

GANGOTRI IRON & STEEL COMPANY LIMITED

NOTICE TO THE MEMBERS

Notice is hereby given that the 21st ANNUAL GENERAL MEETING of the Members of **Gangotri Iron & Steel Company Limited** will be held at the Registered Office of the Company - 307, Ashiana Towers, Exhibition Road, Patna- 800001 on Tuesday the 30th September, 2014 at 11.00 A.M. to transact the following business :-

ORDINARY BUSINESS:

To consider and adopt the audited Balance Sheet as at March 31, 2014, the statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.

1. To appoint a Director in place of Mr. Ankit Chaudhary, who retires by rotation and being eligible, offers himself for re-appointment.
2. To appoint a Director in place of Mr. Amar Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Badri Prasad Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint auditors of the Company to hold office from the conclusion of this AGM until the conclusion of the next AGM and to fix their remuneration and in this connection, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution-

“**RESOLVED THAT** pursuant to the provision of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time and pursuant to the recommendations of the Audit Committee, M/s ARSK& Associates, Chartered Accountants, Kolkata (Firm Registration no-315082E) , be and are hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the Conclusion of the next AGM, and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors.”

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto or any other a law, rules regulation applicable for the time being in force, if any including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the Company hereby accords its consent to the Board of Directors

(hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) of the Company, for borrowing any sum or sums of money from time to time whether in Indian rupees or foreign currency (including external commercial borrowings in foreign denominated currencies from any foreign source / countries as prescribed by guidelines, if any in this respect) from any one or more Company's bankers and /or from any one or more persons/ firms/ bodies corporate/ financial institutions/ banks or other acceptable source whether by way of advances, deposits, loans, non - convertible debentures, bonds or otherwise and whether unsecured or secured as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 500 Crores (Rupees Five Hundred Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the , the Company if any, (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate paid-up capital of the Company and its free reserves,

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, Mr. Sanjiv Kumar Chaudhary Chairman cum Managing Director of the Company, be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

Registered Office:
307, Ashiana Towers, Exhibition Road,
Patna-800001

By Order of the Board



(Sanjiv Kumar Choudhary)
Chairman cum Managing Director

6th September, 2014

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. Proxies in order to be effective must be received by the Company not less than 48 hours before the time for holding the Meeting.
2. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business Item No. 5 is annexed hereto and forms part of the notice.
3. The Share Transfer Book and the Register of Members of the Company will remain closed from 24.09.2014 to 30.09.2014 (both days inclusive).

4. Members are requested in their own interest:
 - a) To notify the Company about any change in address with correct Pin Code, mandate/bank details.
 - b) To quote correct Folio No./Client I.D. No. and DP I.D. No. in all correspondence with the Company to facilitate better service to the Members.
 - c) To furnish particulars of Share Certificate(s) and Distinctive No. of Shares held by them, if not already sent to the Company.
 - d) To dematerialise the Equity Shares of the Company.
 - e) To make/change nomination in respect of their shareholdings
5. Members who hold shares in the electronic mode are requested to send the intimation for change of address, to their respective depository participant.
6. Members holding shares in multiple folios in identical names or joint names are requested to consolidate their shareholdings into one folio.

7. **Voting Through Electronic Means**

- I. In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, and in accordance with clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - i. Open email and open PDF file viz, "**Gangotri Iron & Steel Company Limited e-voting.pdf**" with your Client ID or Folio No. as password. The said PDF file contains your user ID and Password/PIN for e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com>
 - iii. Click on Shareholder - Login
 - iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - v. Password Change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi. Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
 - vii. Select the "EVEN" (E-Voting Event Number) of Gangotri Iron & Steel Company Limited.
 - viii. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional shareholders (i.e other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to cs.puja.gupta@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants or requesting physical Copy]
- i. Initial password is provided as below/at the bottom at the Attendance Slip for the AGM :
EVEN (E-Voting Event Number) USER ID PASSWORD/PIN
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Question (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. The e-voting period commences on **25th September, 2014 (10:00 am)** and ends on **26th September, 2014 (06:00 pm)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of **3rd September, 2014**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Further, members who have previously cast their vote electronically shall not be allowed to vote again at the meeting.

- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 3rd September, 2014.
- VI. Miss. Puja Gupta, a Practising Company Secretary (Membership No. 30271) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall, within a period not exceeding two (2) working days from the conclusion of e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the company and make a scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- VIII. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the CSE Ltd.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statements set out all material facts relating to the business mentioned under item Nos. 4 to 6 of the accompanying Notice.

Item No. 5 :

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

The shareholders of the Company had by an Ordinary resolution passed in an Extra Ordinary General Meeting held on 7th November, 2012 authorized the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding Rs.150 crores, for the business of the company. However, keeping in view of enhanced requirement of loan and also the legal requirement that Section 180(1) of the Companies Act, 2013 provides that the Board of Directors of a company shall exercise the said power only with the consent of the Company by a special resolution. Hence, the Special Resolution at Item No. 1 for authorizing the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding Rs. 500 crores is intended for this purpose.

The Directors recommends the resolution for members' approval as a **Special Resolution**.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

Details of the Directors seeking appointment/re-appointment at the Annual General Meeting to be held on September 30, 2014, (In pursuance to Clause 49 of the Listing Agreement)

Brief particulars of Mr. Amar Agrawal

Mr. Amar Agrawal, aged 46 is a well known and respected business leader. He heads the Shanti Group which has sizeable interests in manufacturing enterprises including Steel industry, Medical & Financial Advisory.

Mr. Amar Agrawal is on the Board of the following Companies and their Board Committees :-

Company	Position	Committee Membership held
Shanti Alloys Private Limited.	Director	--
Shanti Global Private limited	Director	--
Shanti Medical Device Private Limited	Director	--
Exclusive Financial Advisory Private Limited.	Director	--

Mr. Amar Agrawal does not hold any shares in Gangotri Iron & Steel Company Limited as on 31st March, 2014.

Brief Particulars of Mr. Ankit choudhary

Mr. Ankit choudhary, aged about 28 years, an MBA from USA, is a very energetic, active and hardworking person with a very good knowledge of modern business activities and technologies. He is a face of youth aspiration in the company .

Company	Position	Committee Membership held
VIP Finstock Private Limited.	Director	--
Gangotri Electrocastings Limited.	Director	--

Mr. Ankit Choudhary holds 248200 shares in Gangotri Iron & Steel Company Limited. as on 31st March, 2014.

Brief Particulars of Mr. Badri Prasad Agrawal

Mr. Badri Prasad Agrawal, aged 55 is a Bachelor of commerce and well known, respected business leader. He has sizeable business interests in manufacturing enterprises including Steel industry, Real Estate.

Mr. Badri Prasad Agrawal is on the Board of the following Companies and their Board Committees :-

Company	Position	Committee Membership held
Om Shanti Township Pvt Ltd.	Director	--
Om Shanti Steel and Casting Private Limited	Director	--
Paramshanti Steels Private limited	Director	--

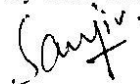
Mr. Badri Prasad Agrawal does not hold any shares in Gangotri Iron & Steel Company Limited. as on 31st March, 2014.

Registered Office:

307, Ashiana Towers, Exhibition Road,
Patna-800001

6th September, 2014

By Order of the Board



(Sanjiv Kumar Choudhary)
Chairman cum Managing Director

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sanjiv Kumar Choudhary

Chairman –Cum-Managing Director

Mr. Ankit Choudhary

Director

Mr. Ashok Agarwal

Director

Mr. Aditya Dalmiya

Director

Mr. Narendra Kumar Jaiswal

Director

Mr. Debabrata Banerjee

Director

Mr. Badri Prasda Agarwal

Director

Mr. Amar Kumar Agarwal

Director

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, Naya Tola
Patna - 801 505

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

REGISTERED OFFICE

307, Ashiana Towers
Exhibition Road
Patna - 800 001

REGISTRAR & SHARE TRANSFER AGENT

S. K. Infosolutions 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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DIRECTORS' REPORT

To The Members

The Directors have pleasure in presenting the 21st Annual Report of the Company, together with the Audited Accounts, for the year ended 31st March, 2014.

