



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

AN ISO 9001 : 2008 COMPANY

17th

*Annual Report
2010-2011*

GISCO

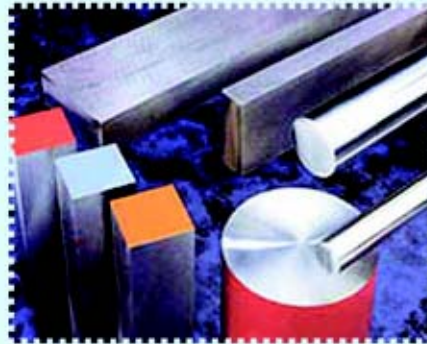
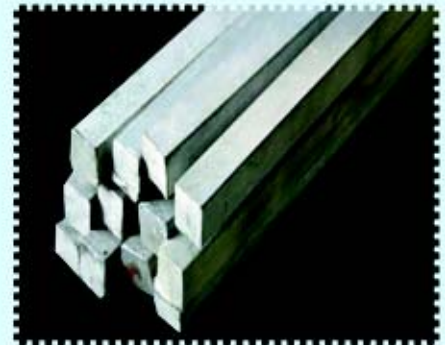
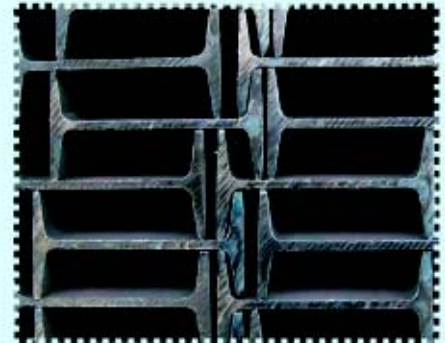
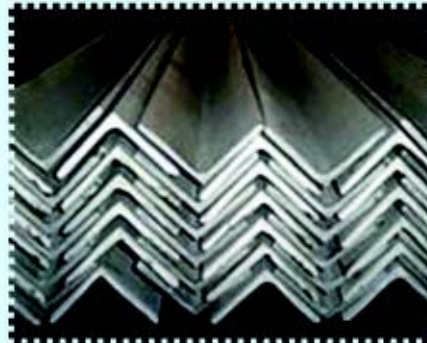
STEEL STRUCTURE OF INTEGRITY & QUALITY



GISCO

AN ISO 9001 : 2008 COMPANY

Steel Structure of Integrity & Quality



Rolling Mill Products

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BOARD OF DIRECTORS

BHAVESHBHAI GOPALBHAI PATEL	CHAIRMAN & MANAGING DIRECTOR
PRABHUBHAI L. PATEL	DIRECTOR
ASHLESHA K. SHAH	DIRECTOR
DARSHAN D. PATEL	DIRECTOR
GHANSHYAM N. PATEL	DIRECTOR

REGISTERED OFFICE & WORKS

1401/2, G.I.D.C. KERALA INDUSTRIAL ESTATE,
BAVLA BAGODARA N.H.NO.8A, TA. BAVLA,
DIST. AHMEDABAD - 382 220. GUJARAT.
PH. : 02714 - 268 465, FAX : 02714 - 268 365

CORPORATE OFFICE

1301-2, PHASE - III,
G.I.D.C. VATVA INDUSTRIAL ESTATE,
VATVA, AHMEDABAD - 382 445. GUJARAT
PH. : 079 - 25830475

BANKER

PUNJAB NATIONAL BANK
Vanijya Bhawan Branch,
Kankaria, Ahmedabad - 380 022.

AUDITOR

JIGAR S. SHAH & CO.
Chartered Accountants
Nr. R.C. Patel High School, Ahmedabad.

LISTING

The Bombay Stock Exchange Limited

REGISTRAR AND SHARE TRANSFER AGENTS

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED
13 AB, Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane,
Opp. Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 072.

WEB SITE : gopaliron.com • E-MAIL : gisco_guj@yahoo.in

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 17th Annual General Meeting of the members of Gopal Iron and Steels Co. (Guj) Limited will be held at the Registered Office of the Company on Thursday 29th September, 2011 at 11.00 AM to transact the following Business :

ORDINARY BUSINESS

- (1) To receive consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date, together with the Director's Report and Auditors Report made thereon.
- (2) To appoint a director in place of Mr. Prabhubhai Patel who retires by rotation and being eligible offers himself for reappointment.
- (3) To appoint Auditors to hold office for the period from the conclusion of this meeting until the conclusion of the next Annual General Meeting of company and to fix their remuneration.

