



GISCO

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

AN ISO 9001 : 2000 COMPANY

14th

*Annual Report
2007-2008*

GISCO



GOPAL IRON AND STEELS CO. (GUJARAT) LTD.

BOARD OF DIRECTORS

BHAVESHBHAI GOPALBHAI PATEL	CHAIRMAN & MANAGING DIRECTOR
PRABHUBHAI L. PATEL	DIRECTOR
KUNAL B. SHAH	DIRECTOR
GHANSHYAM N. PATEL	DIRECTOR
DARSHAN D. PATEL	DIRECTOR

BANKER

PUNJAB NATIONAL BANK

Vanija Bhawan Branch,
Kankaria, Ahmedabad.

AUDITOR

JIGAR S. SHAH & CO.

Chartered Accountants
Nr. R. C. Patel High School,
Ahmedabad.

REGISTERED OFFICE & WORKS

1401/2, G.I.D.C. INDUSTRIAL ESTATE KERALA,
BAVLA BAGODARA ~~AL NO. 8A~~,
TA. BAVLA, DIST. AHMEDABAD - 382 220. GUJARAT.
PH. : 02714 - 268365

CORPORATE OFFICE

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

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NOTICE TO SHAREHOLDERS

Notice is hereby given that the 14th Annual General Meeting of the members of Gopal Iron and Steels Co. (Guj) Limited will be held at the Registered Office of the Company on Monday 29th September, 2008 at 11.00 A.M. to transact the following Business :

ORDINARY BUSINESS :

- (1) To receive consider and adopt the Audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date, together with the Director's Report and Auditors Report made thereon.
- (2) To appoint a director in place of Mr. Bhaveshbhai Gopalbhai Patel who retires by rotation and being eligible offers himself for reappointment.
- (3) To appoint Auditors to hold office for the period from the conclusion of this meeting untill the conclusion of the next Annual General Meeting of company and to fix their remuneration.

SPECIAL BUSINESS :

- (4) To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act 1956 read with Schedule XIII as amended approval of the members be and is hereby accorded to increase remuneration of Shri Darshan Dashrathbhai Patel w.e.f. 1st October, 2008 and is hereby now and onwards to be paid monthly remuneration and perquisites as set out in explanatory statement."

- (5) To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act 1956 read with Schedule XIII as amended approval of the members be and is hereby accorded to increase remuneration of Shri Ghanshyam Narottambhai Patel w.e.f. 1st October, 2008 and is hereby now and onwards to be paid monthly remuneration and perquisites as set out in explanatory statement."

- (6) To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 310 and other applicable provisions of the Companies Act 1956 read with Schedule XIII as amended approval of the members be and is hereby accorded to the appointment of Mrs. Ashlesha Shah as a Director of the company under the designation "Executive Director" for a period of 3 years w.e.f. 1st October 2008 and is hereby now onwards to be paid monthly remuneration and perquisites as set out in explanatory statement.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to take all necessary steps to give effect of this resolution."

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

Place: Ahmedabad
Date: 04-07-2008

(Bhavesh G. Patel)
Chairman

Notes :

- (a) Explanatory Statement as required under section 173 (2) of the Companies Act, 1956 is attached.
- (b) A member is entitled to attend and Vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him and such proxy need not be a member of the company.
- (c) The instrument appointing proxy should be deposited at the Registered Office of the company not less than 48 hours before the time fixed for the meeting.
- (d) All members referred to in the accompanying notice are open for inspection at the Registered Office of the company during office hours on all working days except Saturday and Sunday between 11.00 A.M. to 1.00 P.M. up to the date of Annual General Meeting.
- (e) Members desiring any information on the business to be transacted at the meeting are requested to write to the Company at least 10 days in advance to enable the Management to keep the information ready at the meeting as far as possible.



- (f) The Register of Members and Share Transfer books of the Company shall remain closed from 18-09-2008 to 25-09-2008 (both days inclusive).
- (g) Members are requested to notify their change of address to the company.
- (h) As a measure of economy members are requested to bring their copies of the Annual Report to the Annual General Meeting.
- (i) Members are requested to affix their Signature at the space provided on the attendance slip annexed to the proxy form and hand over the slip at the entrance to the place of the Meeting.
- (j) Members are requested to consider this as a notice Under Section 302 of the Companies Act, 1956.

**Explanatory Statement as required
u/s 173(2) of the Companies Act, 1956**

For Item No. 4

Mr. Darshan Dashrathbhai Patel was appointed by the company as a Director with effect from 1st January 2006 and at present he is entitled to get monthly remuneration of Rs. 7000/-.

Now volume of work marginally increased. Therefore it would be necessary to increase monthly remuneration to Rs. 9000/- (Rupees Nine Thousand only) to Mr. Darshan Dashrathbhai Patel in consideration of total devotion of his valuable time and guidance to the company. Your directors recommend this resolution for your approval.

None of the Directors except Mr. Darshanbhai Patel interested in any way in passing of the resolution.

By order of the Board of Directors

Chairman

Item No. 5

Mr. Ghanshyam Narottambhai Patel was appointed by the company as a Director with effect from 1st January 2006 and at present he is entitled to get monthly remuneration of Rs. 7000/-.

Now volume of work marginally increased. Therefore it would be necessary to increase monthly remuneration to Rs. 9000/- (Rupees Nine Thousand only) to Mr. Ghanshyam Narottambhai Patel in consideration of

total devotion of his valuable time and guidance to the company. Your directors recommend this resolution for your approval.

None of the Directors except Mr. Ghanshyam Patel interested in any way in passing of the resolution.

By order of the Board of Directors

Chairman

For Item No. 6

Mrs. Ashlesha Shah was appointed by the company as a Manager W.e.f. 1st April 2008. She is Graduate and having a very wide and versatile experience in the field of management. At present company are working smoothly and the volume of work marginally increased. Therefore it would be necessary to provide remuneration as mentioned hereunder to Mrs. Ashlesha Shah as a Director in consideration of total devotion of his valuable time and guidance to the company:

(a) SALARY

Rs. 15,000/- (Rupees Fifteen Thousand only) per month.

