

GONTERMANN-PEIPERS (INDIA) LIMITED

Registered Office: P.O. Pailan, Diamond Harbour Road
24, Parganas (S), West Bengal – 743 512



NOTICE

NOTICE is hereby given that the Thirty-ninth Annual General Meeting of the Members of **GONTERMANN-PEIPERS (INDIA) LIMITED** will be held at the Registered Office of the Company at P.O. Pailan, Diamond Harbour Road, 24 Parganas(S), West Bengal – 743512, on Saturday, the 27th day of September, 2008, at 11 A.M. to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2008 and the Profit & Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Preference Shares.
3. To declare a dividend on Equity Shares for the financial year ended 31st March, 2008.
4. To appoint a Director in place of Mr. Vinod Kothari, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Prof. Manoj Kumar Mitra, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint M/s V. Malik & Associates, Chartered Accountants, as the Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution which will be proposed as an Ordinary Resolution:-

“RESOLVED THAT, Mr. Arvinder Pal Singh, in respect of whom the Company has received notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

Dated :30th May, 2008

Registered Office :
P.O. Pailan, Diamond Harbour Road,
24 Parganas (S), West Bengal – 743 512

By Order of the Board
Gontermann-Peipers (India) Limited

S. Subramanian
Company Secretary



ROLLING SOLUTION

NOTES :

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF 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 COMMENCEMENT OF THE MEETING.**
2. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organisation.
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 relating to the Special Business to be transacted at the Annual General Meeting is annexed.
4. The Register of Beneficial Owners, Register of Members and the Share Transfer Register of the Company will remain closed from Wednesday, 17th September, 2008 to Saturday, 27th September, 2008 (both days inclusive).
5. Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2007 are requested to lodge their claims with MCS Limited, 77/2A, Hazra Road, Kolkata - 700 029.
6. Shareholders holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of the dividend. The Company or its Registrars cannot act on any request received directly from the shareholders holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the shareholders.
7. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board of Directors for appointment/re-appointment at the Annual General Meeting is appearing as an annexure to this notice.
8. All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and share certificates should preferably be sent directly to the Company's Registrar and Transfer Agent and those Members who are holding their DP Account with Depository may send their Transfer and allied matters advice through their respective DP to Depository.
9. Members are requested to bring the admission slips along with their copy of Annual Report to the Meeting. As a cost control measure, copies of Annual Report will not be distributed at the Annual General Meeting.
10. Members are requested to intimate to the Company, queries, if any, regarding these accounts/ notice, at least 10 days before the Annual General Meeting to enable the Company to keep the information ready at the Meeting.
11. Members who are interested in making nominations may please write to the Company's Registrar and Share Transfer Agent for the prescribed nomination forms.
12. Members who are holding shares in identical order of names in more than one folio are requested to write to the Registrar and Share Transfer Agent of the Company to enable the Company to consolidate their holdings in one folio.

NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item 7

The Board of Directors of the Company, at their meeting held on 16th October 2007, appointed Mr Arvinder Pal Singh as an Additional Director of the Company with effect from that date. In terms of Section 260 of the Companies Act, 1956, read with Article 157 of the Articles of Association of the Company, Mr Arvinder Pal Singh will hold office of Additional Director upto the date of this Annual General Meeting. Pursuant to Sec 257 of the Companies Act, 1956, the Company has received a notice in writing with requisite deposit from a member signifying his intention to propose Mr Arvinder Pal Singh for appointment as a Director of the Company. Pursuant to Section 264 of the Companies Act, 1956, Mr Arvinder Pal Singh has consented to act as a Director, if appointed.

The Board recommends the resolution for your approval in the interest of the Company.

None of the Directors, other than Mr Arvinder Pal Singh, is concerned or interested in this resolution.

Dated : 30th May, 2008

Registered Office :
P.O. Pailan, Diamond Harbour Road,
24 Parganas (S), West Bengal – 743 512

By Order of the Board
Gontermann-Peipers (India) Limited

S. Subramanian
Company Secretary

ANNEXURE TO NOTICE**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING****(In pursuance of Clause 49 of the Listing Agreement)**

Name of Director	Mr. Vinod Kothari	Mr. Arvinder Pal Singh	Prof. Manoj Kumar Mitra
Date of Birth	01.09.1961	30.12.1960	09.06.1951
Date of Appointment	28.01.2005	16.10.2007	20.01.2003
Qualifications	B.Com., FCA, FCS	B.Com., FCA	M.Tech (IIT)
Expertise in specific functional areas	Securitisation, Credit Derivatives & Leasing Finance	Accounts & Finance	Engineering
List of other Companies in which Directorship held	Rupa & Company Ltd. Greenply Industries Ltd. Microsec Financial Services Ltd. Vinod Kothari Consultants Pvt. Ltd. Wise Men's Consultancy Co. (P) Ltd. Academy of Financial Services Pvt. Ltd. Investee Capital Pvt. Ltd. - Sri Lanka Association of Leasing & Financial Services	Merbart Man Exports Pvt. Ltd. Downtown Food Tek Pvt. Ltd. Lustre Agencies Pvt. Ltd.	- None -
Chairman / Member of the Committees of the Board of other Companies on which he is a Director	<u>Member</u> Rupa & Company Ltd. Greenply Industries Ltd.	- None -	- None -

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 39th Annual Report of the Company, together with the Audited Financial Statements for the year ended 31st March, 2008.

FINANCIAL RESULTS

(Rs. In Lacs)

	Year ended 31st March, 2008	Year ended 31st March, 2007
Sales/Income from Operations	19142.16	16306.90
Less: Excise Duty	1743.02	1532.65
	17399.14	14774.25
Other Income	166.81	98.40
Total Income	17565.95	14872.65
Total Expenditure	15160.48	12841.73
Profit before Interest, Finance Charges, Depreciation and Exceptional Items	3607.01	3297.37
Interest & Finance Charges	642.23	744.95
Depreciation	559.31	521.52
Profit/(Loss) before Tax and Exceptional Items	2405.47	2030.92
Exceptional Items		
Prior period items (Net)	1.48	4.23
Extra Ordinary items (Net)	—	—
Profit/(Loss) before Tax	2403.99	2026.69
Provision for Taxation		
– Current Tax	994.49	774.51
– Tax related to earlier years	48.31	(1.35)
– Deferred Tax Liability	(171.79)	15.93
– Fringe Benefit Tax	21.89	16.04
Net Profit/(Loss) after Taxation	1511.09	1221.56
Add: (1) Balance brought forward	2577.61	1565.13
Surplus available for appropriation	4088.70	2786.69
i) Cumulative Preference Dividend	7.91	39.56
ii) Proposed Dividend	208.72	139.15
iii) Dividend Tax	36.82	30.37
iv) Transfer to General Reserve	80.00	—
v) Balance carried to Balance Sheet	3755.25	2577.61



DIVIDEND

In consideration of improved performance, your Directors are pleased to recommend a dividend of Rs 1.50 per Equity Share of Rs. 10/- each (previous year Re 1.00 per Equity Share) for the year ended 31st March, 2008. Your Directors have also recommended payment of Preference dividend for the financial year ended 31st March, 2008. The total cash outflow in this regard will be Rs 253.45 Lacs (previous year Rs 209.08 Lacs) including Dividend Distribution Tax of Rs 36.82 Lacs (previous year Rs 30.37 Lacs). Your Directors further recommend a transfer to General Reserve of Rs 80 Lacs, leaving an unappropriated balance in the Profit and Loss Account of Rs 3755.25 Lacs (previous year Rs 2577.61 Lacs).

FINANCIAL REVIEW

Operating Income during the year under review was higher at Rs. 17399.14 Lacs as against Rs. 14774.25 during the previous year ended 31st March 2007 representing an increase of 18 %. Profit before interest, finance charges, depreciation and exceptional items was Rs.3607.01 Lacs as compared to Rs. 3297.39 Lacs during the previous year ended 31st March 2007. Net profit for the year under review was Rs.1511.09 Lacs against Rs.1221.56 Lacs incurred during the previous year.

OPERATIONS

CAST ROLL DIVISION

Production during the year 2007-08 was higher at 9552 MT as against 8279 MT during the previous year 2006-07, registering an increase of 15.38%. Total revenue from the Cast roll division was Rs.12771 Lacs compared to Rs. 12250 Lacs in the previous year 2006-07, a growth of 4.25 %.

The growth in cast roll production during the year was significant. However, price of some raw materials & ferro-alloys remained high during the year but higher sales realisations equipped the Company to increase the gross margin. Your Company has taken up necessary steps to combat the increase in raw material prices.

This Division made an export of 3708 MT compared to 2955 MT during the previous year registering a growth of 25.48%. Major exports during the period were to China, USA, South East Asia and Europe. With the gradual ramp-up of production, your Company's focus will remain targeted on maximisation of exports. Markets in China, South East Asia, Europe, USA & Africa are being intensively scanned for export of Company's product. During the year we have been able to enter a number of new markets and establish our products. We expect the effective results over the years to come.

Considering the future trend of business globally, your Company has given thrust for new product development i.e. enhanced carbide rolls in ICDP segment. Your Company is in the advanced stage of development of High Speed Steel Rolls. The Research & Development Center of the Company recognised by the Government of India, Ministry of Science and Technology, Department of Scientific and Industrial Research, has taken up adequate steps to develop new variety of rolls indigenously to meet the increasing demand of value added rolls.

FORGE ROLL DIVISION

Production during the year 2007-08 was higher at 1895 MT, as against 1686 MT during the previous year 2006-07, registering a growth of 12.40%. The total revenue from the forged roll division was Rs. 4299 Lacs compared to Rs. 4057 Lacs in the previous year 2006-07, an increase of approximately 6%. Export of forged rolls was 565 MT compared to 381 MT during the previous year registering a growth of 48.29%.

FUTURE OUTLOOK

Global steel industry continues to grow in rapid strides.

Driven by a booming economy and concomitant demand levels, consumption of steel has grown by 12.5 per cent during the last three years, well above the 6.9 per cent envisaged in the National Steel Policy. For 2008 it has been forecast that the apparent steel use point in India will increase by 11.8 per cent.

The domestic steel demand is growing at over 11-12 per cent, whereas the supply is lagging at about five per cent. As major expansion plans are expected to go on-stream from financial year 2009-10, the supply of steel is expected to remain tight.

With reputed global steel manufacturers planning entry into the Indian Steel Market as well as India being considered as lucrative steel market by Steel majors and rolls being integral to the steel production, the rise of the demand for rolls in the near future is evident. India's roll production capacity is more than its captive demand, especially in cast roll segment. The upcoming steel plants therefore augurs well for the Indian roll industry.

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On the Export front too, prospects appear promising. Our order book is healthy and various long-term supply are in place. During the financial year 2008-09, we anticipate export to increase further and account for a larger share of total sales.

Your Company expects to live up to the exacting demands of customers and to improve roll performance. Search is on for better quality of inputs, which would stand up to these requirements.

EXPANSION PROJECT

The expansion-cum-modernisation project undertaken by the Company is in the advanced stage of completion. The Company expects to derive the full benefit of the expansion from the end of the second quarter of the financial year 2009-10.

Your Company expects to benefit from the upsurge in the steel industry and with the domestic steel industry adding capacity at a fast pace, the prospects for the roll industry appears to be both promising and challenging in medium to long term. Further, the high cost of production of European, American & Japanese roll makers have opened-up good promise for Indian rolls in the export market, especially in South East Asia, China, Middle East, Africa, East Europe & USA.

INITIATIVES

Your company had undertaken extensive training of its employees at all levels in operational efficiency programmes such as Six Sigma, Total Productive Maintenance (TPM), Performance Management System (PMS), Total Quality Management (TQM), Activity Based Costing, Just-In-Time (JIT) etc. The said programmes have now been totally integrated with the Human Resource Development policies of the Company. Necessary benchmarking has also been done for award, reward and promotions. Your Directors are happy to report that these initiatives are yielding fruitful results. Your Directors are happy to announce that your company has successfully attained TPM Level 1 status during the financial year under review, probably the only Roll Foundry to achieve this recognition.

DIRECTORS

Mr. Arvinder Pal Singh was appointed by the Board as an Additional Director w.e.f. 16th October, 2007. Mr. Singh holds office upto the date of the ensuing Annual General Meeting. The Company has received notice from a member under Section 257 of the Companies Act, 1956 proposing the name of Mr Arvinder Pal Singh for the office of the Director. Appropriate resolution seeking your approval is appearing in the Notice convening the ensuing Annual General Meeting.

