Unpaid
Bihar Entry Tax	Bihar Entry Tax	1,19,45,205	April 2011 to August 2011	N.A N.A	Unpaid as the company's claim for VAT Subsidy is pending for approval
Central Sales Tax Act, 1956	Central Sales Tax	41,302	April 2011 to August 2011	N.A	Unpaid as the company's claim for VAT Subsidy is pending for approval
Bihar Value Added Tax Act, 2005	Value Added Tax	10,84,560 92,91,268	2010-2011 April 2011 to August 2011	N.A N.A.	Unpaid as the company's claim for VAT Subsidy is pending for approval

AUDITORS' REPORTT

- c) As at 31st March 2012 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, 2012 but it has incurred cash loss in the financial year ended on that date.
11. The Company has not paid the dues of loans including working capital borrowings taken from State bank of India as per repayment Schedule. An amount of outstanding installments of loans including working capital borrowings is not determinable. An estimated amount of Rs. 3,02,00,000 stands overdue on account of interest as on 31st March, 2012 since third quarter of the financial year 2010-11. The company does not have any debentures outstanding as on 31st March 2012.
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. In our opinion and according to the information and explanation given to us, the term loans were applied for the purpose for which loan were obtained.
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.
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.

Place : Kolkata
Date : 3rd September, 2012

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

GANGOTRI IRON & STEEL CO. LTD.**BALANCE SHEET AS AT 31ST MARCH, 2012**

	Note	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	1	134,117,940	134,117,940
Reserves and surplus	2	162,725,996	184,416,708
		<u>296,843,936</u>	<u>318,534,648</u>
2 Non-current liabilities			
Long-term borrowings	3	489,911,807	373,327,529
Deferred tax liabilities (Net)	4	16,246,232	26,942,395
Long- Term Provisions	5	2,400,821	—
		<u>508,558,860</u>	<u>400,269,924</u>
3 Current liabilities			
Short-term borrowings	6	442,743,640	470,236,413
Trade payables		30,188,282	149,928,297
Other current liabilities	7	169,743,935	211,387,611
Short-term provisions	8	31,498,958	3,297,072
		<u>674,174,815</u>	<u>834,849,393</u>
		<u>1,479,577,611</u>	<u>1,553,653,965</u>
II. ASSETS			
Non-current assets			
1 Fixed assets			
(i) Tangible assets	9	466,027,073	497,271,329
Intangible assets		18,875	30,275
Non-current investments	10	185,850	170,995
Long-term loans and advances	11	19,376,574	10,642,034
		<u>485,608,371</u>	<u>508,114,633</u>
2 Current assets			
Inventories	12	482,970,557	620,130,557
Trade receivables	13	265,121,366	273,702,644
Cash and bank balances	14	10,931,782	15,873,739
Short term loans & Advances	15	230,276,420	133,029,106
Other current assets	16	4,669,115	2,803,286
		<u>993,969,240</u>	<u>1,045,539,332</u>
		<u>1,479,577,611</u>	<u>1,553,653,965</u>
Significant Accounting Policies	A-Q		
Notes on Financial Statements	1 to 35		

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, 2012

Puja Gupta
Company Secretary

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary
Chairman-cum-Managing Director**Aditya Dalmiya**
Director

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Schedule	For the year ended 31st March, 2012	For the year ended 31st March, 2011
I. Revenue from operations	17	927,114,743	1,714,630,577
II. Other income	18	24,570,611	195,941,807
III. Total Revenue (I + II)		<u>951,685,354</u>	<u>1,910,572,384</u>
IV. Expenses :			
Cost of material consumed	19	705,393,612	1,424,147,707
Change in Inventories of Finished Goods, stock in process and Stock in trade	20	60,140,582	39,410,780
Employee benefits expense	21	5,538,352	20,368,731
Finance costs	22	95,617,886	87,923,440
Depreciation and amortisation expense		31,471,817	34,184,183
Diminution in value of investments		–	28,575
Other expenses	23	<u>85,909,980</u>	<u>292,198,457</u>
Total expenses		<u>984,072,229</u>	<u>1,898,261,873</u>
V. Profit / (loss) before tax		<u>(32,386,875)</u>	<u>12,310,511</u>
VI. Tax Expense :			
(1) Current tax		–	2,516,230
(2) Deferred tax		<u>(10,696,163)</u>	<u>5,104,487</u>
VII. Profit (Loss) for the period (V - VI)		<u>21,690,712</u>	<u>4,689,794</u>
VIII. Earnings per equity share:	27		
(1) Basic		(0.81)	0.17
(2) Diluted		(0.81)	0.17
Significant Accounting Policies Notes on Financial Statements	A-Q 1 to 35		