(b) PERQUISITES

- Reimbursement of Medical Expenses incurred for self and family subject to ceiling of one month's salary;
- Leave Travel Assistance for self and family as per company rules;
- Life Insurance Premium;
- Fees of clubs which will include Admission Fees;
- Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961;
- Gratuity as the rate not exceeding half a months salary for each year of completed services; and
- Encashment of leave as per company rules.

Your directors recommend this resolution for your approval. None of the Directors except Mrs. Ashlesha Shah interested in any way in passing of the resolution.

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

Place: Ahmedabad
Date: 04-07-2008

(Bhavesh G. Patel)
Chairman



BHAVESH G. PATEL
Chairman & M.D.

DIRECTORS REPORT

To,
The Members,

Your directors have great pleasure in presenting 14th Annual Report together with the Audited Financial statements for the year ended on 31st March 2008.

[1] OPERATIONS

	31-03-2008 Rs.	31-03-2007 Rs.
Turnover and other receipts	920227388	614941992
Other Income	712314	390837
Profit before Depreciation and Tax	23871107	24528893
Less: Depreciation	4728966	4570515
Balance	19142141	19958378
Less: Provision for Taxation	7656813	7339999
Profit carried to Balance Sheet	11485328	12618379

During the current year your company has achieved a tremendous growth as compared to past years as well as highest in the history of the company since incorporation. We are hoping that the same growth shall be continued during the next coming year.

[2] MARKET SCENARIO

The products manufactured by your Company are mainly used in development of infrastructure facilities. Your directors are

happy to inform you that with the more and more emphasis by the Central and State Governments on infrastructure development, there is a huge potential demand for the products of the company.

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

[3] DIRECTORS

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

[4] INSURANCE

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

[5] FIXED DEPOSIT

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

[6] EMPLOYEE RELATION

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

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



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

Nil

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

Nil

[7] AUDITORS AND AUDITORS REPORT

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

[8] OTHER INFORMATION

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

[9] DIRECTOR'S RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, all applicable accounting standards have been followed and proper explanation relating to material departures if any have been furnished.
- (b) Accounting policies as listed in schedule 18 to the financial statements have been selected and consistently applied and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the company as on 31st March, 2008 and of the profit of the company for the accounting year ended on that date.

- (c) Proper and sufficient care for maintenance of adequate accounting records have been in accordance with the provisions of this act so as to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

- (d) The annual accounts have been prepared on a going concern basis.

[10] CORPORATE GOVERNANCE

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

[11] RESUMPTION OF TRADING AT BSE

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

The company has paid listing fees to Ahmedabad Stock Exchange Limited and Bombay Stock Exchange Limited for the year 2007-2008.

[12] ACKNOWLEDGEMENT

The board wishes to place on record their sincere thanks for the Co-operation and support received from various agencies of the Central and State Governments as also financial institutions and bankers to the company.

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

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

Place: Ahmedabad
Date: 04-07-2008

(Bhavesh G. Patel)
Chairman

ANNEXURE - 1

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

(A) CONSERVATION OF ENERGY

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

(B) TECHNOLOGY ABSORPTION

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

(C) FOREIGN EXCHANGE EARNING AND OUTGO

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

FORM - A**Form for Disclosure of Particulars with respect to Conservation of Energy**

Particulars	31-03-2008	31-03-2007
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A) Power and Fuel Consumption**1 Electricity****(a) Purchased**

Units (KWH)	220247	860385
Total Amount (Rs)	2246435	3098690
Average Rate Per Unit (Rs / KWH)	Rs. 4.50	Rs. 3.60

(b) Own Generation**(i) Through Diesel**

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

(ii) Through Steam Turbine

/Generator Units (KWH)	1309153	1365586
Total Amount (Rs)	-	-
Average Cost Per Unit (Rs / KWH)	Rs. 4.50	Rs. 3.60

2 Coal**(i) Blast Furnace Injection**

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

(ii) Middling Coal and ROM

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

3 Furnace Oil

Quantity (In Litres)	1406910	1246810
Total Amount (Rs)	32639382	23715767
Average Rate (Rs/Litres)	Rs. 23.20	Rs. 19.02

B) Consumption Per Unit of Production of Steel

	Unit Qty	Rs.	Unit Qty	Rs.
Electricity (KWH)	47.71	214.70	83.10	299.16
Furnace Oil (Litres)	43.89	1018.25	46.55	885.38

FORM - B**Research and Development (R & D)****(1) Specific Areas in which R & D carried out by the Company**

- Development of new products and technology.
- Improvement in Product Quality.
- Improvement of systems in existing products.
- Process improvements.
- Cost effectiveness by substituting raw materials.
- Elimination of waste in the systems.

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

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

(3) Future Plan of Action

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

(4) Expenditure on R & D

The Company does not separately accounted R & D expenditure.

Technology absorption, adaption and Innovation

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

By order of the Board of Directors

For Gopal Iron & Steels Co. (Guj) Ltd.

Place: Ahmedabad

(Bhavesh G. Patel)

Date: 04-07-2008

Chairman



ANNEXURE 'A'
REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

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

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

(1) BOARD OF DIRECTORS

Name of Director	Category	Date of Board Meeting						AGM
		04-04-07	31-07-07	23-08-07	25.10.07	31-01-08	11-03-08	27.09.07
Bhavesh Patel	Managing Director	P	P	P	P	P	P	P
Prabhu Patel	Whole Time Director	P	P	P	P	P	P	P
Darshan Patel	Non-executive independent	P	P	P	P	P	P	P
Ghanshyam Patel	Non-executive independent	P	P	P	P	P	P	P
Kunal Shah	Non-executive independent	P	P	P	P	P	P	P

P – Present

A – Leave of absence granted

Details of other Directorships

Name of Director	Other Directorship
Bhavesbhai Patel	Nil
Prabhubhai Patel	Nil
Darshan Patel	Nil
Ghanshyam Patel	Nil
Kunal Shah	Nil

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

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

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

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

(2) AUDIT COMMITTEE

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

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

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

Function of audit committee is as under.