During the period under review Mr. S K Pal resigned as Director of the Company w.e.f. 31st August, 2007. Mr N D Auddy was nominated as Director by IFCI Limited in place of Mr T K Ray with effect from 22nd May 2007. The Board welcomes Mr. N D Auddy and places on record its appreciation for the services rendered by Mr S K Pal and Mr T K Ray during their tenure as Directors of the Company.

Mr. Jaydeb Barman was appointed as Whole-time Director designated as Executive Director for a period of three years w.e.f. 16th October, 2007, which was duly approved by the members at the Extra-ordinary General Meeting held on 7th March, 2008.

Mr. Vinod Kothari and Prof Manoj Kumar Mitra, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board has recommended their re-appointment.

The details concerning the appointment / re-appointment of Directors are attached to the notice convening the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors state that: -

- (i) in the preparation of the financial accounts for the year ended 31st March, 2008, the applicable accounting standards have been followed and there have been no material departure;
- (ii) they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Accounting Year;
- (iii) they had 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; and



(iv) they had prepared the financial accounts for the year ended 31st March, 2008 on a going concern basis.

COST AUDITORS

Pursuant to Section 233B of the Companies Act, 1956, M/s. N. P. Nigam, Cost Accountants, is conducting audit for Cost Accounting Records of the Company for the year ended 31st March 2008. Your Directors have approved the appointment of M/s. N. P. Nigam for the year ending on 31st March 2009, subject to the approval of the Central Government.

AUDITORS & AUDITORS REPORT

M/s. V. Malik & Associates, Chartered Accountants, auditors of the company hold office till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received a letter from M/s. V. Malik & Associates to the effect that their appointment as Auditors, if made, would be within the limits under Section 224(1B) of the Companies Act, 1956. The notes referred to by the Auditors in their Report are self-explanatory and do not require further elucidation.

CORPORATE GOVERNANCE

Your company complies with the provisions laid down in Corporate Governance laws. It believes in and practices good corporate governance. The company maintains transparency, creates value and wealth for its shareholders, and also enhances corporate accountability.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following form part of this Annual Report:

- (i) Managing Director's declaration regarding compliance of Code of Conduct by Board Members and Senior Management personnel;
- (ii) Management Discussion and Analysis;
- (iii) Report on the Corporate Governance;
- (iv) Auditors's Certificate regarding compliance of conditions of Corporate Governance.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are set out in Annexure "A" and form part of this Report.

PERSONNEL

During the year under review, your Company continued to maintain cordial and mutually helpful relationship with its employees. The Board records its appreciation of the commitment and support of employees at all levels and looks forward to their total involvement.

Particulars of the employee of the Company as required to be mentioned u/s. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees)(Amendment) Rules 2002, are set out in Annexure "B" and form part of this Report.

APPRECIATION

Your directors wish to place on record their appreciation for the support which the Company continues to receive from the Central Government, Government of West Bengal, Financial Institutions, Banks, Business associates, Suppliers, Customers and Shareholders. Your Directors also convey their warm appreciation to all employees for their diligence and contribution to the growth of the Company.

Kolkata
30th May, 2008

For and on behalf of the Board

M Trivedi L K Poddar
Director Managing Director

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ANNEXURE-A

STATEMENT CONTAINING PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2008.

(A) CONSERVATION OF ENERGY

Additional investment and proposals for reduction in energy consumption:

a) Energy consumption measures taken & results achieved:

1. Measure taken to conserve energy in earlier years, were continued.
2. Installation of Capacitor Bank on HT Side has been completed and consequently the Power factor has improved to 0.94.
3. LPG based new 60T Heat Treatment Furnace commissioned last year is now running satisfactorily. Future conversion of existing oil-fired furnaces is being worked out..
4. As required by Dept. of Power, Govt. of W.B., Energy Audit is regularly being done since 1996.

b) Additional proposal for energy conservation

Use of Transparent Fibre Sheets in the shop to utilise natural light instead of electric light. This has been partially implemented.

c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on cost of production.

Energy Conservation measures have resulted in significant savings and have helped offset partially the inflationary trend in fuel/electricity costs.

FORM 'A'

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	2007-2008	2006-2007
A. Power and fuel consumption		
1. Electricity		
a) Purchased		
Unit (Kwh)	1,88,36,500	1,68,70,212
Total amount (Rs.)	8,82,14,389	7,48,46,908
Rate/Unit (Rs.)	4.68	4.44
b) Own generation-Through diesel generator		
Unit (Kwh)	1,74,300	2,54,144
Units per ltr. Of HSD/Furnace Oil	2.69	3.29
Cost/Unit (Rs.)	12.24	10.41
c) Diesel/ Light Diesel Oil/Furnace Oil		
Quantity (K.ltr)	1,079	1,765
Total amount (Rs.)	2,96,65,863	4,39,33,261
Average rate (Rs./k.ltr)	27,488	24,886
d) LPG Gas		
Quantity (Kgs)	8,15,350	1,92,720
Total amount (Rs.)	3,19,63,547	62,68,876
Rate/Unit (Rs.)	39	33
B. Consumption per M.T. of production		
	2007-2008	2006-2007
Electricity (Kwh/M.T)	1661	1718
Furnace Oil (Ltr/M.T.)	94	177
Coal (Kgs)	NIL	NIL
LPG(Kgs/M.T.)	71	19



(B) TECHNOLOGY ABSORPTION

FORM 'B'

DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R&D):

1. SPECIFIC AREAS OF R&D CARRIED OUT BY THE COMPANY

Development of special quality ICDP, High-Chrome Iron & HSS Rolls for Hot Strip Mill.

2. MEANS & OBJECTIVES

- i) The in-house R&D Centre of the Company is recognised by the Government of India, Ministry of Science and Technology, Department of Scientific and Industrial Research. The R&D Centre is equipped with the Leica image analysis system, computerised Instron universal testing machine, LECO metallographical polishing units, computerised LECO C&S testing unit and ARL spectrometer, Krautkramer Ultrasonic tester, and other very sophisticated state-of-the-art equipments for testing and R&D.
- ii) GPI's entire product range is covered under ISO 9001: 2000 Certification and subject to stringent quality assurance checks and testing. The R&D Centre of the Company continuously develops tests to ensure maximum assurance levels.

3. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D

- i) The Company has established itself in the international market and repetitive and continuous export orders are being received both in cast and forged steel rolls.
- ii) The Company has been able to give customer specific solutions with substantially reduced response time gap. Synergistic relation with the Steel industry has been maintained even in today's environment of rapid technological changes in the industry.
- iii) The Company's R&D center has taken the advantage of Scanning electron microscopy of Jadavpur University for development of HSS rolls for HSM. Trial castings have now met with significant success and further progress is underway.
- iv) The Company has been the first company in India to develop steel back up roll for a Hot Strip Mill. The Company has also been able to develop Plate mill rolls for Steel Plants.

4. FUTURE PLAN OF ACTION

- i) Development of Rings for universal mills through Horizontal Centrifugal Casting.
- ii) Development of Centrifugally Cast Plate Mill Rolls.
- iii) Development of Centrifugally Cast Hi Cr Steel Rolls for Roughing Stands.
- iv) Development of Differentially hardened Back up rolls for Hot Strip & Cold Strip Mills.
- v) Further improvement of "Peeling resistant HiCr rolls".

5. EXPENDITURE ON R & D

	(Rs. In lacs)
a) Capital: -	5.42
b) Recurring: -	0.63
c) Total: -	6.05
d) Total R&D expenditure as a percentage of total turnover	0.03
Technology absorption, adaptation and innovation	: None

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(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Activities relating to export; initiatives taken to increase exports; development of new export markets for products and services; and export plans

The market expansion activities have met success in several advanced and developing markets like US, Canada, Italy, China, Malaysia, Indonesia, Libya, Thailand etc. and the Company has been able to secure repeat orders from these territories.

Improved market penetration planned in China, Europe and USA.

B. Total foreign exchange used and earned

No.	Particulars	(Rs. In lacs)
1)	Foreign Exchange Earnings	6193.37
2)	Foreign Exchange Outgo:-	
	CIF Value of Imports of raw materials, components & spare parts	1917.06
	Capital Goods	305.65
	Others	140.99

ANNEXURE - B

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2008.

Employed throughout the Financial Year under review and were in receipt of remuneration aggregating not less than Rs. 24,00,000/-.

Name	Age	Designation/ Nature of Duties	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Total Experience (years)	Date of Commencement of Employment	Previous Employment/ Position held
Mr. L. K. Poddar	50	Managing Director	1,31,73,245/-	91,82,693/-	B.Com., LLB, FCS	30	01.04.2001	Ispat Industries Ltd. Asst. Secretary

- Remuneration received includes gross salary, allowances, taxable value of perquisites and Company's contribution to provident fund.
- The nature of employment of Mr. L K Poddar is contractual.
- The employee is not related to any of the Directors of the Company.



MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW

After robust growth over the past few years, Indian economy witnessed a slowdown during 2007-08. The Indian economy achieved 8.7 per cent growth in 2007-08 against the high growth rate of 9.4% and 9.6% respectively, the last two years.

The manufacturing sector growth went down from 12 per cent in FY 2006-07 to 9.4 per cent in the current fiscal. The production of certain industrial sectors slowed down due to a decline in consumer demand as a result of the monetary tightening measures of the Reserve Bank of India. Exports demand slowed down as a result of the appreciation of the Indian rupee.

While the steel production grew at only 5.2 per cent in 2007-08, consumption grew at 11.72 per cent. The total production of finished steel in the country was about 55.26 million tonne in 2007-08, as against consumption of almost 51.80 million tonne. More than expected growth in demand coupled with rising raw material prices has been pushing the steel prices up.

Margins remained stable during the first 9 months of 2007-08 as compared with the corresponding period of the previous year. Increase in raw material prices was compensated by a similar rise in steel prices. Increasing input costs and higher operating rates, which were mainly due to the robust demand, helped prices to move upwards. Domestic consumption of finished steel rose by around 11 per cent during April-October 2007 over the corresponding period in the previous year, driven by increased demand from the infrastructure and construction segment.

The world steel production continued on a steady growth path with a total production of 340.70 million tons in the first quarter of calendar year 2008 a growth of 5.6% over the same period in 2007. In the major Asian growth areas China took the lead with a production of 124.9 million tons, followed by India at 14.28 million tons - increases of 8.6% and 7.5% over the same period last year.

The year has also seen an increased realisation in sales. Though the cost of Ferro-alloys & scrap ruled quite high, the new contracts could be obtained at higher prices leading to higher average realisation compared to previous year. It is hoped that this trend will continue for the current year also.

OPPORTUNITIES & THREATS

The company's performance is mainly dependant on steel industry as the steel industry is the major consumer of Rolls.

Steel demand globally is expected to rise by around 6 per cent backed by the continuous healthy demand from China, while domestic demand is likely to increase by about 11 per cent. End-user segments such as automobiles, pipes and tubes, and construction will continue to drive domestic demand for steel products.

The higher level of activity in steel sector has definitely resulted in increased demands for rolls. However, the effect of spiraling input and energy costs are being felt by the entire industry and roll manufacturers have approached steel plants for price increases. The demand for value added superior rolls like HSS & Semi-HSS grade rolls in the initial HSM stands and enhanced carbide ICDP rolls in the end stands continues. To meet the demand in HSS, Semi-HSS, HiCr Steel qualities, your Company is gearing up to meet this challenge with the ongoing modernization cum expansion plan together with the R&D program and we expect to meet this challenge successfully.

The road ahead is not going to be very smooth so far as orders for ICDP rolls is concerned as there is significant pricing pressure on this item. However, if we are successful in establishing our new grades of Enhanced Carbide & Globular Graphite ICDP Rolls, we can overcome the hurdle.

The Forged Roll market for Cold Rolling Mills remain buoyant but the procurement of blanks remain a problem. The average selling price has improved significantly but the availability of blanks has not improved. This is a concern area in the forged roll division and due to this we have so far not been able to increase production.

The biggest threat to the industry remains from the cyclic nature of the sector, which could put immense pressure on steel prices if steel consumption shows signs of faltering or supply exceeds the demand considerably.