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

Place: Ahmedabad

Date: 19-08-2011

(Bhavesh G. Patel)

Chairman

: NOTES :

- (a) Explanatory Statement as required under section 173 (2) of the Companies Act, 1956 is attached.
- (b) A member is entitled to attend and Vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him and such proxy need not be a member of the company.
- (c) The instrument appointing proxy should be deposited at the Registered Office of the company not less than 48 hours before the time fixed for the meeting.
- (d) All members referred to in the accompanying notice are open for inspection at the Registered Office of the company during office hours on all working days except Saturday and Sunday between 11.00 AM to 1.00 PM up to the date of Annual General Meeting.
- (e) Members desiring any information on the business to be transacted at the meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information ready at the meeting as far as possible.
- (f) The Register of Members and Share Transfer books of the Company shall remain closed from 22-09-2011 to 28-09-2011 (both days inclusive).
- (g) Members are requested to notify their change of address to the company.
- (h) As a measure of economy members are requested to bring their copies of the Annual Report to the Annual General Meeting.
- (i) Members are requested to affix their Signature at the space provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance to the place of the Meeting.
- (j) Members are requested to consider this as a notice Under Section 302 of the Companies Act, 1956.



BHAVESH G. PATEL
Chairman & M.D.

DIRECTORS REPORT

To,
The Members,

Your directors have great pleasure in presenting 17th Annual Report together with the Audited Financial statements for the year ended on 31st March 2011.

[1] OPERATIONS

	31-03-2011 ₹	31-03-2010 ₹
Turnover and other receipts	439540200	691213606
Other Income	2904343	683227
Profit before Depreciation and Tax	11965304	12926948
Less: Depreciation	5888841	5954727
Balance	6076463	6972221
Less: Provision for Taxation	1032392	1427520
Profit carried to Balance Sheet	5044071	5544701

During the current year your company has achieved a reasonable level of growth in spite of whole world was hit by biggest and largest financial crisis in the history. During the year company has decided to go for expansion project and after commissioning of the same we are hoping that the phenominal growth shall be achieved during the next coming years.

[2] MARKET SCENARIO

The products manufactured by your Company are 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.

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

[3] DIRECTORS

Mr. Prabhubhai Patel retires from the office by rotation and being eligible offers them for reappointment.

[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:

Employees receiving remuneration exceeding Rs. 24 Lacs Per year if employed for the whole year **Nil**

Employees receiving remuneration exceeding Rs. 2 Lacs Per Month if employed for the part of the year **Nil**

[7] AUDITORS AND AUDITORS REPORT

M/S. Jigar S. Shah & 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 under section 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.

[9] DIRECTOR'S 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 explanations relating to material departures if any have been furnished.
- (b) Accounting policies as listed in Schedule 17 to the financial statements have been selected and consistently applied and prudent judgments 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, 2011 and of the profit of the company for the accounting year ended on that date.

- (c) Proper and sufficient care for maintenance of adequate accounting records has been 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] CORPORATE GOVERNANCE

Report of Directors on Corporate Governance is annexed to and forms part of this report.

[11] RESUMPTION OF TRADING AT BSE

During the month of April 2007 trading in Equity Shares of the company has been resumed and investor would have opportunity to exit / invest whatever may be.

The company has paid listing fees to Ahmedabad Stock Exchange Limited and Bombay Stock Exchange Limited for the year 2010-2011.

[12] 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 employees, contractors, consultants at all levels and their contribution to the progress of the Company.

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

Place: Ahmedabad
Date: 07-06-2011

(Bhavesh Patel)
Managing Director

FORM - A

Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars **31-03-2011** **31-03-2010**

A) Power and Fuel Consumption

1 Electricity

(a) Purchased

Units (KWH)	1205806	1505340
Total Amount (Rs)	8016359	9883589
Average Rate Per Unit (Rs / KWH)	Rs. 6.65	Rs. 6.57

(b) Own Generation

(i) Through Diesel

Generator Units (KWH)	-	-
Total Amount (Rs)	-	-
Average Cost Per Unit (Rs / KWH)	-	-

(ii) Through Steam Turbine/

Generator Units (KWH)	1247923	1388915
Total Amount (Rs)	-	-
Average Cost Per Unit (Rs / KWH)	Rs. 6.65	Rs. 6.57

2 Coal

(i) Blast Furnace Injection

Coal Quantity (In MT)	-	-
Total Cost (Rs)	-	-
Average Rate (Rs / MT)	-	-

(ii) Middling Coal and ROM

Quantity (In MT)	-	-
Total Cost (Rs)	-	-
Average Rate (Rs / MT)	-	-

3 Furnace Oil

Quantity (In Litres)	1078340	1296204
Total Amount (Rs)	32233990	34414768
Average Rate (Rs / Litres)	Rs. 29.89	Rs. 26.55

4 Others

(i) LDO

Quantity (In Litres)	-	-
Total Amount (Rs)	-	-
Average Rate (Rs / Litres)	-	-

(ii) L.S.H.S.