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, 2012

Puja Gupta
Company Secretary

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary
Chairman-cum-Managing Director

Aditya Dalmiya
Director

Cash Flow Statement for the year ended 31st March, 2012

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
A. Cash flows from operating activities		
Profit before taxation and after exceptional items	(32,386,875)	12,310,511
Adjustments for :		
Depreciation/amortization	31,471,817	34,184,183
Dividend Income	(1,000)	(1,000)
Interest income	(409,849)	(391,224)
Interest Paid	95,617,886	87,923,440
Profit / Loss on sale of fixed assets (net)	193,586	-
Provision for diminution in the value of investments	(14,855)	28,575
Sundry balances written off /(back)	(105,242)	1,059
Operating profit before working capital changes	<u>94,365,468</u>	<u>134,055,544</u>
Adjustments for :		
(Increase) / Decrease in trade receivables	8,686,520	(4,800,364)
(Increase) / Decrease in inventories	137,160,000	(117,516,197)
(Increase) / Decrease in loans and advances	(107,847,683)	(73,098,240)
Increase / (Decrease) in trade and other payables	<u>(130,780,984)</u>	<u>143,658,357</u>
Cash generated from Operations	1,583,321	82,299,099
Direct taxes paid	-	-
Net cash from operating activities	<u>1,583,321</u>	<u>82,299,099</u>
B. Cash flows from investing activities		
Purchase / sale of fixed assets	(409,746)	(11,506,395)
Purchase / sale of investments	-	-
(Increase) / Decrease in Fixed Deposit	(1,916,381)	(10,472)
Interest received	409,849	391,224
Dividend received	1,000	1,000
Net cash (used in) / from investing activities	<u>(1,915,278)</u>	<u>(11,124,643)</u>
C. Cash flows from financing activities		
Proceeds from issue of equity capital	-	28,598,470
Securities premium received	-	28,598,470
Share issue expenses	-	-
Proceeds from long term loan	116,584,278	(55,789,701)
Proceeds from bank borrowings	(27,492,773)	2,461,762
Interest paid	(95,617,886)	(87,923,440)
Increase/(decrease) in Unsecured Loans	-	18,859,124
Net cash (used in) / from financing activities	<u>(6,526,381)</u>	<u>(65,195,315)</u>
Net increase in cash and cash equivalents	(6,858,591)	5,979,141
Cash and cash equivalents at the beginning of the year	10,280,134	4,300,993
Cash and cash equivalents at the end of the year	<u>3,421,796</u>	<u>10,280,134</u>

Notes : 1. Components of cash and bank balances include cash, bank balances in current and deposit accounts as disclosed under note n. 14 of the financial statement.

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, 2012

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary
Chairman-cum-Managing Director

Puja Gupta
Company Secretary

Aditya Dalmiya
Director

Notes forming part of the Financial Statement

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENT

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. 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 Non current investments are carried at lower of cost and fair value determined on an individual investment basis. Non current 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 Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

Schedules forming part of the Accounts

g 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.

h 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.

i 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 statement 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.

j 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.

k 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

Notes forming part of the Financial Statement

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.

l 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.

m Segment reporting

i) Identification of segments

The Company has identified that its operating segments are the primary segments. The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit and offering different products and serving different markets.

ii) Allocation of common costs

Common allocable costs are inter-se allocated to segments based on the basis most relevant to the nature of the cost concerned. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head unallocated expense / income.

n 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.

o 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.

p 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.

q 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 statement and the balance sheet for the respective plans.