There has been significant increase in the cost of production of rolls during the last year due to the increase in price of major raw materials. We are therefore trying to incorporate Price Variation Clause in all long-term contracts to safeguard contribution margin against such orders.

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THE COMPANY'S PERFORMANCE

CAST ROLLS

(a) Operations

Production during the year 2007-08 was higher at 9552 MT as against 8279 MT during the previous year 2006-07, registering an increase of 15.38%. Total revenue from the Cast roll division was Rs.12771 Lacs compared to Rs. 12250 Lacs in the previous year 2006-07, a growth of 4.25 %.

(b) Future Outlook

The growth momentum should be possible to be maintained through periodic phases of consolidation. With the development of new grades of rolls & penetration in overseas market coupled with increasing capacity of steel industry world wide both growth & profitability should be maintained in future. The order book position is quite healthy & offers good scope for growth for the year 2008-09.

FORGED ROLLS

(a) Operations

Production during the year 2007-08 was higher at 1895 MT, as against 1686 MT during the previous year 2006-07, registering a growth of 12.40%. The total revenue from the forged roll division was Rs. 4299 Lacs compared to Rs. 4057 Lacs in the previous year 2006-07, an increase of approximately 6%.

(b) Future Outlook

Forged roll division has achieved significant improvement in operation and sales. However the sourcing of blanks and some key quality problems still remain. High lead-time in procurement and cost of blanks is posing a threat to timely delivery of quality rolls. The order book position is quite healthy & offers good scope for growth for the year 2008-09.

EXPORT

In order to utilize the established plant capacity and also establish the company as a global player, major thrust is required to penetrate into potential export market. Keeping this in view, major markets had been identified and marketing thrust is directed towards this goal. Export of Cast Rolls increased by 25.48% to 3708 MT in the current financial year as compared to 2955 MT during the previous year. Major exports during the period were to China, USA, South East Asia and Europe. Export of forged rolls was 565 MT compared to 381 MT during the previous year registering a growth of 48.29 %. With continued thrust on exports, we expect to increase the export share of total sales in the year 2008-09.

FINANCIAL PERFORMANCE IN RELATION TO OPERATIONAL PERFORMANCE

FINANCIAL RESULTS

(Rs. In Lacs)

	Year ended 31st March, 2008	Year ended 31st March, 2007
Sales/Income from Operations	19142.16	16306.90
Less: Excise Duty	1743.02	1532.65
	17399.14	14774.25
Other Income	166.81	98.40
Total Income	17565.95	14872.65
Total Expenditure	15160.48	12841.73
Profit before Interest, Finance Charges, Depreciation and Exceptional Items	3607.01	3297.37



(Rs. In Lacs)

	Year ended 31st March, 2008	Year ended 31st March, 2007
Interest & Finance Charges	642.23	744.95
Depreciation	559.31	521.52
Profit/(Loss) before Tax and Exceptional Items	2405.47	2030.92
Exceptional Items		
Prior period items (Net)	1.48	4.23
Extra Ordinary items (Net)	—	—
Profit/(Loss) before Tax	2403.99	2026.69
Provision for Taxation		
– Current Tax	994.49	774.51
– Tax related to earlier years	48.31	(1.35)
– Deferred Tax Liability	(171.79)	15.93
– Fringe Benefit Tax	21.89	16.04
Net Profit/(Loss) after Taxation	1511.09	1221.56
Add: (1) Balance brought forward	2577.61	1565.13
Surplus available for appropriation	4088.70	2786.69
i) Cumulative Preference Dividend	7.91	39.56
ii) Proposed Dividend	208.72	139.15
iii) Dividend Tax	36.82	30.37
iv) Transfer to General Reserve	80.00	—
v) Balance carried to Balance Sheet	3755.25	2577.61

Operating Income during the year under review was Rs. 17399.14 Lacs against Rs. 14774.25 during the previous year ended 31st March 2007 representing an increase of 18 %. Profit before interest, finance charges, and depreciation and exceptional items was Rs.3607.01 Lacs as compared to Rs. 3297.39 Lacs during the previous year ended 31st March 2007. Net profit for the year under review was Rs.1511.09 Lacs against Rs.1221.56 Lacs incurred during the previous year.

RISKS & CONCERNS

Fortune of Roll Industry is associated with that of steel. The cyclic nature of the steel industry is and will continue to remain always a cause for concern.

Risks and opportunities are inseparable components of the Company's business. The Company has clearly identified and segregated its risks into various categories like strategic, operational, financial etc. and constituted an internal Risk Management Committee, comprising of heads of departments, to effectively manage the risks. The identified risks are prioritized in terms of likelihood and impact after discussion with the Risk Owners and ranking assigned to each risk in terms of high/medium/low. The Risk Management Committee meets periodically to identify and assess new risks, formulate mitigation plans, review the updates on the identified risks and implementation of the mitigation plans etc. The risk identification process and mitigation plans are subject to review by the Board of Directors.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate systems of internal control to provide reasonable assurance that all assets are safeguarded, transactions are authorised, recorded and reported correctly. To ensure proper monitoring and control, the Company is maintaining its system through Oracle and SAP-ERP software.

The internal control system provides well documented standard operating procedures, guidelines, authorisations and approval procedures. The effectiveness of the internal control systems are reviewed by independent internal auditors on a continuous basis. In addition, various professional auditing firms are hired for specific assignments on need basis.

The observations arising out of audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations is submitted to Audit committee of the Board of Directors. The status of implementation the recommendations is reviewed by the Committee on a regular basis and concerns, if any are reported to the Board.

ENVIRONMENTAL EFFORTS

The Company is aware of the impact of its activities, products and services on the environment. The Company places highest priority to environmental protection and has consistently been able to achieve emission and discharge levels stipulated by the Environmental Regulatory bodies. The Company is accredited with ISO 9001:2000 and environmental norms are being maintained within the requirements of the national and local laws and regulations.

In order to improve the operating environment and reduce pollution the HT Furnaces have been converted from HSD to LPG. A super sucker has been provided to suck the dust.

In order to improve greenery in the plant, additional tree plantation programmes have been undertaken. 8677 Nos additional trees were planted in the year 2007-08. World Environment Day was celebrated.

The Company is taking effective steps to implement ISO 14001 and OHSAS.

SAFETY & HEALTH

Safety has been given a new dimension with the introduction of TPM. The TPM methodology very well integrates safety awareness in the steps to be followed by every autonomous maintenance team. This has shifted the responsibility of finding unsafe work condition from a single safety officer to every individual workmen.

The company believes in good health of its employees. To pursue this objective, efforts are being made on both treatment as well as maintaining good health. Medical Officer have been appointed to take care of employee health and awareness programme is also being conducted on ill-effect of smoking, chewing tobacco etc.

The Company also participated at the 37th National Safety Week inviting external agencies and dignitaries to conduct Mock Fire Drill, Training on Personal Protective Equipment, Safety Awareness and Blood Donation Camp

SOCIAL COMMITMENTS

GPIL philosophy believes that corporate responsibility extends beyond the ambit of a company's facilities and offices and that true corporate citizenship must include common cause with society. In keeping with this belief, GPIL encourages different social events and development of health programme and human capital initiatives. Serving the local committee and promotion of sports are some of the key activities undertaken by the Company.

The Company's social activities include Blood Donation camps, providing support for drinking water facility, infrastructural support to schools etc.

HUMAN RESOURCE DEVELOPMENT

Human Capital is the most important resource of any organization. The Company recognizes the need to have optimum level of human resource and orientation towards team efforts for sustained growth and performance. The focus is on people empowerment through skill, knowledge and attitude reinforcement to integrate them in achieving the Company's corporate goal.



In line with the Organization's priority; the company has implemented organizational development and initiatives like Six Sigma, Total Productive Maintenance (TPM), Performance Management System (PMS), Total Quality Management (TQM), Activity Based Costing, Just-In-Time (JIT) etc. The objective has been to ensure involvement of all into the process of 'Loss Reduction' and streamlining of work processes thereby increasing effectiveness across the line and ranks of the organisation.

Employees from various levels were sent for external training to upgrade their skills and knowledge in the areas of Cold Rolling Technologies - Advancement & Recent Trends, Materials Management Emerging Trends & Challenges etc.

Your company has taken up several initiatives to enhance quality of life of the employees; special attention being placed on healthcare and recreation of employees. Quality Circle movement is also being imbibed into the culture of GPIIL.

During the year under review your Company received the TPM first Category Excellency Award. Your Company also won the following Awards :

- Bronze Award in International Quality Circle Convention held at Beijing, China.
- Special Kaizen Award in National Quality Convention held at Kolkata.

Employee-Management relations remained cordial through 2007-2008 with moral and commitment remaining high. As at 31st March 2008, the total number of employees in the Company was 610.

The company continues to give stress on production of quality products & total customer satisfaction, leading to value addition for all the stakeholders.

CAUTIONARY STATEMENT

Statements in the Management Discussions and Analysis Report describing the Company's projections or predictions may be construed as 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the company's operations include demand-supply conditions, raw material prices, changes in government regulations, tax regimes, economic developments within and outside the country and other factors such as litigation and other labour negotiations.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

The Board has adopted, and is committed to adopting, its obligations under relevant regulations and laws as well as any relevant best practices relating to Corporate Governance. This would ensure efficient conduct of affairs of the Company and help the Company achieve its goal of maximizing value for all its stakeholders. The Board lays significant emphasis on fair, transparent and ethical governance practices. The Company's Philosophy on Corporate Governance is:

- to have systems in place which will allow sufficient freedom to the Board of Directors and management to take decision towards the progress of the Company and to innovate while remaining within a framework of effective accountability.
- to provide transparent corporate disclosures and adopt high quality accounting practices.
- timely and proper dissemination of material price sensitive information and ensure insiders do not transact in securities of the Company till such information is made public.
- to adopt good Corporate Governance policies that will contribute to the efficiency of the enterprise, creation of wealth for the Shareholders and Country's economy.

Your Company is fully compliant with the requirements of the prevailing and applicable corporate governance codes. Your Company's compliance with requirements is presented in the subsequent sections of this Report.

BOARD OF DIRECTORS

The Company has a Non-Executive Promoter Chairman and the number of Independent Directors at 67% is more than one-half of the total number of Directors. The number of Non-Executive Directors (NEDs) at 83% is more than 50% of the total number of Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he is a Director. The Directors have made necessary disclosures regarding Committee positions in other public companies as at March 31, 2008.

The following is the composition of the Board of Directors as on 31st March, 2008.

Category	No. of Directors	Percentage of total number of Directors
Promoter		
– Executive Director	Nil	—
– Non-Executive Director	2	16.67
Executive Directors	2	16.67
Non-Executive/Independent Directors	6	50.00
Nominee Directors representing lending institutions	2	16.66
Total	12	100.00

The attendance of Directors at Board Meetings held during the financial year and at the last Annual General Meeting and also the number of Directorships and Committee Memberships held by them in other Companies are given below.

Name of the Director	No. of Board Meetings Attended	Attended Last AGM held on 16.08.2007	No. of Directorships in other Companies #		No. of Membership in Committee of Directors in other Companies \$	
			Chairman	Director	Chairman	Member
Mr. Pramod Mittal (Chairman)	—	No	2	—	—	—
Mr. V.K. Mittal	—	No	1	4	—	1
Mr. M. Trivedi	5	Yes	—	1	2	—
Prof. M.K.Mitra	5	Yes	—	—	—	—



Name of the Director	No. of Board Meetings Attended	Attended Last AGM held on 16.08.2007	No. of Directorships in other Companies #		No. of Membership in Committee of Directors in other Companies \$	
			Chairman	Director	Chairman	Member
Dr. Shekhar Chaudhuri	2	Yes	—	2	—	2
Mr. Arun Kumar Datta (Exim Bank Nominee)	5	No	—	5	—	1
Mr. T.K Ray* (IFCI Nominee)	1	No	—	2	—	—
Mr. Vinod Kothari	4	No	—	4	—	2
Mr. R.M. Choubey	5	Yes	—	5	—	2
Mr. L.K. Poddar	5	Yes	—	2	—	1
Mr. S.K. Pal**	2	Yes	—	—	—	—
Mr. N. D. Auddy*** (IFCI Nominee)	3	No	—	3	—	—
Mr. J. Barman****	3	No	—	—	—	—
Mr. A. P. Singh****	1	No	—	—	—	—

* Ceased to be Director w.e.f. 27th July, 2007

** Ceased to be Director w.e.f. 31st August, 2007

*** Appointed as a Director w.e.f. 27th July, 2007

**** Appointed as a Director w.e.f. 16th October, 2007

Excludes directorships of private limited companies and of companies incorporated outside India.

