

**9TH
ANNUAL
REPORT
2001-2002**

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GANGOTRI IRON & STEEL COMPANY LIMITED

Board of Directors

Sri Ramavtar Jhunjhunwala
Sri Sanjeev Choudhary
Sri Aditya Dalmiya

Chairman
Director
Director

Company Secretary

Mrs. Premlata Soni

Auditors

ABS Associates
40, Weston Street
Calcutta 700 013

Bankers

State Bank Of India
The Federal Bank Ltd
Corporation Bank

Factory

Phulwari Shariff
Janipur Road
Patna

Regd. Office

307, Ashiana Towers
Exhibition Road
Patna

Corporate Office

16B, Shakespeare Sarani
3rd, Floor, Calcutta 700 071

**Registrar &
Share Transfer Agent**

S.K.Computers
34/1A Sudhir Chatterjee Street
Calcutta 700 006

GANGOTRI IRON & STEEL COMPANY LIMITED

NOTICE TO MEMBERS

NOTICE is hereby given that the 9th Annual General Meeting of the Members of **GANGOTRI IRON & STEEL COMPANY LIMITED** will be held on Friday, the 27th September, 2002 at 2 P.M. at 307, Asiana 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 Director's Report, Audited Profit and Loss Account for the year ended 31st March, 2002 and the Balance Sheet as at that date together with the Auditor's Report thereon.
2. To appoint a Director in place of Mr. Ramautar Jhunjhunwala who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

Calcutta, 28th June 2002

P.SONI
Company Secretary



GANGOTRI IRON & STEEL COMPANY LIMITED

NOTICE TO MEMBER

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 17th September, 2002 to 27th September, 2002 (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.
7. The Company has listed its shares at :
 - i) The Magadh Stock Exchange Association, Ashiana Plaza, Patna – 800 001
 - ii) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
 - iii) The Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Calcutta – 700 001

The Company has paid up to date Annual Listing Fees to each of the above mentioned Stock Exchanges.

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GANGOTRI IRON & STEEL COMPANY LIMITED**DIRECTORS' REPORT**

To

The Members

Your Directors have pleasure in presenting the 9th Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2002

Financial Results

(Rs. in lakhs)

| | 2001-2002 | 2000-01 |
|---------------------------------------|-----------|---------|
| Sales & Other Income | 1211.26 | 1055.66 |
| Profit before Interest & Depreciation | 41.19 | 41.67 |
| Interest & Other Financial Charges | 20.39 | 19.69 |
| Depreciation | 16.53 | 15.27 |
| Profit after Interest & Depreciation | 4.27 | 6.71 |
| Provision for Taxation | 1.98 | .56 |
| Net Profit after Tax | 2.29 | 6.10 |
| Balance as per last year | 64.34 | 58.24 |
| Balance Carried Forward | 66.63 | 64.34 |

Dividend

In view of the inadequacy of profit, your Directors do not recommend any dividend for the year under review.

Working Review

The company achieved almost 20% growth in sales during the year under review. Though the company contained manufacturing and administrative expenses, continued downward pressure on selling prices, high interest and finance charges and erratic power supply position has affected the overall financial results for the year.

Future Prospectus

Your company has increased its capacity utilization by almost 14% during the year. In spite of the depressed market condition and low prices, company has maintained its earning before interest, tax and depreciation. Further as a measure of cost control, the company brought down its secured loan and thus reduced its interest burden which should reflect better financial results in current year.

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.

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.

Conservation of Energy

The information relating to conservation of energy as required U/s. 217(1)(c) 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 to this Report. The Company has no figure to disclose in respect of technology absorption and /or foreign exchange earning & outgo.

Directors

Mr Anurag Jhunjhunwala and Mr. Ajay Kajaria have resigned from the Board of Directors of the company w.e.f. 22.2.02 and Mr. Aditya Dalmiya has been appointed to fill in the vacancy caused by the resignation of Mr. Anurag Jhunjhunwala. The Board places on record its high appreciation for the valuable services rendered by Mr. Anurag Jhunjhunwala and Ajay Kajaria during their tenure as directors of the company. In accordance with the provisions of the Companies Act, 1956 and the

GANGOTRI IRON & STEEL COMPANY LIMITED

DIRECTORS' REPORT

Articles of Association of the Company Mr. Ramautar Jhunjhunwala is retiring by rotation and being eligible offers himself for re-appointment.