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

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

(3) REMUNERATION COMMITTEE

No remuneration is paid to any Director. Managing Director and promoter Director of the company have waived their part of remuneration for the whole year in the interest of the company. No sitting fees are payable to any Director.

(4) SHAREHOLDERS COMMITTEE

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

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

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

Magnum Limited was appointed as common Agent for electronic as well as physical share transfer work.

(5) GENERAL BODY MEETING

The Company's shares are listed on Bombay Stock Exchange and Ahmedabad Stock Exchange and Saurashtra Kutch Stock Exchnage. The 13th Annual General Meeting of the Shareholders was held on 27-09-2007 at 11.00 AM at Registered office of the Company.

(6) DISCLOSURES

- (a) Company has followed all accounting standards diligently.
- (b) Further, Company is in the process of laying down risk assessment systems.
- (c) Further, Company has not received any funds through capital market during the year.
- (d) Management Discussion & Analysis report is attached and forms part of this Report.
- (e) During the year, transaction with related parties has been properly disclosed in Notes to accounts and discussed at arms length by Audit Committee.
- (f) Further, Shri Bhavesh Patel, Managing Director of the company has certified to Board of Directors of the company regarding compliance of sub – clause (v) of clause 49 of listing Agreement.

**(7) MEANS OF COMMUNICATION**

The means of communication between the Shareholders and Company are transparent and investor friendly. The quarterly results of the Company are published in daily news paper English and Gujarati as required by the listing agreement. Steps are being taken to display the same on the corporate website, which is being developed.

(8) GENERAL SHAREHOLDER INFORMATION

Date of Annual General Meeting : 29/09/2008.
Financial Calendar : 1st April, 2007 to 31st March, 2008
Dividend Payment Date : No dividend declared.
Date of Book Closure : 18th September 2008 to 25th September 2008.

(9) LISTING OF STOCK EXCHANGE

Bombay Stock Exchange Limited	Code - 531913
Ahmedabad Stock Exchange Limited	Code - 019547

(10) MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED

MONTH	HIGH (Rs.)	LOW (Rs.)
April, 2007	20.39	16.00
May, 2007	19.20	15.25
June, 2007	20.00	15.10
July, 2007	18.10	18.10
August, 2007	18.00	14.95
September, 2007	14.21	09.95
October, 2007	17.60	09.60
November, 2007	19.10	14.30
December, 2007	20.05	16.60
January, 2008	21.75	12.10
February, 2008	13.50	11.13
March, 2008	13.87	06.96

Performance in Comparison to board based indices such as BSE sensex, CRISIL Index etc.

Not applicable, since shares are traded in Z category of the Stock at Bombay Stock Exchange Limited

(11) REGISTRAR AND SHARE TRANSFER AGENT

During the year company has changed registrar cum share transfer agent. New address of them is as under:

PINNACLE SHARE REGISTRY PRIVATE LIMITED
Near Ashok Mill,
Naroda Road,
Ahmedabad - 380 025

(12) SHARE TRANSFER SYSTEM

The share transfer work was handled by Magnum Limited registrar and transfer agent for the company.

Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgments if the transfer documents are correct and valid in all respects.

(13) Distribution of shareholding as on 31st March, 2008

No. of Equity Shares held	No. of Share holders	% of Share holders	No. of Share held	% of Share holding
1 to 500	1331	66.92	258634	05.15
501 to 1000	293	14.73	281700	05.61
1001 to 2000	143	07.19	236700	04.72
2001 to 3000	69	03.47	175366	03.50
3001 to 4000	50	02.51	184200	03.67
4001 to 5000	17	00.85	79100	01.58
5001 to 10000	32	01.61	269400	05.37
10001 to above.	54	02.71	3532400	71.40
Total	1989	100.00	5016600	100.00

(14) DISTRIBUTION PATTERN AS ON 31st March, 2008

	No of Shares	Percentage
Promoters and Relatives	1942900	38.72
Banks / FII / FI	1000	00.01
Public	2503566	49.90
Body Corporate	514634	10.25
NRI	54500	01.08

(15) DEMATERIALIZATION OF SHARES AND LIQUIDITY

Outstanding GDRs / ADRs / Warrants or any Convertibles instruments and conversion date and likely impact on equity	Not Applicable
Address for Correspondence	Plot No.1301/2, Phase – III, GIDC Industrial Estate, Vatva, Ahmedabad – 382 445.
Registrar for electronic connectivity as well as physical share transfer department	PINNACLE SHARE REGISTRY PRIVATE LIMITED Near Ashok Mill, Naroda Road, Ahmedabad - 380 025

1712660 shares out of 5016600 Equity shares of the company have been dematerialized as at 31st March, 2008 representing 34.13% of total paid up capital of the company.

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

Place : Ahmedabad
Date : 04-07-2008

(Bhavesh G. Patel)
Chairman

ANNEXURE 'B'**MANAGEMENT DISCUSSION AND ANALYSIS****1. Overall Review**

The overall performance during the financial year 2007-2008 has been satisfactory.

2. Financial Review

Total turnover for the year ended 31st March, 2008 were Rs. 92.02 Crores. This increase was mainly on account of improvement in manufacturing process and sales promotion drive. Better working capital management was also one of the emphasis on which proper weightage was laid upon.

3. Internal Control System and their adequacy

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or deposition.

4. Business Environment

The Performance of the company for the year under review was satisfactory.

5. Risk and Concern

The building, plant and machinery, vehicle and stocks of the Company are adequately insured.

6. Cautionary Statement

Statements in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information of events.

