

**11<sup>TH</sup>  
ANNUAL  
REPORT  
2003-2004**

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**GANGOTRI IRON & STEEL COMPANY LIMITED**

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**GANGOTRI IRON & STEEL COMPANY LIMITED**

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**Board of Directors**

Sri Ramautar Jhunjhunwala  
Sri Sanjeev Choudhary  
Sri Aditya Dalmiya  
Sri Ashok Agarwal

Chairman  
Director  
Director  
Director

**Company Secretary**

Ms. Priti Somani

**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  
3<sup>rd</sup>, 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 11<sup>th</sup> Annual General Meeting of the Members of GANGOTRI IRON & STEEL COMPANY LIMITED will be held on Thursday, the 30<sup>th</sup> September, 2004 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 31<sup>st</sup> March, 2004 and the Balance Sheet as at that date together with the Auditor's Report thereon.
2. To appoint a Director in place of Mr. Aditya Dalmiya, 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

Kolkata. 29<sup>th</sup> July 2004

P.SOMANI  
Company Secretary

**GANGOTRI IRON & STEEL COMPANY LIMITED**

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**NOTICE TO MEMBER**

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**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 20<sup>th</sup> September, 2004 to 30<sup>th</sup> September, 2004 (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.

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

Kolkata, 29<sup>th</sup> July 2004

P.SOMANI  
Company Secretary

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

To

The Members

Your Directors have pleasure in presenting the 11<sup>th</sup> Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup>. March.2004

**Financial Results**

(Rs. in lakhs)

	2003-2004	2002-03
Sales & Other Income	1686.66	1260.40
Profit before Interest & Depreciation	27.41	39.21
Interest & Other Financial Charges	18.47	12.51
Depreciation	22.9	20.41
Profit after Interest & Depreciation	(14.02)	6.29
Provision for Taxation	0.02	2.52
Deferred Tax	20.04	2.01
Net Profit/(Loss) after Tax	(34.08)	3.77
Balance as per last year	70.40	66.63
Balance Carried Forward	36.32	70.40
Dividend		

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

**Operations**

During the year under review production of M.S.Bar was 9704 MT against 8769 MT in the corresponding period in previous financial year. The total income of the company was also increased by 33.82% from Rs.1260.40 Lacs to Rs.1686.66 Lacs. However due to increase in raw material cost and financial cost the net result of the company was loss.

**Future Prospectus**

During the year the company has started production of TMT Bars and as a result sale of the company is increasing day to day. It would lead to better result in future.

**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)(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 to this Report. The Company has no figure to disclose in respect of technology absorption and /or foreign exchange earning & outgo.

**Management Discussion and Analysis****Business Segment-wise Performance**

The company's business consists production of Twisted and TMT M.S.Bar and it falls under single segment. Hence Segment wise operational performance is not applicable.

**Outlook**

The Company is planning to acquire another company in same line of business producing ingots with the objective of optimum utilization of resources, strong capital base and to increase profitability. The company has filed a scheme of amalgamation with Patna High Court in this regard.

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**DIRECTORS' REPORT**

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***Risks and Concerns***

During the year under review, due to boom in Iron & Steel Industries prices of raw materials was on upward trend, but as the company has started production of TMT Bar and the product has been accepted very well in domestic market, we are confident that your company will be able to sell the product without much difficulty.

***Internal Control Systems and their Adequacy***

There exists a proper and adequate internal control system in the company for all its activities including safeguarding and protecting its assets against any loss from its unauthorized use or disposition. All transactions are properly documented, authorized, recorded and reported correctly. The above control is further supplemented by exhaustive scope of internal audit that is carried out by internal auditors in consultation with statutory auditors. The policies, procedures and internal controls are further reviewed by the Audit committee of Board of Directors on periodical basis.

***Personnel***

The industrial relations scenario continued to be stable during the period under review. The Company has been taking various initiatives for HR development, a process that will continue in the coming years.

***Directors***

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Aditya Dalmiya 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) & Central Depository Services (India) Ltd. (CDSL). 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 31<sup>st</sup> March 2004, 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.