Schedules forming part of the Accounts

A Defined Benefit Plans :

a Expenses recognised in the statement of profit and loss statement for the year ended 31st March 2012

Rs. (000)

	For the year ended 31st March	
	2012 Gratuity	2011 Gratuity
(A) Component of Employer's Expense		
Current service cost	61.62	92.26
Interest cost on benefit obligation	32.73	34.11
Expected return on plan assets	0	–
Past Service Cost	0	22.23
Net actuarial (gain)/loss recognised during the period	(277)	18.96
Total expenses	(183)	167.56
(B) Actual Contribution and Benefits Payments for period ending		
Actual Benefit Payments	–	–
Actual Contribution	–	–
b Net assets/ (liability) recognised in the balance sheet as at 31st March 2012		
Present value of defined benefits obligation	209.80	392.01
Fair value of plan assets	–	–
Net assets/(liability) recognised in the balance sheet as at 31st March 2012	209.80	392.01
Employer's Expense		
(a) Current Service Cost	61.62	92.26
(b) Total Employer Expense	(182.65)	167.56
c Change in obligations during the year ended 31st March 2012		
Present value of defined obligation at the beginning of the period	392.01	572.29
Current service cost	61.62	92.26
Interest cost	32.73	34.11
Plan Amendments	–	–
Benefits paid	–	–
Actuarial (gains)/losses	(277.00)	18.96
Present value of defined benefits obligation at the end of the period	209.36	739.85
d Change in the fair value of plan assets during the year ended 31st March 2012		
Plan Asset at the beginning of the period	–	–
Actual return on Plan Asset	–	–
Contribution by the employer	–	–
Employee Contributions	–	–
Benefits Paid	–	–
Plan Asset at the end of the period	–	–

Notes forming part of the Financial Statement

	As at 31st March 2012		As at 31st March 2011	
	Number	Amount (Rs)	Number	Amount (Rs)
1 Share Capital				
Authorised Share Capital :				
Equity shares of Rs. 5/- each	40,000,000	200,000,000	40,000,000	200,000,000
Issued, Subscribed & Paid up				
Equity Shares of Rs 5 each fully paid	26,823,588	134,117,940	26,823,588	134,117,94
Subscribed & Paid up				
Total	26,823,588	134,117,940	26,823,588	134,117,940

1.1 The details of Shareholders holding more than 5 % shares of the aggregate shares of the company.

Name of the Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
VIP Finstock Private Limited	3,913,832	14.59	3,788,007	14.12
Ganga Carriers Private Limited	2,875,000	10.72	3,200,000	11.93
Transparent Shares and Securities Private Limited	–	–	2,393,431	8.92
Mtl Share and Stock Brokers Limited	–	–	1,538,521	5.74
Total	6,788,832	25.31	10,919,959	40.71

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
2 Reserves & surplus		
a. Capital reserve		
Opening & Closing balance	19,509,750	19,509,750
b. Securities Premium Reserve		
Opening Balance	100,736,438	72,137,968
Add : Securities premium received/receivable during the year	–	28,598,470
Closing Balance	100,736,438	100,736,438
c. Surplus		
Opening balance	64,170,520	59,480,726
Add : Net Profit/(Net Loss) for the current year	(21,690,712)	4,689,794
Closing balance	42,479,808	64,170,520
Total	162,725,996	184,416,708