1. Financial Results

	(Rs. in Crores)	
	F.Y 2013-14	F.Y. 2012-13
Sales & Other Income (net)	67.22	89.02
Profit/(Loss) before Interest & Depreciation	(11.00)	05.00
Less: Interest & Other Financial Charges	17.77	03.69
Less: Depreciation	02.83	02.83
Profit/(Loss) before tax and exceptional items	(21.70)	(01.52)
Add / (Less): Exceptional items	-	-
Profit/(Loss) before tax and after exceptional items	(21.70)	(01.52)
Less: Provision for Taxation		
Less/(Add): Deferred Tax	(0.04)	(0.64)
Net Profit/(Loss) after Tax	(1.72)	(0.88)
Balance as per last year	03.75	04.25
Balance Carried Forward	(13.56)	03.37

2. Operations & Future Prospects

The Company's accounts were restructured by its Bankers towards the end of F.Y. 12-13. However, the finance provided to the Company was inadequate to maintain its scale of operations and the repayment obligations were extremely stringent. As a result, and due to the added impact of a continued global slowdown in the steel market and various other factors, Company's manufacturing units were forced to temporarily suspend production from November, 2014 onwards. However, there has been a recent resurgence in the Construction sector fueled by reforms by the Central Government. Resultantly, there has been a sustainable spike in demand for TMT rebars which is expected to increase further in the near future.

Furthermore, there has been significant appreciation in the assets of the Company including its land & building and other fixed assets in the recent past resulting in a major boost to the overall valuation of the physical assets of the Company.

Therefore, despite having suffered operational bottlenecks in the past due to the prevalent economic conditions and under-financing, the Company, boosted by attractive valuations and a positive outlook for the industry, has decided on a complete overhaul of operations and finances in the F.Y. 2014-15. The following measures have been identified and put in process by the Company :-

1. Enhancement of borrowing limits of the Company to address the issue of under-financing. In this respect, the Company is already in discussions with Strategic Investors and has entered into a Memorandum of Understanding for raising investment for restart and revival of its manufacturing operations. As per the discussions and documented commitments by the investors, the Company is confident of being able to raise finance starting in the month of October, 2014. Accordingly, the Company also plans to gradually repay its overdue liabilities to its Bankers and ensure Standardization of its accounts in a phase-wise manner.
2. Expansion of production and modernization of units to meet the increasing demand for TMT Bars fueled by recent reforms in the Construction industry. The Company recognizes the need to constantly reduce costing by way of achieving economies of scale and modernization of its manufacturing facilities. Therefore, for better efficiencies, utilization of existing facilities, reduction in cost and to cater to upcoming surge in demand, the Company has decided to expand its production capacities starting F.Y. 2014-15.

Taking into consideration the provisions of the new Company's Act 2013 and since some directors of the Company have expressed their wish to discontinue as Director in the Organization, it has also been decided to reconstitute the Board of Directors of the Company after infusion of funds as mentioned above.

3. 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 has passed through negative cyclical swings on account of Government policies and overall conditions of the global economy. However, there has been a resurgence in demand for steel recently due to reforms by the Central Government. 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 Central Government, 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. However, to counter such strain on margins, the Company is taking measures for cost reduction and capacity expansion.

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.

4. Dividend

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

5. 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.

6. Directors

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Ankit Choudhary, Mr. Badri Pd. Agarwal and Mr. Amar Kumar Agarwal are retiring by rotation and being eligible offers themselves for re-appointment.

7. 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 2014, 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.

8. 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.

9. 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.

10. 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.

11. 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.