## **GANGOTRI IRON & STEEL COMPANY LIMITED**

### **DIRECTORS' REPORT**

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#### **Voluntary Delisting of the Company's Ordinary Shares from the Stock Exchanges at Calcutta & Magadh**

Consequent upon the approval of the shareholders at the last Annual General Meeting held on Sept 29, 2003 & in pursuance of the delisting guidelines issued by SEBI, the Company has applied for delisting of shares. The delisting will not adversely affect the shareholders of the Company as the equity shares continue to be listed on the Stock Exchange, Mumbai. The Company hereby unconditionally & irrevocably undertakes to keep indemnified and harmless The Calcutta Stock Exchange Association Ltd. & The Magadh Stock Exchange Association., its officials against any action, claim, causes, proceedings, demands, whatsoever which may arise on account of voluntary delisting.

#### **Corporate Governance**

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

#### **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.

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Kolkata, 29<sup>th</sup> June, 2004

For and on behalf of the Board  
**Ramautar Jhunjhunwala**  
Chairman

## GANGOTRI IRON &amp; 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 &amp; Fuel Consumption

	TMT Bar	2003-2004 Twisted Bar	2002-03 Twisted Bar
1.Electricity			
a) Purchased Unit (KWH)	118,595	980,625	1,235,960
Total Amount (Rs.)	676,816	5,596,381	6,555,689
Rate/Unit (Rs.)	5.71	5.71	5.30
2. Coal			
Qty (Kg.)	100,376	664,805	836,140
Total Amount(Rs.)	200,215	1,326,054	1,563,367
Average Rate (Rs.)	1.99	1.99	1.87

## B) Consumption per unit of Production

Product	TMT Bar	Twisted Bar	Twisted Bar
Units.(M.T.)	1272.960	8430.996	8769.209
Electricity(KWH)	93.164	116.312	140.94
Coal (Kg.)	78.85	78.85	95.00



**GANGOTRI IRON & STEEL COMPANY LIMITED****“Annexure – A” to Directors’ Report****Report on Corporate Governance****1. COMPANY’S PHILOSOPHY**

The Company 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 four comprising one Whole Time Director viz. Mr.Sanjeev Kumar Choudhary and three non-executive Directors viz. Mr.Ramautar Jhunjunwala, Mr.Aditya Dalmiya and Mr. Ashok Agarwal. The details of attendance, Directorship and Membership are given as per table shown below:

Name	Category	Attendances		Number of other directorship & Committee member/chairman		
		Board meeting	Last AGM	Other directorship	Committee membership	Committee Chairmanship
Mr.Sanjeev Choudhary	Executive	4	Yes	4	—	—
Mr.Ramautar Jhunjunwala	Non Executive & Promoter	7	Yes	5	—	—
Mr.Aditya Dalmiya	Non Executive& Independent	6	Yes	3	—	—
Mr.Ashok Agarwal	Non Executive& Independent	7	Yes	—	—	—

**3. AUDIT COMMITTEE**

The Audit Committee consists of Directors (Shri Ramautar Jhunjunwala, Shri Aditya Dalmiya & Shri Ashok Agarwal). The Statutory Auditors, Internal auditors and Heads of Finance, Marketing, Production and Commercial functions are invitees to the meetings.

**GANGOTRI IRON & STEEL COMPANY LIMITED****"Annexure – A" to Directors' Report**

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

<b>Name</b>	<b>Position</b>	<b>Category</b>	<b>Attendance (2003-04)</b>
Shri Ramautar Jhunjhunwala	Member	Non Executive	3
Shri Aditya Dalmiya	Chairman	Independent & Non Executive	3
Shri Ashok Agarwal	Member	Independent & Non Executive	3

**4. REMUNERATION COMMITTEE**

There is no remuneration committee as there is only one Whole Time Director, whose terms are decided by Board of Directors. He is being paid a remuneration of Rs. 10,000/- p.m. No sitting fee is paid to any other director.

**5. INVESTORS / SHAREHOLDERS GRIEVANCE COMMITTEE**

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

**6. GENERAL BODY MEETINGS**

<b>AGM No.</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
8 <sup>th</sup> AGM	28.09.2001	2.00 P.M	307, Asiana Towers, Exhibition Road Patna – 800001
9 <sup>th</sup> AGM	27.09.2002	2.00 P.M	-do-
10 <sup>th</sup> AGM	29.09.2003	2.00 P.M	-do-

No Resolutions were put through postal ballot during the year 2003-2004.

**7. DISCLOSURES**

There are no materially significant transactions with related parties, viz., promoters, directors or the management or relatives etc. which may have a potential conflict with the interests of the company.

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.