\$ Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Mr Pramod Mittal, Chairman is related to Mr V K Mittal as per Section 6 of the Companies Act, 1956. Mr Pramod Mittal is the brother of Mr V K Mittal.

Five Board meetings were held during the year ended 31st March, 2008. The dates on which the Board meetings were held are 22.05.2007, 27.07.2007, 16.10.2007, 18.01.2008 and 04.02.2008.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements with the Stock Exchanges are being placed before the Board at every meeting with the current status duly updated.

AUDIT COMMITTEE

The Company has an Independent Audit Committee constituted in terms of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Committee exercises the powers and discharges the functions as stipulated in the said Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

Powers

- to investigate any activity within its terms of reference;
- to seek information from any employee;
- to obtain outside legal or other professional advice;
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

Terms of Reference

The terms of reference of the audit committee broadly includes :-

- Review of accounting policies, financial reporting processes and disclosure of financial information.
- Recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and fixation of audit fees as well as fees for other services being rendered by them.

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- Review with the management, the Quarterly / Annual Financial Statements before submission to the Board for approval.
- Review reports of internal auditors and management response thereto.
- Review the adequacy of the internal audit function, including the structure of the internal audit department, reporting structure coverage and frequency of internal audit.
- Review statutory compliances.
- Review performance of Statutory and Internal Auditors.

The internal auditors submit their reports periodically to the Audit Committee for review and discussion. The Committee reviews with the Statutory Auditors their observations and suggestions on accounts and accounting policies.

The Audit Committee reviews the quarterly Corporate Governance Report and also undertakes such other matters as may be delegated by the Board from time to time.

Minutes of each audit committee meeting are placed before and discussed in the meeting of the Board.

Composition

The Audit Committee comprises of eight Non-Executive Directors all of whom are Independent and Professional Directors and who are well versed in finance, accounts, treasury and company law.

The Managing Director and Executive Director are permanent invitees to the Audit Committee meetings. Apart from the Committee Members, the Managing Director and the Executive Director, the meetings of Audit Committee are also attended by the Finance and Accounts Head and other Operational/Departmental Heads. The Internal Auditors also attend the meetings to discuss their report with the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

During the financial year ended 31st March, 2008, four meetings of the Audit Committee were held on 22.05.2007, 27.07.2007, 16.10.2007 and 18.01.2008.

The composition of the Audit Committee and the meetings attended by the members are as under:

Name of Directors	No. of meetings attended during the year ended 31st March, 2008
Mr. M. Trivedi, Chairman	4
Prof. Manoj Kumar Mitra	4
Dr. Shekhar Chaudhuri	2
Mr. T. K Ray (IFCI Nominee)*	1
Mr. N. D. Auddy (IFCI Nominee)**	1
Mr. Vinod Kothari	3
Mr. R. M. Choubey	4
Mr. Arun Kumar Datta (EXIM Bank Nominee)	4
Mr. A. P. Singh***	1

* Ceased to be a Member w.e.f. 27th July, 2007.

** Appointed as a Member w.e.f. 27th July, 2007.

*** Appointed as a Member w.e.f. 16th October, 2007.

SHARE TRANSFER AND INVESTORS GRIEVANCE COMMITTEE

The Share Transfer and Investors Grievance Committee specifically looks into redressing of shareholder's and investors' complaints relating to transfer of shares, non-receipt of shares, non-receipt of declared dividends and also to ensure expeditious share transfer process.

Ten meetings were held during the year ended 31st March, 2008. The dates on which the meetings were held are 15.06.2007, 31.07.2007, 16.08.2007, 29.09.2007, 15.10.2007, 15.11.2007, 03.12.2007, 04.02.2008, 29.02.2008 and 31.03.2008.



Composition and Attendance record of Share Transfer & Investors Grievance Committee :

Name of Directors	Category	No. of Meetings attended
Mr. M. Trivedi, Chairman	Independent, Non-executive	09
Prof. Manoj Kumar Mitra	Independent, Non-executive	10
Dr. Shekhar Chaudhuri	Independent, Non-executive	09
Mr. Vinod Kothari	Independent, Non-executive	09
Mr. L. K. Poddar	Executive	08
Mr Arun Kumar Datta*	Independent, Non-executive	02
Mr. A. P. Singh**	Independent, Non-executive	03

* Appointed as a Member w.e.f. 22nd May, 2007.

** Appointed as a Member w.e.f. 18th January, 2008.

Name & Designation of Compliance Officers :

Mr. S. Subramanian, Company Secretary and Mr. R.K. Banthia, Asst. Company Secretary.

Share transfers/transmissions etc. as approved by the Committee are notified to the Board at regular intervals.

During the year under review, 13 (thirteen) complaints were received from investors, all complaints were replied/resolved to the satisfaction of the investors.

REMUNERATION COMMITTEE

The broad terms of reference are to consider and approve the remuneration payable to the managerial persons including Managing Director / Whole-time Directors of the Company as prescribed under the Companies Act, 1956 or rules made thereunder. During the year, the Committee met thrice on 22.05.2007, 16.10.2007 and 18.01.2008 respectively.

The Composition of the Remuneration Committee is as below :

Name of Members	Category	No. of Meetings attended
Mr. M. Trivedi, Chairman	Independent, Non-executive	03
Prof. Manoj Kumar Mitra	Independent, Non-executive	03
Dr. Shekhar Chaudhuri	Independent, Non-executive	01
Mr. T.K. Ray*	Independent, Non-executive	01
Mr. N. D. Auddy**	Independent, Non-executive	01
Mr. Vinod Kothari	Independent, Non-executive	02
Mr. R. M. Choubey	Independent, Non-executive	03
Mr. Arun Kumar Datta	Independent, Non-executive	03

* Ceased to be a Member w.e.f. 27th July, 2007

** Appointed as a Member w.e.f. 27th July, 2007

The details of the payments made to the Whole-time Directors during the year ended 31st March, 2008 is given below :

Name of the Directors and Designation	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)	Service Contract (Years)
Mr. L. K. Poddar, Managing Director	1,31,73,245	Nil	1,31,73,245	5
Mr. S. K. Pal, Executive Director*	14,70,618	Nil	14,70,618	5
Mr. J. Barman, Executive Director**	8,07,074	Nil	8,07,074	3

* Resigned w.e.f. 31st August, 2007

** Appointed w.e.f. 16th October, 2007

- Service Contract – The service contract of the Managing Director/Executive Director can be terminated by either party giving three months notice to the other party or the Company paying three months salary in lieu thereof.
- Severance Fee – No Severance fee is payable to the Managing Director/Executive Director.
- Stock Option – Nil.

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Non-Executive Directors of the Company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its committees. The details of sitting fees paid during the year 2007-08 to the Non-Executive Directors is given below:

Name of the Directors	Relationship with other directors	Business relationship with the Company, if any	Remuneration paid/payable during the year ended 31st March 2008 (in Rs.)
Mr. M. Trivedi	None	None	1,43,000
Prof Manoj Kumar Mitra	None	None	1,43,000
Dr Shekhar Chaudhuri	None	None	53,000
Mr. T. K. Ray*	None	Nominee of IFCI Ltd, a lender to the company	23,000
Mr. N. D. Auddy**	None	Nominee of IFCI Ltd, a lender to the company	70,000
Mr Arun Kumar Datta	None	Nominee of EXIM Bank, a lender to the company	1,43,000
Mr Vinod Kothari	None	None	1,08,000
Mr R M Choubey	None	None	1,43,000
Mr. A. P. Singh***	None	None	30,000

* Ceased to be Director w.e.f. 27th July, 2007.

** Appointed as a Director w.e.f. 27th July, 2007.

*** Appointed as a Director w.e.f. 16th October, 2007.

OTHER COMMITTEES

In addition to the Committees mentioned hereinabove, the Board constituted a Project Management Committee during the financial year to -

- (i) Monitor and review the implementation of the various capital projects, including status of progress, critical area affecting project implementation schedules and
- (ii) Over view financing of the projects, capital expenditure budget and project cost incurred.

The Project Management Committee met once during the year on 2nd February, 2008.

Apart from the committee members, the meeting was attended by the Managing Director, Executive Director and the Head of Project Department.

The Composition of Project Management Committee is as under :

Name of Members	Category
Mr. M. Trivedi, Chairman	Independent, Non-executive
Prof. Manoj Kumar Mitra	Independent, Non-executive
Mr. N. D. Auddy	Independent, Non-executive
Mr. Vinod Kothari	Independent, Non-executive
Mr. R. M. Choubey	Independent, Non-executive
Mr. Arun Kumar Datta	Independent, Non-executive

CODE OF CONDUCT

The Company has adopted a Code of Conduct for members of the Board and senior management personnel of the Company. The Code has also been posted on the Company's website. All Board members and senior management personnel have affirmed compliance with the Code for the financial year 2007-08. A separate declaration to this effect is annexed to the Corporate Governance Report.



GENERAL BODY MEETINGS

The last three Annual General Meetings and the Extraordinary General Meeting were held as under

Year Ended	Venue	Date	Time	Special Resolutions Passed
2008 (EGM)	P.O. Pailan, Diamond Harbour Road, 24-Parganas (S), West Bengal - 743 512	07.03.2008	11.00 A.M.	<ul style="list-style-type: none"> ● Approval for further issue of securities ● Revision in the remuneration of Managing Director ● Increase in Borrowing Powers ● Creation of charge
31.03.2007		16.08.2007	11.00 A.M.	None
31.03.2006		27.09.2006	11.00 A.M.	<ul style="list-style-type: none"> ● Appointment of Auditors ● Restructuring Package by IFCI Limited and corresponding reduction in the paid-up preference share capital.
31.03.2005		28.09.2005	11.00 A.M.	<ul style="list-style-type: none"> ● Appointment of Auditors

No resolutions were put through postal ballot last year. No resolutions are placed for shareholders' approval at this Annual General Meeting which requires to be approved through postal ballot.

DISCLOSURES

1. All related party transactions have been disclosed in the Notes to Accounts forming part of this Annual Report. There are no related party transactions which were in conflict with the interest of the Company.
2. There are no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority for non-compliance by the Company, on any matter related to capital markets, during the last three years.
3. The company has adopted and complied with all mandatory requirements of Corporate Governance under Clause 49 of the Listing Agreement. The company has adopted non-mandatory, requirements under Clause 49 of the Listing Agreement to the extent relating to setting up of Remuneration Committee.
4. The Company has laid down procedures to inform the Board Members about the Risk Assessment & Minimization procedures. These procedures are periodically placed and are reviewed by the Board of Directors. The Company has formulated and implemented a Risk Management Policy for Risk Assessment and Mitigation procedures.
5. The applicable Accounting Standards as issued by the Institute of Chartered Accountants of India have been followed in preparation of the financial statements of the Company.
6. The Company has not made any capital issues during the financial year.
7. A certificate from the Managing Director and Chief Financial Officer with regard to the Annual Audited Accounts for the financial year ended 31st March, 2008 was submitted to the Board in compliance with Clause 49 of the listing agreement. The certificate is annexed to this report.
8. There is no Whistle Blower mechanism in the Company.

SECRETARIAL AUDIT

A qualified practicing Company Secretary carried out Secretarial Audit to reconcile the admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held in electronic mode with NSDL and CDSL.