Dematerialisation Of Shares

Pursuant to the direction of the SEBI, the trading in the shares of the company in dematerialized form has been made compulsory. The company has made arrangement for dematerialization of its share with National Securities Depository Limited. (NSDL). However, the members are also free to keep the shares in physical form or to hold the shares with a "Depository Participant" in demat form. The company's shares have been allotted ISIN INE437f01015.

Auditors

M/s. ABS 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' Responsibility Statement

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

1. in preparation of the Annual Accounts, for the year ended 31st March 2002, all the applicable accounting standards prescribed by the ICAI have been followed .
2. the Directors have adopted such accounting policies and have applied them consistently and have made judgements 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.
3. 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.
4. the Directors have prepared the annual accounts on a going concern basis.

Corporate Governance

The Company will take adequate steps to ensure compliance of all the mandatory requirements of 'Corporate Governance' as provided in the Listing Agreement with the Stock Exchanges within the time limit given i.e. 31.3.2003.

Comments on Auditors Report

The Auditors have drawn particular reference to note no. 1 & 2 to the accounts regarding non-provisions for annual minimum guarantee etc for electricity charges and fall in fair value of unquoted investment. With reference to note no.1 the company has filed a claim for power cutting, power tripping and low voltage against the annual minimum guarantee electricity charges and hence no provision has been made till settlement. Note no. 2 is self explanatory and needs no further clarifications.

Acknowledgement

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

For and on behalf of the Board
Ramautar Jhunjhunwala
Chairman

Calcutta, 28th June, 2002

GANGOTRI IRON & STEEL COMPANY LIMITED**Annexure to the Directors' Report**

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

A) Power & Fuel Consumption

| | 2001-2002 | 2000-01 |
|-------------------------|-----------|-----------|
| 1. Electricity | | |
| a) Purchased Unit (KWH) | 1,406,540 | 1,215,340 |
| Total Amount (Rs.) | 7,402,412 | 5,895,247 |
| Rate/Unit (Rs.) | 5.26 | 4.85 |

2. Furnace Oil

| | | |
|--------------------|---------|-----------|
| Qty (Ltr.) | 20,193 | 362878 |
| Total Amount(Rs.) | 180,027 | 4,030,519 |
| Average Rate (Rs.) | 8.92 | 11.10 |

3. Coal

| | | |
|--------------------|-----------|---------|
| Qty (Kg.) | 767,402 | 129,016 |
| Total Amount(Rs.) | 1,194,055 | 206,503 |
| Average Rate (Rs.) | 1.56 | 1.60 |

B) Consumption per unit of Production

| Product | Twisted Bar | Twisted Bars |
|--------------------|-------------|--------------|
| Units (M.T.) | 7992.686 | 7035.774 |
| Electricity(KWH) | 175.98 | 172.74 |
| Furnace Oil (Ltr.) | 63.16 | 63.16 |
| Coal (Kg.) | 100.00 | 100.00 |

GANGOTRI IRON & STEEL COMPANY LIMITED**AUDITORS' REPORT**

TO the members of M/S. GANGOTRI IRON & STEEL COMPANY LIMITED

We have audited the attached Balance Sheet of M/s. Gangotri Iron & Steel Company Limited as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

1. Further to our comments in the Annexure referred to above we report that :

- I. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- II. In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from examination of such books;
- III. The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
- IV. In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- V. On the basis of written representation received from the Directors, as on 31st March 2002, and taken on record by the Directors, we report that none of the Directors is disqualified as on 31st March, 2002 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Attention is invited to the following as stated in Schedule 'S' of Notes on Accounts respectively:

1. Note No. '1' regarding non-provision of electricity charges of Rs.15,64,598/- against which Rs.7,82,322/- has been paid.
2. Note No. '2' regarding non-provision of fall in fair value of unquoted investments, amounting to Rs.1,32,500/-.
- VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2002; and
 - (b) in case of Profit and Loss Account, of the profit for the year ended on that date.

for and on behalf of
M/s. ABS ASSOCIATES
Chartered Accountants

40, Weston Street,
3rd Floor,
Calcutta 700 013

Dated: 28th June, 2002

Ajay Agarwal
Partner