

11th ANNUAL REPORT 2009-2010



GYSCOAL ALLOYS LIMITED

GYSCOAL ALLOYS LIMITED

BOARD OF DIRECTORS

Mr. Viral M. Shah	Chairman & Managing Director
Mr. Manish M. Shah	Whole-time Director
Mrs. Giraben K. Solanki	Executive Director
Mr. Zankarsinh K. Solanki	Non-Executive Director
Mr. Kuren Amin	Independent Director
Mr. Dharmendra Deo Mishra	Independent Director
Mr. Sunil Talati	Independent Director
Mr. Prem Malik	Independent Director

COMPANY SECRETARY

Ms. Neha H. Choksi

AUDIT COMMITTEE

Mr. Sunil Talati (Chairman)
Mr. Kuren Amin
Mr. Manish M. Shah

REMUNERATION COMMITTEE

Mr. Sunil Talati (Chairman)
Mr. Dharmendra Deo Mishra
Mr. Prem Malik

SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE

Mr. Sunil Talati (Chairman)
Mr. Dharmendra Deo Mishra
Mr. Manish M. Shah

REGISTERED & CORPORATE OFFICE

2ND Floor, Mrudul Tower
B/h Times of India
Ashram Road
Ahmedabad – 380 009

Tel. +91-79- 66614508, 66610181

Fax +91-79- 26579387

E-mail. : info@gyscoal.com

Website: www.gyscoal.com

WORKS

Plot No. 1, 1A, 2, 3, 356/1 & 356/2
GIDC Ubkhal, Kukarwada,
Tal. Vijapur, Dist.: Mehsana,
Gujarat

STATUTORY AUDITORS**Rangani & Patel**

Chartered Accountants
22, Swastik Chamber,
Near C. U Shah College,
Navjivan Press Lane, Off. Ashram Road,
Ahmedabad – 380 014

CORPORATE LAW CONSULTANT**Chirag Shah & Associates**

808, Shiromani Complex,
Opp Ocean Park, Satellite
Ahmedabad 380015

BANKERS

Uco Bank
State Bank of Patiala
Axis Bank

REGISTRARS**Intime Spectrum Registry Limited**

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai – 400 078

Tel : +91-22-2596 3838

Fax: +91-22-2594 6969

Website: www.intimespectrum.com

E-mail: isrl@intimespectrum.com

NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Members of the Company will be held on Saturday, 18th September 2010 at the Registered Office of the Company at 2nd Floor, Mrudul Tower, B/H Times Of India, Ashram Road Ahmedabad 380009 at 11.30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To, receive consider and adopt Audited Profit and Loss Account for the Year ended 31st March 2010, Balance Sheet as at that date and Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Viral Shah who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Manish Shah who retires by rotation and being eligible, offers himself for reappointment.
4. To reappoint Auditor M/s Rangani & Patel, Chartered Accountants as Auditors who shall hold office from the conclusion of the Annual General Meeting until, the conclusion of the next Annual General Meeting at such remuneration as may be approved by the Board of Directors of the Company.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or reenactment thereof, Mr. Kuren Amin, who was appointed as additional director pursuant to section 260 of the Companies Act, 1956 and Article 134 of the Articles of Association, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

6. +To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**

“RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the company for borrowing, from time to time, as they may consider fit, any sums of money, on such terms and conditions as the Board may deem fit notwithstanding that the moneys to be borrowed together with moneys already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart from any specific

purpose so that the total amounts of moneys so borrowed at any time shall not exceed the sum of Rs.200,00,00,000/- (Rupees Two Hundred Crores).”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 1956, and all applicable rules and regulations made under the Foreign Exchange Management Act, 1999 and subject to the terms and conditions specified from time to time by the Reserve Bank of India and/or Central Government under the Foreign Exchange Management Act, 1999 and subject to any approvals, permissions and sanctions as may be considered necessary and subject to such conditions as may be prescribed by any of the authorities while granting such approvals/permissions/sanctions, the Board be and is hereby authorized to increase the limit of investment by Foreign Institutional Investors (“FIIs”) in the equity shares of the Company, both on a repatriation and/or a non-repatriation basis, to 49% of the paid up equity capital of the Company for the time being or paid-up value of each series of convertible securities, if any, of the Company.

