

Regd. Office & Works :
Plot No. 1401/2 G.I.D.C.,
Kerala Ind. Estate. N. H. No.8
Ta. Dholka, Dist. Ahmedabad-382220.
Phone (02714) 38365, 38465



**GOPAL IRON &
STEELS CO.
(GUJARAT) LTD.**

Adm. Office :
Plot No. 1301-2, Phase 3, G.I.D.C.,
Vatva, Ahmedabad-382 445
Phone : 5830558
Fax : (079) 5832210

DIRECTORS REPORT

To,
The Members,

Your directors have great pleasure in presenting Ninth Annual Report together with the Audited Financial statements for the year ended on 31st March, 2003.

[1] OPERATIONS

	31-03-2003 Rs.	31-03-2002 Rs.
Sales	284464349	360243480
Other Income	322993	87204
Profit before Depreciation and Tax	7993199	8290031
Less : Depreciation	2550151	2490695
	5443048	5799333
Less : Provision for Taxation	2232000	504000
Profit carried to Balance Sheet	3211048	5295333

During the current year your company has maintained a reasonable level of growth. We are hoping that the same growth shall be continued during the next coming year.

[2] MARKET SCENARIO

The products manufactured by your Company is mainly used in development of infrastructure facilities. Your directors are happy to inform you that with the more and more emphasis by the Central and State Governments on infrastructure development there is a huge potential demand for the products of the company.

At present we are manufacturing MS items as well as SS items. Due to recent earthquake shock in Gujarat, demand for steel products increases substantially. Further we also got purchase orders for supply of steel from those parties who supply their final products to earthquake victim for which they are using steels. We are also enjoying Sales Tax Benefits which also contributes to enhance our sales performance.

Further due to the addition of small range of products, we are now able to provide wide range which cater to need of all customers under one roof.

[3] DIRECTORS

Shri Prabhuhai Patel and Jayantibhai Patel retire from the office by rotation and being eligible offer themselves for reappointment.

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[4] INSURANCE

The Company has made adequate arrangements for insuring of Factory buildings, other buildings, Plant and Machineries including erection, utilities etc. against fire, explosion and other perils.

[5] FIXED DEPOSIT

Since your company has not accepted any deposit in terms of Section 58A of the Companies Act, 1956 from the public, no information is required to be furnished in respect of outstanding deposits.

[6] EMPLOYEE RELATION

Relations between the employees and the management continued to remain cordial during the year under review. The Directors hereby place on record their appreciation of the efficient and loyal services rendered by the Company's employees at all levels.

The information required to be published under the provisions of section 217 (2A) of the Companies act 1956 read with companies (particulars of employees) Rules 1975 as amended is given below :

- (a) Employees receiving remuneration exceeding Rs. 6 lacs P.A. if employed for the whole year. Nil
- (b) Employees receiving remuneration exceeding Rs.50000/- P.M. if employed for the part of the year. Nil

[7] AUDITORS AND AUDITORS REPORT

M/S. Kapoor & Co. the auditors of the Company hold the office until the conclusion of the forth coming Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received certificate from the said auditors to the effect that their appointment if made would be within the provisions u/s-224(1) of the Companies Act.

[8] OTHER INFORMATION

In terms of Section 217 (1) of the companies act 1956 read with the companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings/out go is given in Annexure - 1.

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[9] DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the Companies (Amendment) Act, 2000 the Directors state that :

- a) in the preparation of the annual accounts all applicable accounting standards have been followed and proper explanation relating to material departures if any have been furnished.
- b) accounting policies as listed in schedule 18 to the financial statements have been selected and consistently applied and prudent judgements and estimates have been made so as to give a true and fair view of the state of affairs of the company as on 31st March, 2002 and of the profit of the company for the accounting year ended on that date.
- c) proper and sufficient care for the maintenance of adequate accounting records have been taken in accordance with the provisions of this act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities.
- d) the annual accounts have been prepared on a going concern basis.

[10] ACKNOWLEDGEMENT

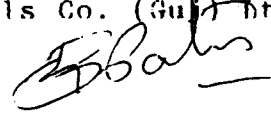
The board wishes to place on record their sincere thanks for the Co-operation and Support received from various agencies of the Central and State governments as also Financial institutions and bankers to the Company.

Your directors take this opportunity to place on record their appreciation of the dedicated services put in by the employees, contractors, consultants at all levels and their contribution to the progress of the Company.