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

Place : Ahmedabad
Date : 04-07-2008

(Bhavesh G. Patel)
Chairman

Declaration by the Chairman & Managing Director about Corporate Governance

I, Bhaveshbhai Gopalbhai Patel, Chairman and Managing Director of Gopal Iron & Steels Co. (Gujarat) Limited hereby confirm pursuant to clause 49 (1) (d) of the listing agreement that:

- (1) The board of director of Gopal Iron & Steels Co (Gujarat) Ltd has laid down a code of conduct for all Board members and senior management of company. The said code of conduct has been placed on the company's website.
- (2) All the members of the board as well as senior management personal have complied with the said code of conduct for the year ended 31st March 2008.

Place: Ahmedabad

Date: 04-07-2008

(Bhavesh Patel)

Chairman & Managing Director

CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD

I, Bhaveshbhai Gopalbhai Patel Chairman and Managing Director of Gopal Iron & Steels Co. (Gujarat) Limited, certify that

- (1) I have reviewed the financial statements for the year and that to the best of my knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - (b) These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
- (2) These are to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (3) I accept overall responsibility for the company's internal control system and financial reporting. This is monitored by the internal audit function, which encompassed the examination and evaluation of the adequacy and effectiveness. Internal audit works with all the levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
- (4) I indicate to the auditors and to the audit committee:
 - a. Significant changes internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year.
 - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.
 - d. However, during the year there where no such changes or instances.

Place: Ahmedabad

Date: 04-07-2008

(Bhavesh Patel)

Chairman & Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

Gopal Iron & Steels Co. (Gujarat) Limited

We have examined the compliance of the conditions of corporate Governance by Gopal Iron & Steels Co. (Gujarat) limited for the year ended on March 31, 2008, as stipulated in Clause 49 of the Listing Agreements 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 a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, We certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance 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.

Place : Ahmedabad
Date : 04-07-2008

For Jigar S. Shah & Co.
Chartered Accountants

(Jigar S. Shah)
Proprietor

AUDITORS' REPORT

To,
The Shareholders
Gopal Iron & Steels Co. (Gujarat) Limited

We have audited the attached Balance sheet of Gopal Iron & Steels Co. (Gujarat) limited as at 31st March 2008 and also annexed Profit and Loss Account for the year ended on that date and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standard 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the 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.

We further report that

- (1) 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.
- (2) In our opinion, the company has kept proper books of account as required by law so far as appears from our examination of those books.

- (3) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (4) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
- (5) In our opinion and based on information and explanations given to us, none of the directors is disqualified as on 31-03-2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (6) 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:
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2008;
 - (b) In the case of the Profit and Loss Account of the Profit for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement of the Cash flow for the year ended on that date.

For Jigar S. Shah & Co.
Chartered Accountants

(Jigar Shah)
Proprietor

Place: Ahmedabad
Date: 04-07-2008

ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS REPORT OF EVEN DATE OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2008

On the basis of such checks as we considered appropriate and the terms of the information and explanations given to us, we state that:

1. (a) The Company has maintained proper records showing full particulars including quantitative and situation of fixed assets.
(b) As explained to us fixed assets, according to the practice of the company, are physically verified by the management at reasonable intervals in a phased verification program, which in our opinion is reasonable looking to the size of the company and the nature of its business. According to the information and explanation given to us no material discrepancies were noticed on such verification.
(c) In our opinion, the company has not disposed off any substantial part of its fixed assets so as to effect in it going concern.
2. (a) As explained to us, inventories have been physically verified by the management at the end of the year.
(b) In our opinion and according to the information and given to us the procedure followed by the Management are reasonable and adequate in relation to the size of the company and the nature of the business.
(c) The company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to from companies, firms, or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(a) The company has not granted any loans secured or unsecured to companies, firms or other parties cover in the register maintained under Section 301 of the Companies Act, 1956 and taken loans from 1 party aggregating to Rs. 40.55 lacs during the year.
- (b) In our opinion and according to the information and given to us, the rate of interest, whenever applicable and other terms and conditions in respect of loans given taken by the company are not prima facie prejudicial to the interest of the company.
- (c) In respects of loans taken by the Company from all the parties, the loan is not interest free and are payable on demand.
- (d) In respect of loans taken by the company, these are repayable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion and according to the information and given to us, there are adequate internal control procedures commensurate with the size of company and the nature of its business with regard to purchase of inventory, fixed assets and for sale of goods. During the course of our previous audit, no major weakness in internal control had come to our notice.
5. (a) On the basis of the audit procedure performed by us, and according to the information and explanations given and representations given to us we are of the opinion that, the transactions in which directors were interested as contemplated under Section 297 and sub-section (6) of Section 299 of the Companies Act, 1956 and which were required to be entered in the register maintained under Section 301 of the said Act, have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registered maintained u/s 301 of the Companies Act, 1956 exceeding the value of rupees five lacs in respect of any party during the year have been made at parties which are reasonable having regards to prevailing market prices of at that time.

6. The company has not accepted any deposit from public cover u/s 58A of the Companies Act 1956 read along with companies (Acceptance of deposits) rules 1973 and the directive issued by the Reserve Bank of India.
7. The employees of the company conduct the internal audit. However the same is required to be strengthened.
8. As per information and explanation given to us the company being a S.S.I. Unit is exempt from maintenance of cost records as prescribed by the Central Government u/s 209(1) of the Companies Act 1956 for any of the products of the company.
9. (a) According to the records of the company, it has been generally regularly deposited undisputed statutory dues including provident fund, investor income tax, Sales Tax, Wealth Tax, Excise Duty and other statutory dues with the appropriate authorities. According to the information and explanation given to us no disputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2008 for a period of more than six months from the date of becoming payable.
(b) According to the information and explanation given to us, there is no any disputed demand outstanding during the year under preview.
10. The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses both, in the financial year under report and the immediately preceding year.
11. On the basis of the records examined by us and the information and explanation given to us, the company has not defaulted in payment of dues to financial institutions, banks or debenture holders.
12. As examined to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, or any other securities.
13. In our opinion, the company is not a chit fund or a nidhi fund / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report order 2003 is not applicable.
14. In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in respect of shares, securities debentures and other investments. According to the provision of clause 4 (xiv) of the companies (Auditor Report) order 2003 are not applicable to the company.
15. According to the information and explanation given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
16. The company has raised a term loan for Extension of Factory Building and Modernization of Plant and Machinery and the said term loan was applied for the purpose for which they were raised.
17. According to the information and explanation given to us and on overall examination of the financial statements of the company and after placing reliance on the reasonable assumption made by the company for classification of long term and short term usage's of funds, we are of the opinion that, prima-facie, long term funds have not been utilized for short term purposes.
18. The companies have not made any preferential allotment of shares of parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not issued any money by way of public issue, during the year.
21. According to the information and explanation given to us, and to the best of our knowledge and benefit, no fraud on or by the Company, has been noticed or by the company, during the year that clauses the financial statements to be materially misstated.