Notes forming part of the Financial Statement

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
3 Long-term borrowings		
Secured		
Term loans		
A - from a scheduled bank	198,373,642	228,415,594
Explanation :		
i) Secured by a hypothecation of inventory, stock in trade/transit, book debts, fixed deposits of Rs.71.61 lacs and mortgage of land & buiding and entire fixed assets at the factory premises of the company.		
ii) The lender bank of the term loan has classified the loan account as Non-Performing Asset (NPA) and has initiated the recovery proceedings.The company has however, submitted a proposal for rehabilitation of the dues to the bank		
B - from a body corporate (vehicile loan)	65,080	296,810
Explanation :		
i) Secured by a hypothecation of respective vehicle		
C - from banks (vehicle loan)	944,615	1,781,252
Explanation :		
i) Secured by a hypothecation of respective vehicles		
Sub total	199,383,337	230,493,656
D Unsecured		
Loan from bodies corporate	276,549,251	128,251,013
Explanation :		
Unsecured loan is in the nature of demand loan		
Security deposits from dealers	13,979,219	14,582,860
Total	489,911,807	373,327,529

- 4 In accordance with AS-22 on 'Accounting for taxes on Income' by the Institute of Chartered Accountants of India, net deferred tax, has been accounted for, as detailed below :

Deferred tax liability	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
Timing difference on account of :		
Deferred tax liabilities		
Difference between book and tax depreciation	49,828,488	49,536,025
Bonus & Leave encashment paid during the year	-	50,717
Employer's contitution to ESIC and PF paid during the year	-	189,325
Sub Total (A)	49,828,488	49,776,067

Notes forming part of the Financial Statement

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
Deferred tax asset		
Provision for gratuity, bonus and leave encashment	157,496	145,403
Carry forward losses	33,275,900	22,181,312
Employer's contitium to ESIC and PF	148,860	506,957
Sub Total (B)	33,582,256	22,833,672
Net Deferred Tax Liability (A-B)	16,246,232	26,942,395

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
5. Long-term Provosions		
Provision for Taxation (Net)	2,400,821	–
Total	2,400,821	–

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
6. Short-term Borrowings		
Working capital facilities from a scheduled bank	442,743,640	470,236,413
Explanation : Cash credit limit is secured by a hypothecation of inventory, stock in trade/transit, book debts, and mortgage of land & buiding and en-tire fixed assets at the factory premises of the company.		
Total	442,743,640	470,236,413

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
7. Other Current Liabilities		
Advance from customers	42,842,332	131,695,561
Statutory dues	64,521,287	56,443,200
Capital creditors	13,537,665	12,351,204
Payable for expenses	48,842,651	10,897,646
Total	169,743,935	211,387,611

Notes forming part of the Financial Statement

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
8. Short-term Provisions		
A. Provison for bank Interest	30,200,000	–
	30,200,000	–
B. Provision for employee benefits :		
Bonus	270,263	–
Gratuity	631,278	464,010
Leave encashment	370,900	372,460
	1,272,441	836,470
C. Others		
Provision for tax	–	2,460,602
Others	26,517	–
	26,517	2,460,602
Total (A+B+C)	31,498,958	3,297,072

9. FIXED ASSETS

(Amount in Rs.)

Particulars	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at 31.03.2011	Additions	Deducti ons/adju stments	As at 31.03.2012	Upto 31.03.2011	For the Year	Deduc tions/adju stments	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Intangible assets										
Computer software	57,000	–	–	57,000	26,725	11,400	–	38,125	18,875	30,275
Tangible assets										
Land-freehold	25,570,855	–	–	25,570,855	–	–	–	–	25,570,855	25,570,855
Land-leasehold	166,891	–	–	166,891	133,515	6,676	–	140,191	26,700	33,376
Buildings	106,991,097	–	–	106,991,097	10,250,125	3,545,658	–	13,795,783	93,195,314	96,740,972
Plant & machinery	453,262,701	455,947	–	453,718,648	84,925,766	26,989,079	–	111,914,845	341,803,803	368,336,935
Furniture & fixtures	1,044,862	–	–	1,044,862	574,784	66,139	–	640,923	403,939	470,078
Office & other equipments	2,470,083	–	–	2,470,083	903,417	118,871	–	1,022,288	1,447,795	1,566,666
Computer	1,226,896	123,800	–	1,350,696	697,678	213,139	–	910,817	439,879	529,218
Vehicles	6,061,966	–	763,307	5,298,659	2,038,737	520,855	399,721	2,159,871	3,138,788	4,023,229
Total	596,852,351	579,747	763,307	596,668,791	99,550,747	31,471,817	399,721	130,622,844	466,045,948	497,301,604
Previous year	585,345,956	11,550,871	44,477	596,852,350	65,366,563	34,184,183	–	99,550,746	497,301,604	