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MEANS OF COMMUNICATION

- The quarterly results of the Company were announced within a month of completion of the quarter. Audited annual results along with the results for the fourth quarter were announced within two months of the end of the financial year.
- The quarterly results/Annual results/Notices are published in The Business Standard and/or The Economic Times (in English) and in Dainik Statesman (in Bengali). The quarterly and annual results as well as the quarter end shareholding pattern is posted at the end of every quarter on the Company's corporate website www.gonterman-peipers.com
- Official news releases are given to the press and to the Bombay Stock Exchange Limited and Calcutta Stock Exchange Association Limited.
- Management Discussion and Analysis Report is being presented as a part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION

1) Annual General Meeting Day, date and time	Saturday, the 27th day of September, 2008, at 11.00 A.M.
Venue	Registered Office at P.O. Pailan, Diamond Harbour Road, 24-Parganas (South) - 743 512, West Bengal
2) Book Closure Date	Wednesday, 17th September, 2008 to Saturday, 27th September, 2008 (both days inclusive)
3) Dividend Payment Date	On or after 27th September, 2008
4) Financial Calendar Annual General Meeting Board Meeting for considering Unaudited quarterly results for first three quarters of the financial year ending 31st March, 2009 Board Meeting for considering the Audited Results of the financial year ending on 31st March, 2009	1st April, 2008 to 31st March, 2009 September, 2009 Within one month from the end of each quarter. Within three months from the end of the financial year.
5) Listing of Equity Shares on Stock Exchanges (with Stock Code)	
i) The Calcutta Stock Exchange Association Limited 7, Lyons Range, Kolkata 700 001	: 10017005
ii) Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	: 504701

Note : Annual Listing Fees for the year 2008-2009 have been paid to the above Stock Exchanges. The Company has also paid the Annual Custodial Fees to both the Depositories.

6) Stock Market Information

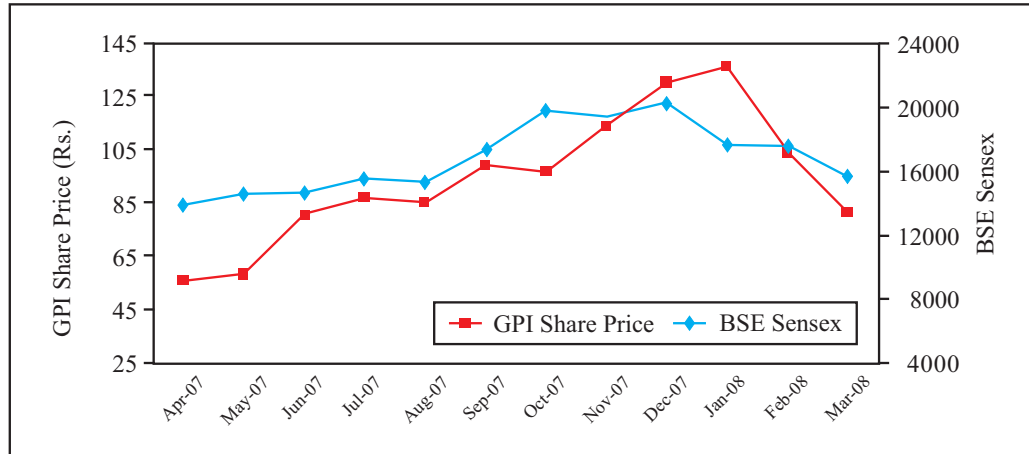
(i) Market Price

Months	Share Price Data on BSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
2007 April	56.05	46.00	14383.93	12425.52
May	58.30	46.85	14576.37	13554.34
June	81.45	49.90	14683.36	13946.99
July	87.00	67.80	15868.85	14638.88
August	85.00	62.50	15542.40	13779.88
September	99.10	81.00	17361.47	15323.05
October	96.70	73.80	20238.16	17144.58
November	113.75	85.75	20204.21	18182.83
December	130.00	100.00	20498.11	18886.40
2008 January	136.15	86.05	21206.77	15332.42
February	103.90	76.50	18895.34	16457.74
March	81.20	55.80	17227.56	14667.24

Source : Data relating to Bombay Stock Exchange are taken from www.bseindia.com



ii) Stock Performance



7) Registrars & Share Transfer Agents

MCS Limited
 77/2A, Hazra Road, Kolkata - 700 029.
 Phone Nos. : (033) 2476-7350/7354; Fax No. 91-33-2454 1961
 E-Mail : mscscal@cal2.vsnl.net.in
 (Registered with SEBI as Share Transfer Agent Category I)

8) Share Transfer System

The Company's Equity Shares are admitted with the Depository System of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as an eligible security under the Depositories Act, 1996. As such, facilities for dematerialisation of the Company's Equity shares is available vide ISIN : INE 530A01026 at both the depositories.

The Company has a Share Transfer & Investors Grievance Committee to look into various issues relating to the investors including share transfers. This Committee of the Board of Directors of the Company meets normally on monthly basis while the delegated authorities attend the transfer formalities. The total number of such meetings held during the year under review was ten and the total number of shares physically transferred during the year was 1295.

9) Investor Grievance Redressal System

The investor grievances against the Company are handled by the Company's Registrars and Share Transfer Agents, M/s. MCS Limited, Kolkata, in consultation with the Secretarial Department of the Company. The Registrars have adequate skilled staff with professional qualifications and advanced computer systems for speedy redressal of the investor grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerised to ensure settlement. It normally takes 15 days from the date of receipt of the complaint for disposal of investor grievances.

10) Distribution of Equity Shares as on 31st March, 2008

Number of Shares held	No. of Shares	No. of Shareholders	Percentage of shareholding
1 to 500	4,44,091	5216	3.19
501 to 10000	11,55,440	538	8.30
10001 to 50000	6,21,905	27	4.47
50001 to 100000	5,08,271	7	3.65
100001 and above	1,11,85,293	22	80.38
Total	1,39,15,000	5810	100.00

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11) **Categories of Shareholders as on 31st March, 2008**

Category	No. of Shares held	% of total shareholding
Promoter Group	76,71,073	55.13
Financial Institution / Insurance Cos./ Banks / Mutual Funds	17,32,331	12.45
Bodies Corporate	22,73,011	16.33
Public & Others	22,38,585	16.09
Total	1,39,15,000	100.00

12) **Dematerialisation of Shares and Liquidity**

Approximately 98.30% of the Equity Shares have been dematerialised upto 31.03.2008. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 28.08.2000 as per notification issued by the Securities & Exchange Board of India.

13) There are no outstanding GDRs/ADRs/Warrants or any Convertible instruments which are likely to have impact on the equity of the company.

14) **Plant Location**

P.O. Pailan, Diamond Harbour Road
24 Parganas (South), West Bengal 743 512
Phone Nos. (033) 2453 2455 / 56, 2497 8183 / 8294 / 8462
Fax : 91-33-2497-8313 / 8547 / 8686
E-mail : gontermann@vsnl.net
Website: www.gontermann-peipers.com

15) **Address for Investor Correspondence**

Mr. S. Subramanian
Company Secretary

Unit-in-charge
Unit : Gontermann-Peipers (India) Limited

Mr. R. K. Banthia
Asst. Company Secretary
Gontermann-Peipers (India) Limited
P.O. Pailan, Diamond Harbour Road
24 Parganas (S), West Bengal - 743 512
Phone Nos. (033) 2453 2455 / 56,
2497 8183 / 8294 / 8462
Fax : 91-33-2497-8313 / 8547 / 8686
E-Mail : gontermann@vsnl.net
Web-site : www.gontermann-peipers.com

M/s. MCS Limited
77/2A, Hazra Road,
Kolkata 700 029.
Phone Nos. : (033) 2476-7350/7354
Fax No. 91-33-2454 1961
E-Mail : mescal@cal2.vsnl.net.in
(Registered with SEBI as Share Transfer
Agent – Category I)

16) Exclusive e-mail ID for redressal of investors' complaints investor@gontermann-peipers.com

Note : Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

AFFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT EXECUTIVES

I, L K Poddar, Managing Director of Gontermann-Peipers (India) Limited do hereby certify that during the financial year 2007-08, all Directors and Senior Executives of the Company have complied with and adhered to the Code of Conduct of the Company as approved and prescribed by the Board of Directors of the Company.

Place : Kolkata
Date : 30th May, 2008

L K Poddar
Managing Director



CEO / CFO CERTIFICATION

We L. K. Poddar, Managing Director and R.K.Parakh, Chief Financial Officer of Gontermann-Peipers (India) Limited, certify that:

- (a) We have reviewed the financial statements and the cash flow statements for the year ended 31st March 2008 and to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2008 are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- (d)
 - (i) There have not been any significant changes in internal control over financial reporting during the year ended 31st March, 2008;
 - (ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting

Kolkata
30th May 2008

L. K. Poddar
Managing Director

R. K. Parakh
Chief Financial Officer

Auditor's Certificate regarding Compliance of Conditions of Corporate Governance

To,
The Members of
Gontermann-Peipers (India) Limited

We have examined the compliance of conditions of Corporate Governance by Gontermann-Peipers (India) Limited, for the period from 1st April 2007 to 31st March 2008, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us;

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the company, as certified by the share transfer agents of the Company, based on the records maintained by them.

We further state that such compliances is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Camp : Kolkata
Dated : 30th May, 2008

For V. MALIK & ASSOCIATES
CHARTERED ACCOUNTANTS
VIPIN MALIK
PROPRIETOR
Membrship No.80468

**AUDITOR'S REPORT TO THE MEMBERS
OF GONTERMANN-PEIPERS (INDIA) LIMITED**

1. We have audited the attached Balance Sheet of **Gontermann-Peipers (India) Limited** as at 31st March 2008 and also the Profit and Loss Account and Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that: -
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, subject to Note No.1 (i) on Schedule 18 regarding non-accounting of certain income/expenses on accrual basis, proper books of account, as required by law, have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except reported otherwise;
 - (v) On the basis of written representations received from the directors as on 31st March 2008, we report that none of the directors is disqualified as on 31st March 2008 from being appointed as director in terms of clause (g) of sub section (1) of section 274 of the Companies Act 1956. As regards institutional nominee directors, they are exempted from the provisions of Section 274 (1) (g) in view of general circular issued by Department of Company Affairs.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2008;
 - (ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date, and
 - (iii) in the case of Cash flow Statement of the cash flows for the year ended on that date.

For V. Malik & Associates
Chartered Accountants

Vipin Malik
Proprietor
Membership No. 80468

Camp : Kolkata
Dated : 30th May, 2008



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT TO THE MEMBERS OF GONTERMANN-PEIPERS (INDIA) LIMITED FOR THE YEAR ENDING 31ST MARCH 2008

- (i) The nature of the Company's business/activities during the year is such that clause (xiii) and (xiv) of the paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year ended 31st March 2008.
- (ii) In respect of its fixed Assets:
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, the Company has physically verified certain assets during the year in accordance with a programme of verification, which in our opinion provides for physical verification of fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposals during the year.
- (iii) In respect of its inventories:-
 - (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to information and explanations given to us, the procedure of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) As informed to us, the Company has not granted or taken any secured or unsecured loan to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (v) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
- (vi) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us, there are no transactions that need to be entered in the register.
- (vii) As informed to us, the company has not accepted any deposits from the public within the purview of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- (viii) In our opinion, the Company has adequate internal audit system commensurate with the size and nature of its business.
- (ix) We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima- facie, the prescribed accounts and records have been maintained. We have not, however made a detailed examination of the records to ascertain whether they are accurate or complete.
- (x) According to information and explanations given to us in respect of statutory and other dues:
 - a. The company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, sales-tax, Wealth tax, Custom Duty, Excise Duty, Cess Duty, cess and other statutory dues with the appropriate authorities during the year.
 - b. According to information and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March 2008 for a period of more than six months from the date they became payable.

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c. Disputed dues in respect of

Nature of the dues	Amount (Rs. In lacs)	Period to which amount relates	Forum where dispute is pending
Excise Duty	209.09	1975 to 1986	Hon'ble High Court Kolkata
	4.66	1993-1994	Tribunal (Central Excise)
	1.39	2002-2003	Joint Commissioner (Central Excise)
Sales Tax	10.87	1994-1995	Hon'ble High Court Kolkata
	9.50	2004-2005	Dy. Commissioner Appeal

have not been deposited since the matters are pending before relevant Appellate Authorities.