For Jigar S. Shah & Co.
Chartered Accountants

Place: Ahmedabad
Date: 04-07-2008

(Jigar Shah)
Proprietor



BALANCE SHEET AS AT 31-03-2008

PARTICULARS	Sch. Ref	31-03-2008 RS.	31-03-2007 RS.
<i>SOURCES OF FUNDS</i>			
<i>Shareholders Fund</i>			
(a) Share Capital	1	49648500	49633500
(b) Reserve and Surplus	2	47888555	36403227
<i>Loan Fund</i>			
(a) Secured Loans	3	88749113	66197126
(b) Unsecured Loans	4	1558139	1936626
Deferred Tax		18520090	16256090
Total		206364397	170426569
<i>APPLICATION OF FUNDS</i>			
<i>Fixed Assets</i>	5		
Gross Block		120109652	101607876
Less : Depreciation		30620118	25891152
Net Block		89489534	75716724
<i>Investments</i>		0	0
<i>Current Assets, Loans and Advances</i>			
(a) Inventories	6	45915798	55127342
(b) Sundry Debtor	7	62945372	45105529
(c) Cash and Bank Balances	8	21334667	6871039
(d) Loans, Advances and Deposits	9	13058026	10546630
Total of Current Assets (A)		143253863	117650540
<i>Current Liabilities and Provisions</i>			
(a) Current Liabilities	10	18070000	19705226
(b) Provisions	11	8309000	3235469
Total of Current Liabilities (B)		26379000	22940695
<i>Net Current Assets (A - B)</i>		<i>116874863</i>	<i>94709845</i>
Significant Accounting Policies and Notes on Accounts	16		
Total		206364397	170426569

For and on behalf of Board of Directors

As per separate report of even date annexed

(Bhavesh Patel)
Managing Director

(Prabhubhai Patel)
Director

For Jigar S. Shah & Co.
Chartered Accountants

Place: Ahmedabad
Dated: 04-07-2008

(Jigar S. Shah)
Proprietor

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31-03-2008

PARTICULARS	Sch. Ref	31-03-2008 RS.	31-03-2007 RS.
Business Turnover and Other receipts		920227388	614941992
Less : Excise duty Paid (Net)		4188140	3784832
Net Turnover		916039248	611157160
Other Income		712314	390837
Increase (-Decrease) in Stocks		5492765	-10897476
Total		922244327	600650521
Manufacturing and Operating Expenses	12	868750065	550493212
Employee remuneration and benefits	13	5103558	4223749
Financial and Interest Charges	14	10004051	10592977
Other Expenses	15	12593269	8493378
VAT / Sales Tax Paid		1922177	2318312
Depreciation	5	4728966	4570515
		903102186	580692143
Net Profit before Extra Ordinary items		19142141	19958378
Less :			
- Fringe Benefit Tax		188813	144957
- Income Tax Written off		0	2907042
Net Profit before Tax		18953328	16906379
Less : Provision for Taxes			
- for Current Taxes		5204000	2240000
- for Deferred Taxes		2264000	2048000
Net Profit after Tax		11485328	12618379
Add : Surplus B/F from earlier years		35403227	22784848
Balance Carried to Balancesheet		46888555	35403227
Significant Accounting Policies and Notes on Accounts	16		

For and on behalf of Board of Directors

As per separate report of even date annexed

(Bhavesh Patel)
Managing Director

(Prabhubhai Patel)
Director

For Jigar S. Shah & Co.
Chartered Accountants

Place: Ahmedabad
Dated: 04-07-2008

(Jigar S. Shah)
Proprietor



CASH FLOW STATEMENT FOR THE YEAR 2007-2008

	31-03-2008		31-03-2007	
A Net Profit Before Tax and Extra-ordinary items		19142141		19958378
Adjustment For				
- Depreciation		4728966		4570515
Operating Profit before Working Capital Changes		23871107		24528893
ADJUSTMENT FOR :				
Trade Receivables	-17839843		-1940509	
Inventories	9211544		-11205748	
Loans, Advances and other Current Assets	-2511396		1529217	
Trade Payables and Other Liabilities	-1954508	-13094203	-4617903	-16234943
Net Cash Flow from operating activities - A		10776904		8293950
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		-18501776		-1531941
Net Cash used in investing activities - B		-18501776		-1531941
C CASH FLOW FROM FINANCING ACTIVITIES				
Processed from Issue of Shares Capital	15000		0	
Proceeds from Short Term Borrowings	-378487		-824658	
Proceeds from Long Term Borrowings	22551987	22188500	-7369114	-8193772
Net Cash used in Financing Activities - C		22188500		-8193772
Net (-) Decrease in Cash & Cash Equivalents (A+B+C)		14463628		-1431763
Cash & Cash Equivalents as at 31-03-2007		6871039		8302802
Cash & Cash Equivalents as at 31-03-2008		21334667		6871039
{Note : Figures in (-) represent cash outflow}				

