



दुनिया GISCO लोहा माने



18th Annual Report 2011

GANGOTRI IRON & STEEL CO. LTD.

FACTORY AT BIHTA



15 Tonne Capacity Laddle carrying molten material to CCP



Continuous Casting Plant at Bihta



A VIEW OF TMT ROLLING MILL

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

COMPANY INFORMATION

COMPANY SECRETARY

Ms. Priti Somani

AUDITORS

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

BANKERS

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

FACTORY

Phulwari Shariff, Nayatola
Patna - 801 505

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

REGISTERED OFFICE

307, Ashiana Towers
Exhibition Road
Patna - 800 001

CORPORATE OFFICE

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

REGISTRAR & SHARE TRANSFER AGENT

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

WEBSITE

www.giscotmt.com

E-MAIL ID FOR INVESTORS

gangotriironsteel@rediffmail.com

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NOTICE

TO MEMBERS

NOTICE is hereby given that the **18th Annual General Meeting** of the Members of **GANGOTRI IRON & STEEL COMPANY LIMITED** will be held on Friday, the **30th September, 2011 at 2.00 P.M., at 307, Ashiana Towers, Exhibition Road, Patna - 800 001**, the Registered Office of the Company to transact the following business :

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 Profit and Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint Directors in place of Mr. Debabrata Banerjee and Mr. Narendra Kumar Jaiswal, who retires by rotation and, being eligible, offer themselves for re-appointment.
3. To appoint Auditors and fix their remuneration.

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

Priti Somani
Company Secretary

Kolkata, 3rd September, 2011

NOTES :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxies, to be effective should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
2. The Register of members and Share Transfer Register of the company will remain closed from 24th September, 2011 to 30th September, 2011 (both days inclusive).
3. Members are requested to notify the company immediately of any change in their address.
4. Members seeking any information with regard to Accounts are requested to write to the company at an early date so as to enable the management to keep the information ready.
5. The instrument of the share transfers, complete in all respects should reach the company prior to closure of the Register of Members as stated above.
6. Members /proxies are requested to bring with them the printed Annual Report being sent to them, along with the Notice, to avoid inconvenience.

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

Priti Somani
Company Secretary

Kolkata, 3rd September, 2011

NOTICE (Contd.)

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

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

DIRECTORS' REPORT*To The Members*

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

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

2. Operations

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

3. Future Prospects

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

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

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

Outlook

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

Risks and Concerns

In view of the sharp expansion in capacity of similar products fierce competition is likely to continue affecting the profitability of the Company. However in view of ambitious programme taken by the Government of Bihar, improvement of law and order situation and indication of overall economic improvement, the demand is likely to improve in Bihar, although the profitability is likely to remain tight due to increased cost of raw materials and extreme competitiveness in the market.

DIRECTORS' REPORT *(Contd.)*

Internal Control Systems and their Adequacy

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

Human Resource Development / Industrial Relations

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

The Company has also made arrangement with Shri Ravi Kishan, a very popular movie and TV personality to act as it's brand ambassador.

5. Dividend

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

6. Finance

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

7. Sub-division of equity shares

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

8. Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Debabrata Banerjee and Mr. Narendra Kumar Jaiswal are retiring by rotation and being eligible offers themselves for re-appointment.

9. Directors' Responsibility Statement

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

- a) in preparation of the Annual Accounts, for the year ended 31st March 2011, all the applicable accounting standards prescribed by the ICAI have been followed.
- b) the Directors have adopted such accounting policies and have applied them consistently and have made judgments and estimates in a reasonable and prudent manner so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year.
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors have prepared the annual accounts on a going concern basis.

10. Auditors

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

DIRECTORS' REPORT *(Contd.)*

11. Depository System

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

12. Public Deposit

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

13. Personnel

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

14. Conservation of Energy

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

15. Social Welfare Activities

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

16. Corporate Governance

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

17. Acknowledgement

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

For and on behalf of the Board

Kolkata, 3rd September, 2011

Sanjiv Kumar Choudhary
Managing Director

Aditya Dalmiya
Director

ANNEXURE TO THE DIRECTORS' REPORT

“Annexure - A” to the Directors' Report

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

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

ANNEXURE TO THE DIRECTORS' REPORT (Contd.)

**“Annexure - B” to the Directors' Report
Report on Corporate Governance**

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

The strength of Board of Directors is six comprising Mr. Ramautar Jhunjhunwala, Chairman, Mr. Sanjiv Kumar Choudhary, Managing Director, Mr. Aditya Dalmiya, Mr. Ashok Agarwal, Mr. Debabrata Banerjee & Mr. Narendra Kumar Jaiswal. Total no. of. Board meetings held during the year were 7 and the dates are as follows: 08.05.10, 15.05.10, 14.08.10, 01.09.10, 11.10.10, 17.11.10 & 15.02.11. The details of attendance, directorship and membership are given as per table shown below :

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

3. AUDIT COMMITTEE

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

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

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

4. REMUNERATION COMMITTEE

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

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

Salaries, allowances, exgratia etc.	Rs. 960000/-
Perquisites	Rs. 130928/-
TOTAL	Rs. 1090928/-