Quantity (In Litres)	-	-
Total Amount (Rs)	-	-
Average Rate (Rs / Litres)	-	-

B) Consumption Per Unit of Production of Steel

	<u>Unit Qty</u>	<u>Rs.</u>	<u>Unit Qty</u>	<u>Rs.</u>
Electricity (KWH)	56.20	373.74	53.47	351.29
Furnace Oil (Litres)	50.26	1502.29	46.04	1222.36

FORM - B

Research and Development (R & D)

(1) Specific Areas 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 improvements.
- Cost effectiveness by substituting raw materials.
- Elimination of waste in the systems.

(2) Benefits derived as a results of the above R & D

- Improvement in yield and product quality.
- Cost effectiveness.
- Improved utilizations of material and energy.
- Technological upgradation.
- Launch of new products.
- Reduction in Machine Break down time.
- Reduction in environment pollution.

(3) Future Plan of Action

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

(4) Expenditure on R & D

The Company does not separately accounted R & D expenditure.

Technology absorption, adaption and Innovation

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

Place: Ahmedabad

Date: 07-06-2011

(Bhavesh Patel)

Managing Director

ANNEXURE 'A'

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted the committee on Corporate Governance to promote and raise the standard of corporate governance of listed companies. The committee made recommendations on the composition of the board of directors, audit committee, board procedure etc.

The Company has taken necessary steps to comply with the newly amended clause 49 of the Listing Agreement. Given below is the report of the Directors on the corporate governance:

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believe in functioning in a transparent manner with the basic philosophy being to enhance the shareholder value, keeping in mind the needs and interest of other share holders. In compliance thereof, the following information is placed before the shareholders.

(1) BOARD OF DIRECTORS

Name of Director	Category	Date of Board Meeting					AGM 23-09-10
		08-04-10	27-05-10	21-06-10	29-07-10	30-09-10	
Bhavesh Patel	Managing Director	P	P	P	P	P	P
Prabhu Patel	Whole Time Director	P	P	P	P	P	P
Darshan Patel	Non-executive independent	P	P	P	P	P	P
Ghanshyam Patel	Non-executive independent	P	P	P	P	P	P
Ashlesha Shah	Non-executive independent	P	P	P	P	P	P

Name of Director	Category	Date of Board Meeting		
		21-10-10	10-02-11	24-02-11
Bhavesh Patel	Managing Director	P	P	P
Prabhu Patel	Whole Time Director	P	P	P
Darshan Patel	Non-executive independent	P	P	P
Ghanshyam Patel	Non-executive independent	P	P	P
Ashlesha Shah	Non-executive independent	P	P	P

P – Present

A – Absence

Details of other Directorships

Name of Director	Other Directorship
Bhaveshbhai Patel	Nil
Prabhubhai Patel	Nil
Darshan Patel	Nil
Ghanshyam Patel	Nil
Ashelsha Shah	Nil

In line with the requirements of the code of the Corporate Governance, the board of directors comprises five members. The composition of the Board is in conformity with the revised agreement, having one Managing Director, One promoter Director and remaining three directors are Non – Executive independent Directors.

Company does not have any system of payment of sitting fees to independent Directors.

Further during the year, meeting of Board of Directors was held eight times.

A declaration signed by Mr. Bhavesh Patel, Director of the Company according compliance of sub – Clause (1D) of Clause 49 of Listing Agreement as amended is attached herewith forming part of this Annual Report

(2) AUDIT COMMITTEE

Presently the company has five Directors. The company has independent internal Auditors who submit the report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis.

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Audit Committee consisting of followings:

- (i) Mr. Bhavesh Patel – Chairman
- (ii) Mr. Prabhu Patel – Member
- (iii) Mr. Darshan Patel – Member

Function of audit committee is as under.

- (a) To review financial reporting process and financial statement.
- (b) To review internal control system and functioning of internal audit process.
- (c) Post Audit review with statutory auditors.

During the year Audit Committee met six times and reviewed performance of the company.

(3) REMUNERATION COMMITTEE

Remuneration is paid to the Directors which are in conformity with the provisions of the Companies Act, 1956. No sitting fees are paid to any Director.

(4) SHAREHOLDERS COMMITTEE

The company has complied the requirements of the Clause 49 of the Listing Agreement. Mr. Darshan Patel, Director heads the committee.

During the year, the company and their Registrar and Share Transfer Agents Sharepro Services (India) Private Limited received no complaint. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI / Stock Exchanges.

The Share received for transfer is approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

Sharepro Services (India) Private Limited was appointed as common Agent for electronic as well as physical share transfer work.