For and on behalf of Board of Directors

As per separate report of even date annexed

(Bhavesh Patel)
Managing Director

(Prabhubhai Patel)
Director

For Jigar S. Shah & Co.
Chartered Accountants

Place: Ahmedabad
Dated: 04-07-2008

(Jigar S. Shah)
Proprietor

SCHEDULE FORMING PART OF THE ACCOUNTS

	31-03-2008	31-03-2007
SCHEDULE - 1 SHARE CAPITAL		
Authorized Share Capital		
6000000 Equity Shares of Rs. 10/- each	60000000	60000000
	60000000	60000000
Issued and Subscribed Share Capital		
6000000 Equity Shares of Rs. 10/- each	60000000	60000000
	60000000	60000000
Paidup Share Capital		
5016600 Equity Shares of Rs. 10/- each	50166000	50166000
Less : Allotment Money in Arrears	517500	532500
Total	49648500	49633500
SCHEDULE - 2 RESERVE AND SURPLUS		
Capital Reserve		
State Cash Subsidy	1000000	1000000
Profit & Loss Account		
Balance as per last Balancesheet	35403227	22784848
Add : Profit for the year	11485328	12618379
	46888555	35403227
Total	47888555	36403227
SCHEDULE - 3 SECURED LOANS		
Term Loan from Bank (PNB)	16477547	22981951
(Secured by first charge on Wind Mill and on movable and immovable fixed assets both present and future save and except asset acquired under Hire Purchase agreement)		
Term Loan from Bank (PNB)	8478392	0
(Secured by first charge on all Fixed Assets acquired under modernization programme and on movable and immovable fixed assets both present and future save and except asset acquired under Hire Purchase agreement)		
Working Capital Loan from Bank	63793174	42328055
(Secured by first charge on Stocks and Bookdebts present and future and first charge on immovable fixed assets both present and future save and except asset acquired under Hire Purchase agreement)		
Hire Purchase Loan from ICICI Bank Limited	0	887120
(Secured against hypothecation of Motor Car acquired under Hire Purchase Agreement)		
Total	88749113	66197126
SCHEDULE - 4 UNSECURED LOANS		
From Directors	1536137	1892166
From Others	22002	44460
Total	1558139	1936626

SCHEDULE - 5 DETAILS OF FIXED ASSETS

Sr	Name of Assets	Gross Block				Depreciation Block				Net Block as on	
		Opening Balance	Addition	Deduction	Closing Balance	Opening Balance	Addition	Deduction	Closing Balance	31-03-2008	31-03-2007
1	Furniture & Fixtures	235610	0	0	235610	141944	14914	0	156858	78752	93666
2	Office Equipment	466515	109609	0	576124	257771	76640	0	334411	241713	208744
3	Electric Installation	4416423	1859150	0	6275573	2125888	210988	0	2336876	3938697	2290535
4	Land	2467337	0	0	2467337	0	0	0	0	2467337	2467337
5	Plant & Machinery	38505490	14984395	0	53489885	16304937	1838734	0	18143671	35346214	22200553
6	Vehicles	4618507	0	0	4618507	1233414	438759	0	1672173	2946334	3385093
7	Factory Building	12771149	1969938	0	14741087	3943520	427455	0	4370975	10370112	8827629
8	Other Building	1467529	0	0	1467529	205288	23921	0	229209	1238320	1262241
9	Wind Mill	35238000	1000000	0	36238000	1678390	1697555	0	3375945	32862055	33559610
10	Capital Work-in-Progress	1421316	17392167	18813483	0	0	0	0	0	0	1421316
Total as on 31-03-2008		101607876	37315259	18813483	120109652	25891152	4728966	0	30620118	89489534	75716724
Total as on 31-03-2007		100075935	1531941	0	101607876	21320637	4570515	0	25891152	75716724	78755298

SCHEDULE - 6 INVENTORIES

(Physical verification done by Management)

Raw Materials, Fuels etc.

Finished Goods

Scrap

	31-03-2008	31-03-2007
	25098193	39802502
	19766915	14375545
	1050690	949295
Total	45915798	55127342

SCHEDULE - 7 SUNDRY DEBTORS

(Unsecured but considered good)

Other Debts

Debts for a period exceeding six months

	61356930	43108362
	1588442	1997167
Total	62945372	45105529

SCHEDULE - 8 CASH AND BANK BALANCES

Cash on Hand

Balance with Punjab National Bank (Current A/C)

Fixed Deposit with Bank (PNB)

Interest Accrued on Bank FDR

	1495692	2197043
	14050950	47712
	5727000	4600000
	61025	26284
Total	21334667	6871039

SCHEDULE - 9 LOANS AND ADVANCES

Security Deposit (GEB, Telephone etc.)

Advances (Recoverable in cash or kind value to be received)

- To Suppliers

- To Others

- Balance of Excise CENVAT

	2097665	2097665
	3525963	4117567
	6867408	3262073
	566990	1069325
Total	13058026	10546630

SCHEDULE - 10 CURRENT LIABILITIES

Sundry Creditors for Goods

Sundry Creditors for others

Outstanding Letter of Credit (L/C)