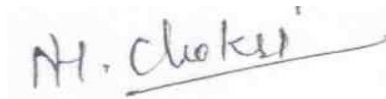
“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to execute such documents or writing as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or ancillary or incidental thereto.”

Registered Office:

**2nd Floor Mrudul Tower, B/H Times Of India,
Ashram Road, Ahmedabad.**

By Order Of the Board

**Date; 26th August, 2010
Place: Ahmedabad**



**Neha Choksi
(Company Secretary)**

NOTES

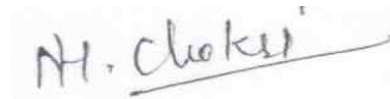
1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER SELF AND PROXY NEED NOT BE A MEMBER. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Shareholders are requested to bring their copy of Annual Report to the meeting.
3. Members/Proxies should fill the Attendance Slip for attending the meeting.
4. Members seeking any information or clarification on the Accounts are requested to send in written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
5. The Register of Members and Share transfer Books of the Company will remain closed from [11/09/2010] to [18/09/2010] (both days inclusive) for the purpose of Annual General Meeting;

Registered Office:

**2nd Floor Mrudul Tower, B/H Times Of India,
Ashram Road, Ahmedabad.**

**Date; 26th August, 2010
Place: Ahmedabad**

By Order Of the Board



**Neha Choksi
(Company Secretary)**

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

Item 5:

Mr. Kuren Amin was appointed as additional director by the Board of Directors of the Company in their meeting held on 5th November, 2009 under Section 260 of the Companies Act, 1956 and Article 134 of Articles of Association of the Company. He shall hold office upto the date of ensuing Annual General Meeting and being eligible offer himself for re-appointment as Director.

As required under Section 257 of the Companies Act, 1956, the Company has received notice in writing from a member signifying his intention to propose the appointment of Mr. Kuren Amin as the Director of the Company with the requisite deposit of Rs.500.

None of the Directors except Mr. Kuren Amin is interested in the resolution

Board recommends this resolution for your approval.

Item 6:

Your Company needs the fund in the nature of long term which will in turn can be effectively applied to achieve the long term goal of the Company. The Company is also planning to come out with an IPO and hence the directors of the company may require to borrow money in excess of the previous approved limit of Rs. 100 Crores. Therefore the directors of the company have decided to increase the above limit upto Rs. 200 Crores to facilitate the directors to borrow money in excess of paid-up capital & free reserves of the Company as per Companies Act, 1956.

None of the directors of the company are interested in the above resolution.

The Board recommends this resolution for your approval.

Item 7:

In accordance with the provisions of Foreign Exchange Management Act, 1999 and circulars/guidelines issued by Reserve Bank of India from time to time, investment by Foreign Institutional Investors (FIIs) in the issued equity capital of the company can be upto 24%. The said prescribed limit can be increased with the prior approval of the members by passing of Special Resolution. As the members are aware that the Company will be issuing Foreign currency convertible bonds (FCCBs)/Global depository receipts (GDRs)/American Depository Receipts (ADRs) as and when funds will be required for expansion. Under the terms of these securities can be converted into equity shares, it is anticipated that upon conversion of these securities, the investment of FIIs in the Company may cross the prescribed limit of 24%.

In view of the above and also due to increasing interest of FIIs, the Board of Directors thought it prudent to seek members consent for investment by FIIs upto 49% of the issued equity capital of the Company. The Board of Directors believes that the proposed increases in the limit of Foreign Institutional Investors in the company is in the best interest of the company and recommend the resolution for approval.

None of the Directors is, in any way, interested or concerned in the above Resolution.

Board recommends this resolution for your approval.