- (xi) According to information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or bank.
- (xii) According to information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to information and explanations given to us, the Company has not given any guarantees for the loans taken by others from banks or financial institutions.
- (xiv) According to information and explanations given to us, the Company has not availed fresh loan during the year.
- (xv) To the best of our knowledge and belief and according to information and explanations given to us, no fresh funds were raised on short-term basis by the Company during the year.
- (xvi) The Company has not made any preferential allotment during the year.
- (xvii) The Company has not raised any money by public issues during the year.
- (xviii) To the best of our knowledge and according to information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For V. Malik & Associates
Chartered Accountants

Vipin Malik
Proprietor

Membership No. 80468

Camp : Kolkata
Dated : 30th May, 2008



BALANCE SHEET AS AT 31st MARCH, 2008

	Schedule	As at 31st March,2008 (Rs. in Lacs)	As at 31st March,2007 (Rs. in Lacs)
SOURCES OF FUNDS			
A. Shareholders' Funds			
a. Share Capital	1	1,523.37	1,523.37
b. Reserves and Surplus	2	9,414.36	8,702.20
		10,937.73	10,225.57
B. Loan Funds			
Secured Loans	3	6,118.51	5,228.34
		6,118.51	5,228.34
C. Deferred Tax Liability			
		550.51	651.11
		17,606.75	16,105.02
APPLICATION OF FUNDS			
A. Fixed Assets			
a. Gross Block	4	18,490.31	17,801.45
b. Less: Depreciation		7,965.84	6,865.28
c. Net Block		10,524.47	10,936.17
d. Capital Work-in- progress		1,139.61	437.37
		11,664.08	11,373.54
B. Investments			
	5	111.08	111.08
C. Current Assets, Loans & Advances			
a. Inventories	6	3,690.23	3,040.12
b. Debtors	7	4,088.04	2,987.55
c. Cash and Bank Balances	8	497.66	385.59
d. Loans and Advances	9	2,460.87	1,651.22
		10,736.80	8,064.48
D. Less : Current Liabilities and Provisions			
a. Current Liabilities	10	3,935.71	2,880.15
b. Provisions		969.50	563.93
		4,905.21	3,444.08
Net Current Assets		5,831.59	4,620.40
		17,606.75	16,105.02
Accounting Policies and Notes on Accounts	18		

Schedule 1 to 10 and 18 referred to above form an integral part of the Balance Sheet
In terms of our attached report of even date
For V. Malik & Associates
Chartered Accountants
Vipin Malik
Proprietor

Camp : Kolkata
Date : 30th May, 2008

S Subramanian
Company Secretary

R K Parakh
President & CFO

For & on behalf of the Board

M Trivedi
Prof. Manoj Kumar Mitra
Dr. Shekhar Chaudhuri
R M Choubey
N D Auddy
Arun Kumar Datta
L K Poddar
J Barman

} *Directors*
Managing Director
Executive Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	Year Ended 31.03.2008 (Rs. in Lacs)		Year Ended 31.03.2007 (Rs. in Lacs)
INCOME				
Sales/Income from Operations	11	19,142.16		16,306.90
Less : Excise Duty		1,743.02		1,532.65
		17,399.14		14,774.25
Other Income	12	166.81		98.40
		17,565.95		14,872.65
EXPENDITURE				
(Increase)/Decrease in Stocks	13	107.08		(655.48)
Raw Materials Consumed	14	7,510.83		6,928.96
Stores & Spare Parts Consumed		1,039.44		880.12
Power and Fuel		1,498.44		1,250.49
Payments to and Provisions for Employees	15	1,836.04		1,390.99
Other Expenses	16	1,967.11		1,780.18
Interest (Net) and Finance charges	17	642.23		744.95
Depreciation		1,104.79	595.69	
Less : Transfer from Capital Reserve		545.48	74.17	521.52
		15,160.48		12,841.73
PROFIT BEFORE EXCEPTIONAL ITEMS & TAXATION		2,405.47		2,030.92
EXCEPTIONAL ITEMS				
Prior period Items (Net)		1.48		4.23
PROFIT BEFORE TAXATION		2,403.99		2,026.69
Provision for Taxation				
a) Current Tax		994.49		774.51
b) Tax related to earlier years		48.31		(1.35)
c) Deferred Tax Liability		(171.79)		15.93
d) Fringe Benefit Tax		21.89		16.04
PROFIT AFTER TAXATION		1,511.09		1,221.56
Balance brought forward from last year		2,577.61		1,565.13
APPROPRIATIONS				
Proposed Dividend on Preference Shares		7.91		39.56
Proposed Dividend on Equity Shares		208.72		139.15
Corporate Tax on Dividends		36.82		30.37
Transfer to General Reserve		80.00		—
BALANCE CARRIED TO BALANCE SHEET		3,755.25		2,577.61
Earning per share (Equity Shares of Face value of Rs. 10/- each)				
- Basic (in Rs.)		10.79		8.71
- Diluted (in Rs.)		9.92		7.82
Accounting Policies and Notes on Accounts	18			

Schedule 11 to 18 referred to above form an integral part of the Profit and Loss Account

In terms of our attached report of even date

For V. Malik & Associates

Chartered Accountants

Vipin Malik

Proprietor

Camp : Kolkata

Date : 30th May, 2008

S Subramanian
Company Secretary

R K Parakh
President & CFO

For & on behalf of the Board

M Trivedi
Prof. Manoj Kumar Mitra
Dr. Shekhar Chaudhuri
R M Choubey
N D Auddy
Arun Kumar Datta

Directors

L K Poddar
J Barman

Managing Director
Executive Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year ended 31.03.2008 (Rs. in Lacs)	Year ended 31.03.2007 (Rs. in Lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	2,403.99	2,026.69
Adjustments for :		
Depreciation	559.31	521.52
Interest & Finance Expenses	833.93	765.29
Loss on Fixed Assets sold/discarded	2.00	72.36
Interest Income	(191.70)	(20.34)
Irrecoverable Loan & Interest written off	—	18.60
Operating Profit before working capital changes	3,607.53	3,384.12
Increase / (Decrease) in trade payables	1,294.58	146.08,
Decrease / (Increase) in trade & other receivables	(1,730.94)	(83.44)
Decrease / (Increase) in inventories	(650.11)	(994.95)
Cash Generated from Operations :	2,521.05	2,451.81
Direct taxes (paid) / Received	(857.20)	(547.14)
Net Cash flow from Operating activities	1,663.85	1,904.67
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Sale of Fixed Assets	1.12	41.38
Interest received	12.50	81.53
Purchase of Fixed assets(including for new projects)	(1,398.44)	(781.67)
Net Cash used in Investing Activities	(1,384.82)	(658.75)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	—	13.45
Proceeds from Bank borrowings (for working capital)	1,274.80	284.04
Proceeds from capital Investment Subsidy	—	150.00
Repayment of loans	(384.63)	(926.07)
Dividend (including Tax on dividend) paid	(209.08)	—
Interest & Finance charges paid	(848.06)	(772.57)
Net Cash flow from Financing Activities	(166.97)	(1,251.15)
(D) NET CHANGES IN CASH & CASH EQUIVALENTS(A+B+C)	112.07	(5.23)
(E) CASH & CASH EQUIVALENTS OPENING BALANCE	385.59	390.82
(F) CASH & CASH EQUIVALENTS CLOSING BALANCE	497.66	385.59

In terms of our attached report of even date

For V. Malik & Associates
Chartered Accountants

Vipin Malik
Proprietor

Camp : Kolkata
Date : 30th May, 2008

S Subramanian
Company Secretary

R K Parakh
President & CFO

For & on behalf of the Board

M Trivedi
Prof. Manoj Kumar Mitra
Dr. Shekhar Chaudhuri
R M Choubey
N D Auddy
Arun Kumar Datta
L K Poddar
J Barman

Directors

Managing Director
Executive Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2008 (Rs. in Lacs)	As at 31st March, 2007 (Rs. in Lacs)
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,50,00,000 (1,50,00,000) Equity Shares of Rs 10/- each	2,500.00	2,500.00
50,00,000 (50,00,000) Preference Shares of Rs. 10/- each	500.00	500.00
Issued, Subscribed and paid up		
1,39,15,000 (1,39,15,000) Equity Shares of Rs10/- each Fully Paid Up	1,391.50	1,391.50
<p>Note : Of the above, 62,533 Equity Shares have been allotted as fully paid up shares pursuant to a contract without payment being received in cash.</p> <p>1318700 (1318700) 6% Cumulative Optionally Convertible Redeemable Preference Shares (COCRPS) of Rs. 10/- each fully paid up (Redeemable at par in two equal annual instalments commencing from 2013)</p>		
	131.87	131.87
	1,523.37	1,523.37
SCHEDULE 2		
RESERVES AND SURPLUS		
Revaluation Reserve		
As per last Account	5,249.20	929.23
Add - Addition on account of revaluation	—	4,399.17
	5,249.20	5,328.40
Less : Transfer to Profit & Loss Account towards additional Depreciation on revalued assets		
	545.48	74.17
Adjustment on account of Assets discarded / sold during the period		
	—	5.03
	545.48	79.20
Capital Investment Subsidy	172.58	172.58
General Reserve		
As per last Account	—	—
Add : Transfer from Profit & Loss Account	80.00	—
Share Premium Account	702.81	702.81
Surplus as per Profit & Loss Account	3,755.25	2,577.61
	9,414.36	8,702.20



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2008 (Rs. in Laacs)	As at 31st March, 2007 (Rs. in Laacs)
SCHEDULE 3		
SECURED LOANS		
a) Term Loans from Financial Institutions & Banks		
Foreign Currency Loans	360.12	491.10
Rupee Term Loans	1,232.75	1,373.38
Secured by a pari- passu first charge on the Company's immovable properties and hypothecation of all the moveable properties (save and except book debts) both present and future, together with interest and all other monies payable in respect thereof, subject to prior charges created and/or to be created in favour of the Company's bankers on the stocks and book debts for securing borrowings for working capital requirements.		
b) Under Equipment Finance/Refinance scheme		
Rupee loan		
Secured by an exclusive charge on the assets purchased / to be purchased under the Scheme.	279.11	392.14
c) From Scheduled banks		
On Cash Credit/Packing Credit Account		
Secured against Hypothecation of Raw Materials, Finished Goods, Stock in Process, Stores & Spares, Trade bills, Movables etc. and Guarantee of two Directors of the Company and joint mortgage through second charge on the immoveable properties of the Company.	4,246.53	2,971.72
	6,118.51	5,228.34

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK				
	AS AT 01.04.2007	ADDITION	ADDITION ON A/C OF REVALUATION	DEDUCTION	AS AT 31.03.2008	UPTO 01.04.2007	FOR THE PERIOD 31.03.2008	LESS — ON DEDUCTION	UPTO 31.03.2008	AS AT 31.03.2007	AS AT 31.03.2008
LAND	2,318.70	—	—	—	2,318.70 a	—	—	—	—	2,318.70	2,318.70
BUILDINGS	2,479.46	439.94	—	—	2,919.40	646.50	89.41	—	735.91	2,183.49	1,832.96
PLANT & MACHINERY	12,620.56	155.47	—	—	12,776.03 b	6,044.96	976.48	—	7,021.44	5,754.59	6,575.60
FURNITURE, FIXTURES & OFFICE EQUIPMENT	296.36	61.10	—	1.80	355.66	152.25	27.86	1.05	179.06	176.60	144.11
VEHICLES	86.37	33.36	—	5.54	114.19 c	21.57	9.77	3.18	28.16	86.03	64.80
INTANGIBLE ASSETS											
COMPUTER SOFTWARE	—	6.33	—	—	6.33	—	1.27	—	1.27	5.06	—
	17,801.45	696.20	—	7.34	18,490.31	6,865.28	1,104.79	4.23	7,965.84	10,524.47	10,936.17
CAPITAL WORK-IN-PROGRESS	437.37	1,002.09	—	299.85	1,139.61	—	—	—	—	1,139.61	437.37
TOTAL	18,238.82	1,698.29	—	307.19	19,629.92	6,865.28	1,104.79	4.23	7,965.84	11,664.08	11,373.54
PREVIOUS YEAR'S TOTAL	13,757.60	887.42	4,399.17	805.37	18,238.82	6,850.44	595.69	580.85	6,865.28	11,373.54	

- (a) Title deeds for land valuing Rs.15.09 lacs are yet to be executed in favour of the company
 (b) Includes Rs.23.20 lacs being the value of fixed assets not owned by the company
 (c) Includes Rs. 25.88 lacs (Rs. 65.87 lacs) being assets purchased under hire purchase scheme.