Tax Deducted at Source payable

	100000	0
	0	2254377
	17970000	17438298
	0	12551
Total	18070000	19705226

SCHEDULE - 11 PROVISIONS

Provision for Taxation

Unpaid Expenses

	8309000	3105000
	0	130469
Total	8309000	3235469



	31-03-2008	31-03-2007
SCHEDULE - 12 MANUFACTURING AND OPERATING EXPENSES		
Direct Material, Stores, Power & Fuel Consumed	864001152	546446903
Other Manufacturing Expenses	4848913	4046309
Total	868850065	550493212
SCHEDULE - 13 EMPLOYEES REMUNERATION & BENEFITS		
Salary and Wages	4353851	3482560
Contribution to Provident and Other funds	505198	520035
Other welfare expenses	244609	221154
Total	5103658	4223749
SCHEDULE - 14 FINANCIAL AND INTEREST CHARGES		
To Bank and Financial Institutions	9942710	10425726
To others	61341	167251
Total	10004051	10592977
SCHEDULE - 15 OTHER EXPENSES		
<u>Administrative Expenses</u>		
- Conveyance Expenses	1342869	1167383
- Insurance Charges	1325097	1653575
- Telephone Expenses	360852	395314
- Professional Tax	1000	1000
- Professional and Consulting Fees	213797	366772
- Documentation Expenses	17140	2900
- Office Expenses	292086	106861
- Stationery, Printing and Xerox	192392	104719
- Annual Listing Fees	41300	35000
- Payment to Auditors	19500	19330
- Miscellaneous Expenses	317036	112917
- Donation	285634	1206501
- Licence, Renewal and Filing Fees	180984	80508
- Postage Expenses	156440	68220
- Repairs to office Equipments	33040	34061
- Repairs to Building	333637	195063
- Vehicle Repairing	446487	283014
- Vatav Kasar	2488035	1958718
<u>Selling and Distribution Expenses</u>		
- Advertisement Expenses	89667	85973
- Brokerage Charges	73794	157295
- Carriage Outward	118708	239787
- Cash Discount	33779	0
- Sundry Balance Written off	3985284	0
- Directors and Others Travelling Expenses	133340	136991
- Gift Articles	111371	81476
Total	12593269	8493378

SCHEDULE – 16 NOTES FORMING PART OF ACCOUNTS

1. Statement of Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

- a) The Financial Statement has been prepared under the Historical Cost Convention in accordance with the generally accepted accounting principles. The same are prepared on going concern basis.
- b) The Company follows mercantile system of accounting, unless stated otherwise.

1.2 Fixed Assets

The Gross Block of Assets is shown at the Cost, which includes taxes, duties and other identifiable, direct expenses which are attributable to acquisition of fixed assets and other direct expenses and overheads incurred up to date on which such assets were first put to use.

1.3 Depreciation

Depreciation has been provided in the books on straight-line method basis at the rate as specified under schedule XIV to the Companies Act, 1956.

1.4 Revenue Recognition

- a) Sales are recognized on completion of sale of goods and are recorded on gross value.
- b) Other income is accounted on accrual basis.

1.5 Retirement Benefit and Gratuity

Contribution to the Provident Fund, Pension Fund and Other Fund are being charges to Profit & Loss Account. Liability towards Gratuity is paid to fund maintained by the LIC of India and administered through a separate trust set up by the Corporation. Difference between the fund balance and the accrued liability determined based on the actuarial valuation by LIC of India is charged to Profit & Loss Account during the year. Any Shortfall arising in future between the Gratuity amount received from LIC of India and an employee actual Gratuity payable to being undetermined shall be accounted in the year of actual payment of Gratuity.

1.6 Valuation of Stock

- a) Raw materials are valued at lower of cost or net realizable value.
- b) Stores and spares are valued at lower of cost or net realizable value.
- c) Finished goods are valued at cost or market price whichever is lower.
- d) Scraps are valued at net realizable value.

1.7 Government Grant Treatment

Government grants of Capital Nature are credited to Capital reserve and treated as a part of shareholder's fund.

1.8 Excise Duty Treatment

- (a) Gross Turnover / Purchases are inclusive of Excise Duty Levied. The excise duty paid net of CENVAT claimed is accounted separately and reduced from Gross Turnover.
- (b) Unutilized balance of CENVAT Claimable at the year end has been accounted and disclosed separately under "Other Current Assets" and the CENVAT component at the year end inventories has been adjusted accordingly.

1.9 All contingent liabilities are disclosed by way of notes to the accounts.

1.10 Deferred Tax Liability

Deferred tax results from Timing Difference between Book Profit and Taxable Profit is accounted for using tax rates and laws that have been enacted / or substantial annexed as on the balance sheet date (Rs. In Lac):

	31-03-2008	31-03-2007
Fixed Assets and others	185.20	162.56

The Deferred Tax Liability for the year Rs. 22.64 Lac (Rs. 20.48 Lac) are charged to profit and loss account.

2. Contingent Liabilities

Estimated amount of contracts yet to be executed on capital account and not provided for Rs. Nil (Rs. 1.10 Crores) and against this liability an advance of Rs. Nil (Rs. Nil).

- 3 Figures have been rounded off to the nearest a rupee. Figure in the bracket are that of the previous year.
4. The previous figures have been regrouped/rearranged so as to make them comparable with the current Year.
5. Balances of Sundry Creditors, Sundry Debtors, Advances, Deposits, Secured and Unsecured Loans are as per the book and subject to confirmation and reconciliation from respective parties.
6. In the opinion of the Board of Directors Current Assets, Loans and Advances are approximately of the same value if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.
7. Quantitative Details

Finished Goods	31-03-2008		31-03-2007	
	Quantity (IN MT)	Rs. (In Lac)	Quantity (IN MT)	Rs. (In Lac)
a) Opening Stock	477.74	143.75	990.76	243.73
b) Production during the year	17744.90	0.00	17252.25	0.00
c) Outward during the year	17601.31	8511.09	17765.27	5613.80
d) Closing Stock	621.33	197.67	477.74	143.75

Scrap	31-03-2008		31-03-2007	
	Quantity (IN MT)	Rs. (In Lac)	Quantity (IN MT)	Rs. (In Lac)
a) Opening Stock	45.53	9.50	135.33	18.50
b) Generated during the year	563.48	0.00	537.09	0.00
c) Outward during the year	567.80	238.49	626.89	140.34
d) Closing Stock	41.21	10.51	45.53	9.50

Raw Materials	31-03-2008		31-03-2007	
	Quantity (IN MT)	Rs. (In Lac)	Quantity (IN MT)	Rs. (In Lac)
a) Opening Stock	801.77	192.53	113.12	20.53
b) Inward during the year	17993.96	8100.33	18857.17	5315.96
c) Consumed during the year	18680.45	8256.18	18160.47	5142.25
d) Sales During the year	0.00	0.00	8.05	1.71
e) Closing Stock	115.28	36.68	801.77	192.53