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
10. Non-current investments		
Non-Trade Investments		
Quoted (Refer A below)		
Investment in Equity instruments	1,210,100	1,210,100
Less : Provision for diminution in the value of Investments	1,039,105	1,039,105
Add : Excess provision for earlier years written back	14,855	–
Total	185,850	170,995

Notes forming part of the Financial Statement

			No. of Shares As at 31st March		Amount (Rs.) As at 31st March	
A Details of Non-Trade Investments (Quoted- at Cost) (Face value of Rs 10 unless otherwise stated)						
Sr. No.	Name of the Body Corporate		2012	2011	2012	2011
(a)	In Equity Instruments					
1.	Filmcity Media Limited	Others	50,000	50,000	165,998	165,998
2.	Pentium Infotech Limited	Others	75,000	75,000	233,990	233,990
3.	Singer India Limited	Others	1,000	1,000	280,095	280,095
4.	LGS Global Limited	Others	1,000	1,000	58,841	58,841
5.	Crane Software Limited	Others	1,000	1,000	132,309	132,309
6.	Sujana Metals Limited	Others	5,000	5,000	227,200	227,200
7.	SPEL Semiconductor Limited	Others	3,000	3,000	90,167	90,167
8.	Tapindu Urban Co-operative Bank	Others	2,150	2,150	21,500	21,500
	Less : Provision for diminution in value of investments				(1,039,105)	(1,039,105)
	Add : Excess provision for earlier years written back				14,855	–
	Total				185,850	170,995
	Aggregate market value of quoted investments				185,850	170,995

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
11. Long term loans and advances (Unsecured, considered good)		
a. Security Deposits	4,727,468	4,981,369
b. Others		
Advance payment of taxes (net of provision)	–	3,195,751
Balances with government & statutory authorities	12,184,192	–
Loan to a body corporate	2,464,914	2,464,914
Total	19,376,574	10,642,034

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
12. Inventories (At lower of cost or net realisable value)		
Stores, spares and packing materials	25,230,299	27,845,612
Raw materials and components	225,950,552	302,945,333
Finished goods	231,789,706	289,339,612
Total	482,970,557	620,130,557

Notes forming part of the Financial Statement

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
13. Trade Receivables		
(Unsecured, considered good)		
Trade receivables		
- outstanding for a period exceeding six months	150,372,832	158,643,014
- others	114,748,534	115,059,630
Total	265,121,366	273,702,644

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
14. Cash and Bank Balances		
a. Balances with banks	79,870	354,945
b. Cash on hand	3,341,926	9,925,189
c. Fixed deposits with banks #	7,509,986	5,593,605
Total	10,931,782	15,873,739

Fixed Deposits with banks has a maturity of more than 12 months

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
15. Short-term Loans and Advances		
(Unsecured, considered good)		
Balances with sales tax , central excise authority	6,548,216	10,030,142
Others	9,151,710	33,123,549
VAT Receivable	90,400,000	74,400,000
Advance for capital goods	1,276,018	1,024,547
Advance to suppliers	15,563,832	14,450,868
Advance to creditors	107,336,644	–
Total	230,276,420	133,029,106

	As at 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
16. Other Current Assets		
Claims and other receivables	4,647,393	1,235,328
Accrued interest on fixed deposit	21,722	1,567,958
Total	4,669,115	2,803,286