Place : Ahmedabad

Date : 10th July, 2003

By order of the Board of Directors
 For Gopal Iron & Steels Co. (Guj) Ltd.


 (Bhavesh G. Patel)
 Chairman

Form A

Form for disclosure of particulars with respect to conservation of energy :
2002-2003

Particulars	31-03-2003	31-03-2002
A) POWER AND FUEL CONSUMPTION		
1 Electricity		
a) Purchased		
Units (KWH)	2257886	1689660
Total Amount (Rs.)	12497952	7902925
Average Rate Per Unit (Rs./KWH)	Rs. 5.535	Rs. 4.677
b) Own Generation		
i) Through Diesel Generator units (KWH)	-	-
Total Amount (Rs.)	-	-
Average Cost/Unit (Rs./KWH)	-	-
ii) Through Steam turbine/generator Units (M.KWH)	-	-
Total Amount (Rs.)	-	-
Average Cost/Unit (Rs./KWH)	-	-
2 Coal		
i) Blast Furnace Injection Coal Quantity (in MT)	-	-
Total Cost (Rs.)	-	-
Average Rate (Rs./MT)	-	-
ii) Blast Furnace Injection Coal Quantity (in MT)	-	-
Total Cost (Rs.)	-	-
Average Rate (Rs./MT)	-	-
iii) Middling Coal and ROM Quantity (in MT)	-	-
Total Cost (Rs.)	-	-
Average Rate (Rs./MT)	-	-
3 Furnace Oil		
Quantity (In liters)	1743720	1368820
Total Amount (Rs.)	20317318	13387200
Average Rate (Rs./liters)	Rs 11.65	Rs. 9.78
4 Others		
i) L.D.O.		
Quantity (In liters)	-	-
Total Amount (Rs.)	-	-
Average Rate (Rs./liters)	-	-
ii) L.S.H.S.		
Quantity (In M.T.)	-	-
Total Amount (Rs.)	-	-
Average Rate (Rs./M.T.)	-	-
B) CONSUMPTION PER UNIT OF PRODUCTION OF STEEL		

	31-03-2003		31-03-2002	
	Unit	Qty Rs.	Unit	Qty Rs.
Electricity (KWH)	109.13	604.03	98.05	458.62
Furnace Oil (liters)	85.99	1001.78	79.44	776.92

FORM 'B'

Research and Development (R & D)

(i) Specific are as in which R & D carried out by the Company.

- Development of new products and technology.
- Improvement in product quality.
- Improvement of systems in existing products.
- Process improvement.
- Cost effectiveness by substituting new Raw materials.
- Elimination of waste in the systems.

(ii) Benefits derived as a result of the above R & D

- Improvement in yield and product quality.
- Cost effectiveness.
- Improved utilisation of material & energy.
- Technological upgration.
- Launch of new products.
- Reduction machine break down time.
- Reduction in environment pollution.

(iii) Future plans of action

- Continuation of the present work in R & D for introduction of new products and process.
- Faster introduction of new products.
- Strengthening infrastructure for R & D.

(iv) Expenditure on R & D

The Company does not separately accounted R & D expenditure.

Technology, Absorption, Adaption and Innovation

The Company always keeps itself updated with all latest technological innovation by way of constant communications and consulting expert. Efforts are being made to reduce the cost and to improve performance etc.

For, GOPAL IRON & STEELS CO. (GUJ.) LTD.

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 DIRECTOR
 CHAIRMAN & MANAGING DIRECTOR

AUTHORISED SIGNATORY

ANNEXURE - 1

Information as required under section 217(1)(e) read with the Companies (Disclosure in the report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY

The company continued its efforts to improve upon production methods in order to Conserve energy usage in the production process. Some of the steps initiated towards this has include installation of capacitors for improving power factors usage of additives in fuels to reduce their Consumption. Steps were taken to enhance productivity in order to achieve Lower overall cost per unit of production.

Total energy consumption per unit of production Form - A Annexed.

(B) TECHNOLOGY ABSORPTION

Efforts made in technology absorption are furnished in Form-B annexed.

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign exchange earnings	Rs. Nil
Foreign exchange outgo	Rs. Nil

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For GORAL IRON & STEELS CO. (GUJ.) LTD.
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AUTHORISED SIGNATORY
CHAIRMAN & MANAGING DIRECTOR