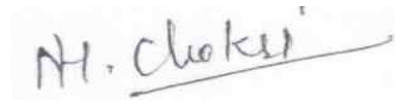
Registered Office:

**2nd Floor Mrudul Tower, B/H Times Of India,
Ashram Road, Ahmedabad.**

By Order Of the Board

Date; 26th August, 2010

Place: Ahmedabad

A handwritten signature in dark ink, appearing to read 'N. Choksi', is written over a light blue rectangular stamp or background.

**Neha Choksi
(Company Secretary)**

Brief Particulars of Directors being appointed/re-appointed are as under:-

Name in Full	VIRAL MUKUND SHAH	MANISH MUKUND SHAH	KUREN MANISHBHAI AMIN
Date of Birth	2ND MAY, 1976	4TH APRIL, 1974	29 TH DEC, 1974
Date of Appointment	22/06/2004	29/09/1999	5/11/2009
Educational Qualification	B. Com	B.Com	B. Com
Directorship held in other Companies:	1. GYSCOAL ENTERPRISE PVT. LTD.	1. GYSCOAL ENTERPRISE PVT. LTD.	1. TORQUE AUTOMOTIVE PVT. LTD 2. ONTIME INFRASOLUTIONS PVT. LTD 3. AUTOGEM LLP 4. TECHTONE MOTORS PVT. LTD.
Memberships/ Chairmanships of Committees across Public Companies	NIL	NIL	NIL
Work Profile and functional responsibility in the Company	Mr. Viral Shah is associated with Company since 2004 and over a period of time, he has gained in-depth knowledge and experience in steel manufacturing as well as international sourcing and marketing. He handles all the production as well as marketing related activities of the company.	He has gained experience of over 10 years in steel and alloys industry. Mr. Manish Shah looks after Company's Administration and Accounts & Finance related matters in the Company. He is responsible for running the Company's administrative and financial operations.	Mr. Kuren Amin is an Independent Director of the Company. He provides his valuable knowledge in the business development of the company. He is having 8 years of Experience in the Automobile industry.
Shares held in the Company:	4,896,502 Equity Shares	2,40,471 Equity Shares	NIL

CHAIRMAN'S SPEECH

I extend a hearty welcome to all of you present at the Eleventh Annual General Meeting of the Company. The steel industry in India has been moving from strength to strength and according to the Annual Report 2009-10 by the Ministry of Steel India has emerged as the fifth largest producer of steel in the world and is likely to become the second largest producer of crude steel by 2015-16.

Steel consumption in India went up by 5.3% during April-June 2009 as compared to April-June 2008. Moreover, India was ranked the third largest steel producer in the world after China and Japan during January-May 2009. Steel production rose 4.2 per cent to reach 60 MT in 2009-2010, according to the Ministry of Steel. As India moves ahead in the new millennium, the steel industry will play a critical role in transforming India into an economic superpower.

It gives me immense pleasure to inform you that our company has once again achieved massive turnover as compared to the previous year. Gross turnover of our Company has gone up by 24.4% at Rs. 16839.50 Lacs in current year in comparison to Rs. 13537.23 Lacs.

Profit Before Tax (PBT) for current financial year is 765.98 Lacs which has increased by 151.3% in comparison to 304.81 Lacs for previous year.

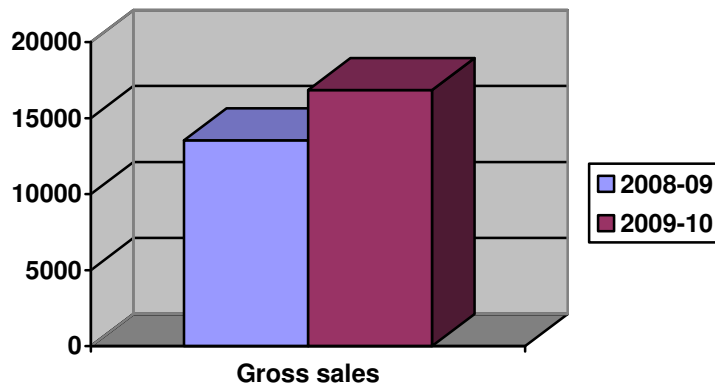
Profit After Tax (PAT) reported by the company is 491.68 Lacs which has increased by 174.9% as compared to 178.86 Lacs for previous year.