Notes forming part of the Financial Statement

	For the year ended 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
17. Revenue from Operations		
Sale of finished goods (net of returns) and other operating revenue	983,618,425	1,962,516,870
Less : Excise Duty	36,061,364	172,681,232
Less : Sales Tax	20,442,318	75,205,061
Total	927,114,743	1,714,630,577
18. Other Income		
Interest Income		
- Fixed deposit with banks	409,849	391,224
- Security Deposit	-	177,713
Rent receivable	187,097	-
Scrap sales	7,373,568	14,145,174
Insurance claim received	479,000	-
Dividend Income	1,000	1,000
Govt subsidy receivable	16,000,000	74,400,000
Commission received	-	-
Profit from commodity trading	-	106,157,270
Other non-operating income	120,097	669,426
Total	24,570,611	195,941,807
19. Cost of Materials Consumed		
Opening stock of raw material	299,570,388	144,086,478
Add : Purchases of raw materials	631,406,245	1,579,631,617
	930,976,633	1,723,718,095
Less: Closing stock of raw materials	225,583,021	299,570,388
Total	705,393,612	1,424,147,707
20. Change in Inventories of Finished Goods, stock in process and Stock in trade		
Inventories (at close)		
Finished/trading goods	228,897,514	289,339,612
Semi - finished goods	2,892,192	2,590,675
Inventories (at commencement)		
Finished/trading goods	289,339,612	315,984,872
Semi-finished goods	2,590,676	15,356,195
Total	60,140,582	39,410,780

Notes forming part of the Financial Statement

	For the year ended 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
21. Employee Benefits Expense		
Salaries, bonus and incentives	4,818,682	18,113,240
Contribution to provident and other funds	481,746	1,026,235
Gratuity fund contributions	167,268	53,041
Staff welfare expenses	70,656	1,176,215
Total	5,538,352	20,368,731
22. Finance Cost		
Interest on		
- Term loans to banks	32,915,176	33,207,609
- Working capital limits to bank	61,946,660	54,367,350
- Vehicle loan	111,024	348,481
Others	645,026	–
Total	95,617,886	87,923,440
23. Other Expenses		
Insurance	1,028,693	219,634
Sales promotion expense	7,550	361,093
Power and fuel	69,484,161	236,532,370
Postage, telegram and telephone	1,012,437	1,154,114
Travelling & conveyance	410,953	700,695
Rates & taxes	166,267	–
Filling fees	600	1,500
Professional charges	285,500	448,131
Consumption of stores and spares	8,279,766	42,448,043
Auditors' remuneration	182,000	190,000
Repairs & maintenance		
- Buildings	–	–
- Plant and machinery	351,843	1,256,034
- Others	98,280	635,918
Vehicle maintenance charges	454,569	–
Car hire charges	252,000	–
Advertisement	280,701	1,933,916
Rent and hire charges	1,157,241	1,269,018
Printing & stationery	112,866	354,801
Bank charges	478,135	1,247,819
Loss on sale of fixed assets	193,586	–
Director sitting Fees	37,000	23,000
Director remuneration	985,713	1,090,928
Miscellaneous expenses	650,119	2,331,443
Total	85,909,980	292,198,457

Notes forming part of the Financial Statement

	For the year ended 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
24. Payments to Auditors		
Statutory audit	130,000	130,000
- Tax audit	52,000	52,000
- Limited review	-	8,000
Total	182,000	190,000

Segment information

25 In accordance with the requirement of the Accounting Standard 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.

26 Disclosures of related party transactions (as identified & certified by the management):

a. As per Accounting Standard-18- ' Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below :

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

i	Key Management Personnel	Mr. Sanjiv Kumar Choudhary	(Managing director)
ii	Relatives of Key Management Personnel	Mrs. Manju Choudhary Mr. Ankit Choudhary	(wife of Mr.Sanjiv Kr.Choudhary) (son of Mr.Sanjiv Kr.Choudhary)
iii	Enterprise owned or significantly influenced by Key Management Personnel and their relatives	VIP Finstock Private Limited Gangotri Electrocasting Limited Ganga Carriers Private Limited	

c Transaction with related parties during the year and year end outstanding balance thereof are as follows :

Amount in Rs					
Nature of Transactions	Relatives of Key Management Personnel	Subsidiary	Enterprise owned or significantly influenced by Key Management Personnel and their relatives	Key Management Personnel	Total
i	Managerial remuneration	-	-	985,713 (1,090,928)	985,713 (1,090,928)
ii	Loans received	-	-	- (6,950,000)	- (8,718,000)
iii	Loans repaid	-	-	- (15,254,892)	- (16,680,892)
iii	sales	-	-	89,077,355 (206,074,922)	89,077,355 (206,074,922)
iv	Purchashe of raw material	-	-	144,952,682 (458,931,332)	144,952,682 (458,931,332)
iv	Car hire charges	252,000 (252,000)	- -	- -	252,000 (252,000)

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

Previous year figures are in the brackets.