8. Licensed, Installed Capacities and Production (Certified by the Management)

	Licensed Capacity	Installed Capacity	Production
Structural Steels & Bars	Not Applicable (Not Applicable)	36000 MT (30000 MT)	18308.48 MT (17789.34 MT)

9. Payment to Auditors (In Rs.)

	31-03-2008	31-03-2007
For Statutory Audit	19500	19330
Total	19500	19330

10. Remuneration to Directors (In Rs.)

	31-03-2008	31-03-2007
Salary and Bonus	1433880	1157116
Contribution to Funds	218461	137617
Perquisites	80567	75531
Total	1732908	1370264

11. Earning in Foreign Exchange at F.O.B. Value: Rs. Nil (Rs. Nil).

12. Expenses in Foreign Currency at CIF Value: Rs. Nil (Rs. Nil).

13. Value of Imports on CIF basis accounted for during the year: Rs. Nil (Rs. Nil).

14. In view of insufficient information from the suppliers regarding their status as small scale industrial undertaking unit as assigned under Section 3(J) of the Industrial (Development and Regulation) Act, 1951 amount over due to small scale industrial undertaking as on 31st March, 2008 can not be ascertained.

15. Disclosure in respect of Related Parties Pursuant to AS - 18

(A) Details of Key Management Personnel

Name of Key Management Personnel	
Bhaveshbhai Gopalbhai Patel Darshan Dashrathbhai Patel Kunal Bharatbhai Shah	Prabhubhai Laxmanbhai Patel Ghanshyam Narottambhai Patel

(B) During the year the following transactions were carried out with related parties in the ordinary course of business:

	Amount (Rs)
(1) Managerial Remuneration to Key Personnel and their Relatives	3559970 (2670277)
(2) Gross Loans from Key Personnel and their Relatives	4054865 (3034579)
(3) Gross Loans to Key Personnel and their Relatives	4576356 (4410593)
(4) Amounts Paid to Associates for Purchase, Interest and Other Expenses	311576 (469249)
(5) Loans payable to Associates as on 31-03-2008	1536137 (1982166)



16. Additional information pursuant to part IV of Schedule VI to Companies Act, 1956.

a) Registration Details

Registration No.	22876
State Code	04
Balance Sheet Date	31-03-2008

b) Capital Raised during the year (Rs. 000's)

Public issue	0
Right Issue	0
Bonus issue	0
Private Placement	0

c) Position of Mobilization and Development of Funds (Rs. 000's)

Total Liabilities	
Paid-up Capital	49649
Reserve & Surplus	66409
Secured Loans	88749
Unsecured Loans	1558
Total	206365

Total Assets	
Net Fixed Assets	89490
Investments	0
Net Current Assets	116875
Misc. Expenditure	0
Total	206365

d) Performance of Company (Amount in Rs. 000's)

Turnover	92094
Total Expenditure	90198
Profit Before Tax	1895
Profit After Tax	11485
EPS (In RS.)	2.29
Dividend Rate %	NIL

e) Generic Names of Three Principal Products/Service of the Company (as per monetary terms)

Item Code No. ITC Code)	721650
Product Description	Bars, Channels, Angles, Flats.

Schedule 1 to 16 form integral parts of the Balance Sheet and Profit & Loss Account and have been duly authenticate.

As per attached report of even date.

For Jigar S. Shah & Co.

For & on behalf of Board of Directors

Place: Ahmedabad

(Jigar S. Shah)

(Bhavesh Patel)

(Prabhu Patel)

Date: 04-07-2008

Proprietor

Managing Director

Director

GOPAL IRON & STEELS CO. (GUJARAT) LTD.

Registered Office : 1401/2, G.I.D.C. Industrial Estate Kerala, Bavla Bagodara N. H. No. 8,
Ta. Bavla, Dist. Ahmedabad - 382 220.

14th ANNUAL GENERAL MEETING Monday, the 29th September, 2008 at 11-00 A.M.

ADMISSION SLIP

Please complete this slip and hand it over at the Entrance of the Meeting Hall

Name & Address of the member

Folio No. :

I hereby record my presence at the 14th Annual General Meeting of
Company, at 1401/2, G.I.D.C. Industrial Estate Kerala,
Bavla Bagodara N. H. No. 8, Ta. Bavla, Dist. Ahmedabad.

Name of the Shareholder / Proxy*

Signature of the Shareholder / Proxy*

* Strike out whichever is not applicable.

GOPAL IRON & STEELS CO. (GUJARAT) LTD.

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Ta. Bavla, Dist. Ahmedabad - 382 220.

PROXY FORM

Folio No.

I/We, _____ being a member /
members of Gopal Iron & Steel Co. (Gujarat) Ltd., hereby appoint _____ of the district of
_____ or failing him
_____ of
the district of _____

_____ as my / our proxy to vote for me / us on
my / our behalf at the Annual General Meeting of the Company to be held on Monday, the 29th September, 2008.

Signed this _____ day of _____ 2008

Name _____

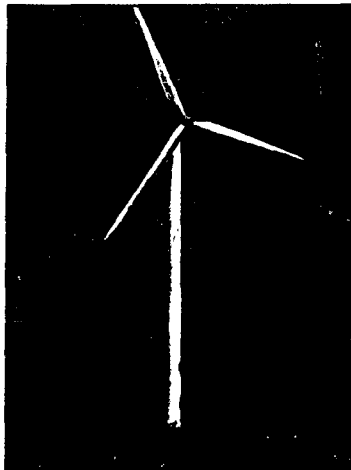
Address _____

Afix 1 Rs.
Revenue
Stamp

Signature

N.B. The proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting. The proxy need not be a Member of the Company.

BOOK - POST



Towards Green Gujarat

If Undelivered Please return to



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

AN ISO 9001 : 2000 COMPANY

Plot No. 1301/2, Phase-3, G.I.D.C., Vatva Industrial Estate,
Ahmedabad - 382 445. (Gujarat) INDIA. Ph. 079 - 25830475