Your Directors consider the working results excellent and are indicative of a very bright future. All this has been possible due to the dedicated and committed management team and the employees.

I would like to take this opportunity to express my sincere gratitude to our team of professionals for their commitment, dedication and hard work which had been the key to our growth.

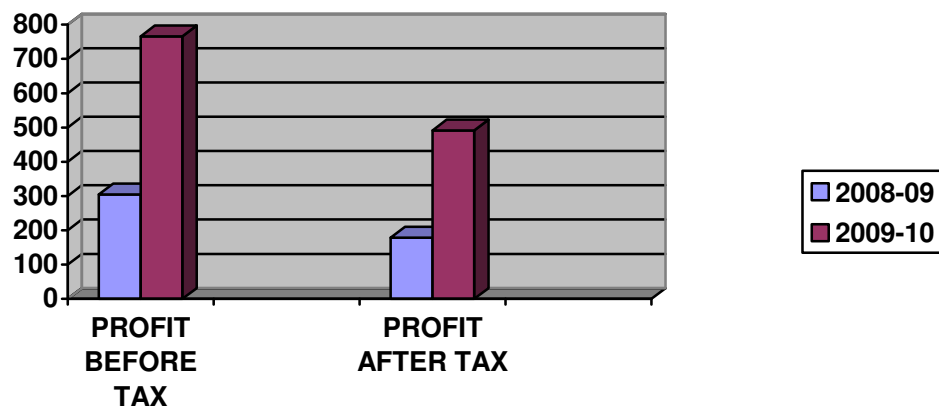
Below mentioned charts explain the rise in turnover and profit as compared to the previous years figures.

Charts of Sales & Profit comparison are as follows:



Gross turnover of our Company has gone up by 24.4% at Rs. 16839.50 Lacs in current year in comparison to Rs. 13537.23 Lacs

PROFIT COMPARISON



Profit Before Tax (PBT) for current financial year is 765.98 Lacs which has increased by 151.3% in comparison to 304.81 Lacs for previous year.

Profit After Tax (PAT) reported by the company is 491.68 Lacs which has increased by 174.9% as compared to 178.86 Lacs for previous year.

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DIRECTOR'S REPORT

To
Members
Gyscoal Alloys Limited
Ahmedabad.

Your Directors are happy to present the 11th Annual Report together with the audited statements of Accounts for the year ended on 31st March 2010.

Financial Result

The Financial results of the company for the year under review are summarized as under

PARTICULARS	CURRENT YEAR 2009-2010 (In'Rs.)	PREVIOUS YEAR 2008-2009 (In'Rs.)
Total Income	1520432547	1255815004
Total Expenses	1511159872	1225334478
Profit Before Interest Depreciation & Tax (EBDIT)	146551402	93549991
Interest & Financial Charges	43948413	42272566
Depreciation	26005329	20796899
Profit before Tax	76597660	30480526
Provision for current Income Tax	13185248	3613837
Provision for Deferred Tax Assets	14244754	8715890
Provision for FBT	0	264313
Net Profit After Tax	49167659	17886486
Balance B/F	103025417	85138931
Balance Carried to Balance Sheet	152193076	103025417

Your Chairman is pleased to inform that the Gross turnover of our Company has gone up by 24.4% at Rs. 16839.50 Lacs in current year in comparison to Rs. 13537.23 Lacs.

Profit Before Tax (PBT) for current financial year is 765.98 Lacs which has increased by 151.3% in comparison to 304.81 Lacs for previous year.

Profit After Tax (PAT) reported by the company is 491.68 Lacs which has increased by 174.9% as compared to 178.86 Lacs for previous year.

Your Directors consider the working results excellent and are indicative of a very bright future

DIVIDEND

With a view to conserve the liquid resources and to strengthen the financial position of the Company, Your Directors have not recommended any dividend for the financial year ended 31st March, 2010

INCREASE IN SHARE CAPITAL

The present Authorised Share Capital of your Company is Rs. 1700 Lacs which has been raised from Rs. 1500 Lacs on 13th January, 2010. On 30th May, 2009 the Authorised Share Capital was raised from Rs. 1200 Lacs to Rs. 1500 Lacs.