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2008 (Rs. in Lacs)	As at 31st March, 2007 (Rs. in Lacs)
SCHEDULE 5		
INVESTMENTS		
LONG TERM (Other than trade)		
Unquoted Government Securities		
7 years National Savings Certificates (Lodged with Central Excise Department as Security; Matured pending encashment)	0.02	0.02
Quoted		
4,44,266 Preference Shares of Rs.10/- each in Ispat Industries Limited	44.42	44.42
6,66,400 Equity Shares of Rs.10/- each in Ispat Industries Limited	66.64	66.64
	111.08	111.08
Aggregate Book Value of Investments.		
Unquoted	0.02	0.02
Quoted	111.06	111.06
	111.08	111.08
Aggregate Market Value of Quoted Investments.	239.70	96.18
SCHEDULE 6		
INVENTORIES		
At Cost or Net Realisable value whichever is lower		
Raw Materials (including in transit and materials lying with third parties)	1,328.59	798.36
Stores & Spare parts	467.29	239.65
Process Stock	753.19	710.36
Finished Stock	765.85	1,025.03
Chillers & Moulds	204.96	182.09
Loose Tools	3.15	3.83
At Estimated Realisable Value		
Rotation Scrap	167.20	80.80
	3,690.23	3,040.12
SCHEDULE 7		
DEBTORS (Unsecured, Considered Good except otherwise stated)		
Debts outstanding for a period exceeding six months	603.76	531.72
Less - Provision for doubtful debts	<u>27.97</u>	<u>52.98</u>
Other Debts	3,512.25	2,508.81
	4,088.04	2,987.55

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2008 (Rs. in Lacs)		As at 31st March, 2007 (Rs. in Lacs)
SCHEDULE 8			
CASH AND BANK BALANCES			
Cash in Hand	1.27		1.41
With Scheduled Banks in			
Current Accounts	60.24		55.13
Unpaid Dividend Account	0.35		—
Fixed Deposit Account (Receipts lying with the banks as security against guarantees/letters of credit issued by them)	435.80		329.05
	497.66		385.59
SCHEDULE 9			
LOANS AND ADVANCES			
(Unsecured, Considered Good except stated otherwise)			
Interest Receivable on Loans, Deposits etc.	33.21		21.27
Interest Subsidy Receivable	167.26		—
Advances recoverable in cash or in kind or for value to be received or pending adjustments.	1,911.71	1,356.70	
Less - Provision for doubtful debts	<u>38.47</u>	<u>38.47</u>	1,318.23
Export Benefits Receivable	163.18		33.52
Claims Receivable	—		0.54
Balance with Central Excise Authorities	217.31		257.00
Deposits	6.67		20.66
	2,460.87		1,651.22
SCHEDULE 10			
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			
Acceptances	1,724.47		1,050.83
Sundry Creditors for Goods, Services, Expenses etc.	1,933.45		1,498.34
Advance from Customers	78.39		138.13
Other Liabilities	158.63		138.31
Interest Accrued but not due on Loans	40.42		54.54
Unclaimed Dividend	0.35		—
	3,935.71		2,880.15
PROVISIONS			
For Taxation (Net of Advance Tax, Tax Deducted at Source and refunds receivable)	368.80		232.50
For Gratuity	74.13		33.22
For Leave encashment	75.11		41.13
For Warranty Charges	198.00		48.00
For Proposed Dividend	216.64		178.71
For Tax on Proposed Dividend	36.82		30.37
	969.50		563.93
	4,905.21		3,444.08



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Year Ended 31.03.2008 (Rs. in Lacs)	Year Ended 31.03.2007 (Rs. in Lacs)
SCHEDULE 11		
SALES/INCOME FROM OPERATIONS		
Finished Goods	18,914.80	16,075.39
Miscellaneous Sales	199.40	157.31
Processing Charges [TDS Rs. 0.61 lacs (Rs. 2.11 lacs)]	27.96	74.20
	19,142.16	16,306.90
SCHEDULE 12		
OTHER INCOME		
Insurance Claims	8.75	11.96
Unclaimed Balances, Unspent Liabilities & Provisions no longer required written back	95.93	79.71
Exchange Rate Difference (Net)	—	6.71
Miscellaneous Receipts	62.13	0.02
	166.81	98.40
SCHEDULE 13		
(INCREASE) / DECREASE IN STOCKS		
Opening Stocks		
Finished Goods	1,025.03	776.17
Process Stock	710.36	318.20
Chillers and Moulds	182.09	108.25
Rotation Scrap	80.80	71.73
	1,998.28	1,274.35
Add : Purchases of Chillers & Moulds	—	68.45
	1,998.28	1,342.80
Less :Closing Stocks		
Finished Goods	765.85	1,025.03
Process Stock	753.19	710.36
Chillers and Moulds	204.96	182.09
Rotation Scrap	167.20	80.80
	1,891.20	1,998.28
	107.08	(655.48)
SCHEDULE 14		
RAW MATERIALS CONSUMED		
Opening Stock	798.35	544.34
Add: Purchases (Including Procurement Expenses)	8,053.97	7,216.54
	8,852.32	7,760.88
Less : Sales	12.90	33.56
Closing Stock	1,328.59	798.36
	7,510.83	6,928.96

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Year Ended 31.03.2008 (Rs. in Lacs)	Year Ended 31.03.2007 (Rs. in Lacs)
SCHEDULE 15		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and Bonus	1,468.59	1,131.72
Contribution to Gratuity Fund	74.13	33.22
Contribution to Provident and other Funds (Including Administrative Charges)	140.80	106.62
Workmen and Staff Welfare Expenses	152.52	119.43
	1,836.04	1,390.99
SCHEDULE 16		
OTHER EXPENSES		
Repairs & Maintenance:-		
Plant and Machinery	49.65	52.39
Buildings	30.96	23.42
Others	35.86	43.00
Processing Charges	90.82	80.18
Payment to Statutory Auditors:-		
Audit Fees	4.00	3.50
In other Capacity for :		
Company Law & Other Matters	2.05	0.90
Tax Audit	1.00	0.85
Reimbursement of expenses	0.40	0.41
Cost Audit Fees	0.16	0.16
Commission on Sales	528.09	578.83
Rent & Hire Charges	0.60	0.60
Travelling & Conveyance	174.16	157.51
Irrecoverable Debts, Claims and Advances Written off	143.04	117.22
Less : Adjusted against Provision for Doubtful Debts	<u>36.79</u>	<u>29.39</u>
Provision for Warranty Charges	150.00	48.00
Insurance	34.16	39.66
Rates & Taxes	5.06	7.51
Sales Tax	3.66	4.19
Packing, Forwarding & Transport Charges	338.59	297.20
Donation	1.77	2.27
Directors' Fees	8.56	6.36
Communication Expenses	30.62	27.14
Advertisement	34.91	21.87
Loss on Fixed Assets Sold/Discarded (Net)	2.00	72.36
Exchange Rate Difference (Net)	36.28	—
Miscellaneous Expenses	297.50	224.04
	1,967.11	1,780.18



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Year Ended 31.03.2008 (Rs. in Lacs)	Year Ended 31.03.2007 (Rs. in Lacs)
SCHEDULE 17		
INTEREST (NET) AND FINANCE CHARGES		
Interest on Fixed Loans	181.18	242.55
Interest on Other Loans	538.64	402.27
Bank /Finance Charges	114.11	120.47
	833.93	765.29
Less: Interest at Credit		
From Banks and Others (Including Interest Subsidy of Rs. 167.26 lacs (Nil)) [TDS Rs. 3.99 lacs (Rs. 2.68 lacs)]	191.70	20.34
	642.23	744.95

SCHEDULE FORMING PART OF THE STATEMENTS OF ACCOUNT AS AT AND FOR THE YEAR ENDED 31ST MARCH 2008

SCHEDULE - 18

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Accounting Policies

i) System of Accounting

The Company prepares its accounts on accrual basis, in accordance with the normally accepted accounting principles. The following however are exceptions:-

- a) Insurance claims and interest on overdue payments from customers, due to uncertainty in realisation, are accounted for on actual receipt basis.
- b) Interest on overdue payments to suppliers is accounted for on actual payment/acceptance basis.
- c) Customer's claims against the company for replacement of rolls etc. are accounted for on final settlement of the claims.
- d) Estimated liability in respect of performance of Rolls is provided for based on past experience and historical data.

ii) Revenue Recognition

Revenue from sale of goods and services rendered is recognized upon passage of title and rendering of services to the customers, which generally coincides with delivery.

iii) Fixed Assets

- a) Fixed Assets are stated at the cost of acquisition inclusive of duties, taxes, incidental expenses, erection/commissioning and interest etc. for the period up to the date of commencement of commercial production or up to the date the asset is put to use.
- b) In case of revaluation of Fixed Assets, the original cost is written up by the revalued figure. The revalued figure is considered in the accounts and the differential amount is transferred to Capital Reserve.
- c) Contribution made/expenses incurred for creation of fixed assets not owned by the Company are capitalised and depreciated over a period of 5 years.
- d) Machinery spares which can be used only in connection with an item of fixed asset and whose use as per technical assessment is expected to be irregular are capitalised and depreciated over the residual life of the respective assets.
- e) The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price and 'Value in use' of the assets. The estimated future cash flows considered for determining the value in use are discounted to their present value at the weighted average cost of capital.

iv) Depreciation

- a) Depreciation on original & revalued assets are provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- b) The classification of Plant & Machinery into continuous and non-continuous process has been carried out as per technical certification. Depreciation thereon, has been provided accordingly during the year.
- c) Depreciation on assets added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal of the respective assets.
- d) The difference between depreciation on the revalued amounts and original cost is transferred from Capital Reserve to Profit & Loss Account.
- e) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

v) Intangible Assets

Expenditure incurred on rights/properties, where benefit is expected to flow in future, is disclosed as intangible assets.

Expenditure incurred on cost of acquisition of new software package and implementation thereof are amortised over a period of 5 years on straight Line Method.

vi) Investments

- a) Current Quoted Investments are stated at lower value of “at cost” or “market rate” on individual investment basis,
- b) Unquoted /Long Term Investments are considered “at cost”, unless there is a permanent decline in the value thereof, in which case adequate provision is made against the diminution in the value of Investment.

vii) Foreign Currency Transactions

- a) Foreign Currency Transactions are recorded on the basis of exchange rates prevailing on the date of transaction.
- b) Foreign currency assets and liabilities (other than those covered by forward contracts) as on the Balance Sheet date are revalued in the accounts on the basis of exchange rates prevailing at the close of the year and exchange difference arising therefrom is adjusted to the cost of fixed assets or Profit & Loss Account, as the case may be.
- c) In case of transactions covered by forward contracts, the difference between the contract rate and the exchange rate prevailing on the date of transaction, is adjusted to the cost of fixed assets or Profit and Loss Account, proportionately over the contract period.

viii) Research and Development

Research and Development expenditure of revenue nature are charged to Profit & Loss Account, while Capital Expenditure are added to the cost of fixed assets in the year in which these are incurred.

ix) Inventory Valuation

- a) Inventories are valued at cost on weighted average basis or net realisable value whichever is lower. Cost of inventories comprise of cost of purchases, cost of conversion and other cost incurred in bringing the inventory to present location and condition.
- b) Rotation scrap is valued at estimated realisable value. The Scrap roll receivable against free replacement of rolls to customers is considered in stock on actual receipt.

x) Customs & Excise Duty

The company accounts for Excise Duty at the point of manufacture of finished goods. Similarly, Custom Duty on imported materials in transit / lying in bonded warehouse is accounted for at the time of import / bonding of materials.

xi) Earning per Share

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



xii) Retirement Benefits

- a) The Company funds the incremental Gratuity liability for its employees on the basis of actuarial valuation.
- b) Leave liability to employees is accounted for on actuarial valuation basis.

xiii) Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

xiv) Taxation

Provision for Income Tax comprises of current tax and deferred tax charged or released. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognized unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax asset will be realized.

xv) Contingencies

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts.

(Rs. in Lacs)

	2007-2008	2006-2007
2. Estimated amount of contracts remaining to be executed on Capital account and not provided for (Net of Advances)	2602.78	621.91
3. Contingent Liabilities not provided for in respect of: -		
(i) Outstanding Bank Guarantees	745.38	593.01
(ii) Bills discounted with banks	886.19	1789.09
(iii) Central Excise claims against show cause notices being disputed by the company	215.14	215.14
(iv) Sales Tax demands for earlier years being disputed by the Company	20.38	11.05
(v) Maximum demand charges payable to West Bengal State Electricity Board to the extent and up to the period disputed by the company, against which a case is pending with Hon'ble Calcutta High Court.	208.88	208.88
(vi) Customs Duty demand against import of a machine, being contested by the Company	1.50	1.50
(vii) Capital goods imported under E.P.C.G. scheme without payment of customs duty against future export obligations.	60.48	82.48
(viii) Sales Tax, if any, on lease rental received (however, even if the said liability devolves upon the Company, the same would be recoverable from concerned lessee)	Amount not ascertainable	
(ix) Claims of ex-employees (disputed by the company)	Amount not ascertainable	

4. The Company's Land, Buildings and Plant & Machinery were revalued as on 31st March, 2007 by the consultants, wherein company's land has been valued on present market value and Building, Plant and Machinery has been valued on depreciated replacement cost basis resulting in to a net increase in the book value of such assets and capital reserve by Rs. 4399.17 lacs.