Notes forming part of the Financial Statement

- d Disclosure in Respect of Material Related Party Transactions during the year
- i Mangerial Remenuration paid to Mr. Sanjiv Kumar Choudhary Rs 9,85,713 (Rs. 10,90,928)
 - ii Sale of goods to Gangotri Electrocastings Ltd Rs. 8,90,77,355 (Rs. 20,60,74,922)
 - iii Purcahse of goods from Gangotri Electrocastings Ltd Rs. 14,49,52,682 (Rs. 45,89,31,332)
 - iv Car charges paid to Mrs. Manju Choudhary Rs. 2,52,000 (Rs. 2,52,000)

	For the year ended 31st March	
	2012 Amount (Rs)	2011 Amount (Rs)
27 Earning per Share		
a Profit after tax	(21,690,712)	4,689,794
b Weighted average number of equity shares outstanding during the year (nos)	26,823,588	26,823,588
c Nominal value of equity per share	5	5
f Weighted average number of equity shares outstanding during the year in computing diluted earning per share (nos) [b+d+e+f]	26,823,588	26,823,588
g Earning per share		
- Basic [a/b]	-0.81	0.17
- Diluted [a/f]	-0.81	0.17

28 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.	3,925,256	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

- d "The Income Tax Department had 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. However, liability admitted by the company has not been provided in the books. In terms of the petition filed on 1st August, 2011 the tax liability and interest determined and paid by the Company is Rs. 77,67,947 and Rs. 43,55,613 respectively.This has been included in ' Balances with Government Authorities' under note 11 "Long-term loans and advances".

- 29 The Company has claimed Rs 9.04 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.

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.

Notes forming part of the Financial Statement

30 Micro, Small and Medium Enterprises

There are no Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2012. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

- 31** Balances of some of the Trade payables, 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.
- 32** Revenue from operations includes turnover incurred in a commodity exchange. Similarly cost of material consumed also include the relevant trade values on the debit side. No transfer of property in goods have taken place in these transactions as required for treatment of such revenues as turnover in terms of Accounting Standard (AS - 9) issued by Institute of Chartered Accountants of India and accordingly, these are speculative in nature. The Revenue from such transactions amount to Rs.51,89,75,000 and the Cost of Material from such transactions amount to Rs. 42,06,31,299.
- 33** The financial statement for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956. The financial statement for the year ended 31st March, 2012 are prepared under revised schedule VI. Accordingly the previous year figures have also been reclassified to conform to this year's classification.
- 34** Figures have been rounded off to nearest rupee.
- 35** Figures in the bracket relate to previous year.

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, 2012

For and on Behalf of the Board of Directors

Sanjiv Kumar Choudhary
Chairman-cum-Managing Director

Puja Gupta
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 of
.....as my / our proxy to vote for me / us on my / our behalf at the 19TH
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 Saturday, the 29th September, 2012 and at any adjournment thereof.

Signed this.....day of2012.

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 19TH ANNUAL GENERAL MEETING of the Company at the Registered Office of the
Company at 307, Ashiana Towers, Exhibition Road, Patna 800 001, Bihar on Saturday, the 29th September, 2012 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

BOOK-POST



दुनिया GISCO लोहा माने



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19th Annual Report 2012

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

FACTORY AT BIHTA



STEEL MELTING SHOP SHED



RE-HEATING FURNACE



ROLLING MILL AREA



ROUGHING MILL AREA



FURNACE PLATFORM



CCM AREA