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5. Sales are net of claims aggregating to Rs. 133.11 lacs. (Rs. 347.24 lacs) but includes Packing Charges realised Rs. 0.07 lacs (Rs. 0.46 lacs) and foreign exchange fluctuation Rs. 81.71 lacs [Rs. (-)25.03 lacs].
6. The company has incurred the following expenditure on Research & Development during the year.

(Rs. in Lacs)

Particulars	2007-2008	2006-2007
a) Capital expenditure	5.42	—
b) Revenue expenditure	0.63	0.04

7. Sundry Creditors include Rs. 0.43 lacs (Rs. 0.69 lacs) due to small scale and ancillary industrial undertakings to the extent such parties have been identified from the available documents/information. The name of Small Scale Units to whom amounts are due for more than 30 days, is Howrah Small Manufacturing Co.
8. Term loans installments (secured / unsecured) falling due for payment within one year aggregate to Rs. 338.64 lacs (Rs. 348.64 lacs).
9. Details of remuneration paid to whole-time Directors:

(Rs. in Lacs)

Particulars	2007-2008	2006-2007
Salary and allowances	143.19	35.44
Contribution to Provident & Other Funds	8.36	2.26
Perquisites	2.96	1.15
	154.51	38.85

10. Profit/loss on sale of raw materials, stores etc. have been included/adjusted in the respective consumption accounts.
11. Deferred Tax Liabilities (Net) :

(Rs. in Lacs)

Particulars	As at 31.03.2008	As at 31.03.2007
Deferred Tax Liability		
Difference in block and tax depreciation	759.06	774.48
Less : Deferred Tax Assets		
Timing Difference U/S 43 – B	118.66	76.43
Other Deferred Tax Assets	89.89	46.94
Net Deferred Tax Liability	550.51	651.11

12. There is no indication of any impairment based on external/internal factors and hence no provision for the impairment loss has been recognized in terms of Accounting Standard-28 Impairment of Assets, issued by The Institute of Chartered Accountants of India.
13. In accordance with the Accounting policy and Accounting Standard-29, provision has been made for estimated warranty liability in respect of rolls sold to customers. The details of the same is as under

(Rs. in Lacs)

Sl. No.	Particulars	2007-2008	2006-2007
A	Opening warranty provision	48.00	—
B	Provision made during the year	283.11	395.24
C	Less: Amount of warranty claims settled during the year	133.11	347.24
D	Closing warranty provision	198.00	48.00



14. Basis for calculation of basic & diluted earnings per share is as under:

Sl. No.	Particulars	2007-2008	2006-2007
A	Profit/ (Loss) after Taxation (Rs. in Lacs)	1511.09	1221.56
B	Present weighted average number of equity shares (Rs.10 each)	139.15	139.15
C	Potential weighted average number of equity shares (Rs.10 each)	13.19	17.14
D	Total (Present & Potential) weighted average number of equity shares (Rs.10 each)	152.34	156.29
E	Basic Earnings per Share (Rs.)	10.79	8.71
F	Diluted Earning per Share (Rs.)	9.92	7.82

15. Segment Information

The Company's segment information as at and for the period ended 31st March 2008 are as below:

		(Rs. in Lacs)	
Sl. No	Particulars	2007-2008	2006-2007
1	Segment Revenue		
	a) Cast Roll Division	14222.10	12250.31
	b) Forge Roll Division	4920.06	4056.59
	Sales / Income from Operations	19142.16	16306.90
2	Segment Results		
	Profit/(Loss) before Tax and Interest & Finance charges from each segment		
	a) Cast Roll Division	2087.52	2120.23
	b) Forge Roll Division	958.70	651.41
	Less : Interest & Finance charges	642.23	744.95
	Profit / (Loss) before Tax	2403.99	2026.69
	Less : Provision for Taxation	1064.69	789.20
	Less : Provision for Deferred Tax	(171.79)	15.93
	Profit / (Loss) After Tax	1511.09	1221.56
3	Capital Employed		
	a) Cast Roll Division	13713.90	11649.72
	b) Forge Roll Division	3892.85	4455.30
	Total	17606.75	16105.02

16. Related Party Disclosures

Global Steel Holdings Limited is the holding company, holding 74,07,592 Nos. (53.23%) of equity shares along with its subsidiaries,

a) Name of the related parties

Persons having a direct or indirect control over the Company	: Global Steel Holdings Ltd.
Subsidiary Company	: None
Fellow Subsidiary Companies	: Ispat Steel Holdings Ltd. Ispat Holdings (P) Ltd. Ispat Finance Ltd. Mudra Ispat Ltd. Denro Holdings (P) Ltd. Mita Holdings (P) Ltd.

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Goldline Tracom (P) Ltd.
Ispat Industries Ltd.
Kartik Credit (P) Ltd.
Ushaditya Investments (P) Ltd
Kanoria Plastokem Pvt. Ltd.
Elephanta Gases Ltd.
Geetapuram Port Services Ltd.

Associate Companies & Joint Ventures : None

Key Management Personnel and their Relative : Mr. Pramod Mittal
Mr. V. K. Mittal
Mr. L. K. Poddar
Mr. J. Barman
Mr. S. K. Pal

Enterprises over which Key Management Personnel /
Shareholders / Relatives have Significant influence * : GPI Textiles Ltd.
Balasore Alloys Ltd.

*The parties stated are related parties in the broader sense of the item and are included for making the financial statements more transparent.

b) Related party Disclosures

(Rs. in Lacs)

Nature of Transactions	Fellow Subsidiary Companies	Key Management Personnel and their Relatives	Enterprises over which Key Management Personnel / Share Holders / Relatives have significant influence	<i>Total</i>
Sale of Finished goods : <i>Ispat Industries Ltd.</i>	2091.11 (1568.90)			2091.11 (1568.90)
Purchases of raw materials : <i>Ispat Industries Ltd.</i>	119.67 (94.63)			119.67 (94.63)
Salary / Managerial Remuneration : <i>Mr. L. K. Poddar</i>		131.73 (25.78)		131.73 (25.78)
<i>Mr. S. K. Pal</i>		14.71 (13.07)		14.71 (13.07)
<i>Mr. J. Barman</i>		8.07 (—)		8.07 (—)
Balance outstanding as at the year end - Debit <i>Ispat Industries Ltd.</i>	586.62 (331.84)			586.62 (331.84)
<i>GPI Textiles Ltd.</i>			1.76 (1.90)	1.76 (1.90)
<i>Goldline Tracom (P) Ltd.</i>	— (14.10)			— (14.10)
<i>Kanoria Plastokem Pvt Ltd</i>	— (7.00)			— (7.00)

17. Additional information under Part II of Schedule VI to the Companies Act, 1956 :

(A) Capacities and Production	Unit	Licensed +	Installed Capacity	Production (MT)
Class of Products				
(i) Iron & Steel base rolls (including high carbon and high chrome centrifugal compound rolls)	MT	N.A (N.A)	12000 (12000)	9552 (8279)
(ii) Steel Ingots	MT	N.A (N.A)	70500 (70500)	NIL (NIL)
(iii) Forged Rolls	MT	N.A (N.A)	3300 (3300)	1895 (1686)

+ Not applicable in view of the de-licensing policy of the Government.

	Qty. MT	2007-2008 (Rs. in Lacs)	Qty. MT	2006-2007 (Rs. in Lacs)
(B) Turnover				
i. Iron & Steel Base Rolls	9850	14124.77	8293	12174.45
ii. Forged Roll	1879	4790.03	1690	3900.94
(C) Stocks				
i. Iron & Steel Base Rolls				
Closing Stock	510	535.21	808	848.42
Opening Stock	808	848.42	822	674.64
ii. Forged Roll:				
Closing Stock	121	230.64	105	176.60
Opening Stock	105	176.60	109	101.53
(D) Raw Materials Consumed:				
i. Scrap (Excluding Rotation Scrap)	10007	2106.11	8772	1724.54
ii. Nickel/Ferro Nickel/Nickel bearing scrap.	94	1686.99	126	1868.48
iii. Nickel Magnesium	9	178.33	15	233.48
iv. Ferro Alloys	607	1150.38	487	948.76
v. Fluxes and other Materials	302	89.45	259	77.19
vi. Forged Blanks	2706	2299.57	2634	2076.52
	13725	7510.83	12293	6928.97

	2007-2008		2006-2007	
	Qty. (%)	Value (Rs. in Lacs)	Qty. (%)	Value (Rs. in Lacs)
(E) Value of Raw materials, Stores and Spare Parts etc. consumed (including debited under other heads).				
i. Raw Materials				
Imported	28.65	2152.15	13.90	963.32
Indigenous	71.35	5358.68	86.10	5965.64
ii. Stores and Spare Parts				
Imported	6.49	67.46	3.38	29.71
Indigenous	93.51	971.98	96.62	850.33

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	2007-2008		2006-2007	
	Qty. (%)	Value (Rs. in Lacs)	Qty. (%)	Value (Rs. in Lacs)
(F) Value of Imports on C.I.F. Basis				
Raw Material		1845.02		895.83
Components & Spares		72.04		27.45
Capital Goods		305.65		245.01
(G) Expenditure in Foreign Currency				
Travelling		32.61		36.81
Commission		50.73		66.58
Interest		9.10		10.47
Others		48.55		10.00
(H) Earnings in Foreign Currency Export of goods on F.O.B basis (Including through third parties)		6193.37		6174.17
(I) Non-resident Shareholding and remittance in Foreign Currency on account of Dividend.				
(i) Number of Non-resident Shareholders		33		42
(ii) Number of Shares		25,69,636		27,16,890
(iii) Year to which Dividend relates		2006-07		—
(iv) Amount remitted (Net of Tax)		—		—

18. Previous period's figures, which are given in brackets, have been re-grouped/re-arranged wherever necessary.

Signatories to all Schedules From 1 To 18

In terms of our attached report of even date
For V. Malik & Associates
Chartered Accountants
Vipin Malik
Proprietor
Camp : Kolkata
Date : 30th May, 2008

S Subramanian
Company Secretary

R K Parakh
President & CFO

For & on behalf of the Board

M Trivedi
Prof. Manoj Kumar Mitra
Dr. Shekhar Chaudhuri
R M Choubey
N D Auddy
Arun Kumar Datta

Directors

L K Poddar *Managing Director*
J Barman *Executive Director*



BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE AS AT & FOR THE YEAR ENDED 31ST MARCH, 2008

1. Registration Details

Registration No	101410	State Code	21
Balance Sheet Date	31.03.2008		

2. Capital Raised during the year (Amount in '000)

Public Issues	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
Preference Shares	Nil		

3. Position of Mobilisation and deployment of Funds (Amount in '000)

Total Liabilities	2251196	Total Assets	2251196
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Sources of Funds

Paid up Capital	152337	Reserve & Surplus	941436
Secured Loans	611851	Deferred Tax Liability	55051

Application of Funds

Net Fixed Assets	1166408	Investments	11108
Net Current Assets	583159		

4. Performance of Company (Amount in '000)

Gross Turnover	1914216*	Total Expenditure	1690350
Profit/ (Loss) before Tax	240399	Profit/ (Loss) after Tax	151109
Earning per Share in Rs.		Dividend	25345**
-Basic	10.79		
-Diluted	9.92		

* Includes Export Benefits.

** Includes Corporate Tax on Dividend.

5. Generic Names of Three Principal Products/Services of Company (As per monetary terms)

Item Code	84553000
Description	Rolls for Rolling Mill

For & on behalf of the Board

M Trivedi	} Directors
Prof. Manoj Kumar Mitra	
Dr. Shekhar Chaudhuri	
R M Choubey	
N D Auddy	
Arun Kumar Datta	
L K Poddar	Managing Director
J Barman	Executive Director

Place : Kolkata
Date : 30th May, 2008

S Subramanian
Company Secretary

R K Parakh
President & CFO