At the end of the financial year ended 31st March, 2010, the subscribed and paid up share capital of the company stands at Rs. 812.76 Lacs divided into 81,27,556 equity shares of Rs. 10 each. During the year, the company has allotted 15,38,460 equity shares of Rs. 10/- for cash as a premium of Rs. 55 per equity share to General Capital And Holding Company Pvt. Ltd which therefore becomes one of the promoter to the Company.

INITIAL PUBLIC OFFERING

Your Directors are glad to inform you that your Company proposes to come out with Initial Public Issue of 77,00,000 Equity Shares.

For the aforesaid purpose, Your Company has appointed M/s Chartered Capital And Investment Ltd. (CCIL), Category-I Merchant Banker as the Book Running Lead Manager to the proposed IPO of your Company and has filed Draft Red Hearing Prospectus with SEBI on 25th February, 2010.

In furtherance of this objective, your company has appointed Link Intime India Pvt. Ltd. as the Registrar and Share Transfer Agent of your Company.

Your company has dematerialized all its shares with NSDL and CDSL. ISIN Number obtained by the company is INE482J01013

Your Company has also obtained in principle approval of listing its shares from NSE & BSE.

DIRECTORS:

- **Appointment of Additional Director.**

During the year Mr. Kuren Amin was appointed as additional director on the Board of the Company w.e.f 5th November, 2009. Pursuant to Section 260 of Companies Act, 1956 and Articles of Association of the Company, Mr. Kuren Amin holds office upto the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member of the Company signifying his candidature for the office of the Board of Directors of the Company.

- **Resignation of Director:**

During the year Mr. A. Sakhtivel, Independent Director resigned w.e.f 5th November, 2009

- **Retirement by rotation.**

As per Section 256 of the Companies Act, 1956 and Article of Association of the Company, Mr. Viral Shah and Mr. Manish Shah are liable to retire by rotation and being eligible offer themselves for re-appointment

The Board recommends appointment/re-appointment of aforesaid Directors.

A brief resume of directors being appointed/re-appointment with the nature of their expertise, their shareholding in the Company as stipulated under Clause 49 of the Listing Agreement is appended as an annexure to the notice of the ensuing Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgments 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 financial year and of the profits of the company for that period;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for prevailing the detecting fraud and other irregularities;
- d) that they have prepared the annual accounts on a going concern basis.

AUDITORS & AUDITORS REPORT:

M/S Rangani & Patel, Chartered Accountants, Ahmedabad, the Company's Auditor retire at the conclusion of the ensuing Annual General Meeting. They have indicated their willingness to accept re-appointment and have further confirmed their eligibility u/s 224(1B) of the Companies Act, 1956 for the same.

You are requested to reappoint them and fix their remuneration.

The notes to the accounts referred to in the Auditors Report are self- explanatory and therefore do not call for any further comments.

INSURANCE

All the fixed assets of the company are adequately insured.

PUBLIC DEPOSITS:

The Company has not accepted any fixed deposit from public within the meaning of Section 58A of the Companies Act, 1956 and the Rules framed there under and as such no amount of principal or interest was outstanding as on the Balance sheet date.

PARTICULARS OF EMPLOYEES:

The information regarding Particulars of Employees as required under Provision Of section 217(2A) of Companies Act 1956 read with Companies (Particulars Of Employee Rules)1957 as amended are not attached with this report since there are none of the employee who was in receipt of remuneration at a rate of not more than Rs.2.00Lacs Per month

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

In accordance with Provision of Section 217(1)(e) of the Companies Act, 1956 with respect to conservation of Energy and Technology Absorption are not applicable to the company. However it is the endeavor of your company to always insist for better technology and energy conservation.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There was a foreign exchange inflow of Rs. 103.81 lacs (USD 211604) while there was outflow of RS. 20.70 lacs (USD 42029) during the year.

CORPORATE GOVERNANCE

The Board of Directors imbibes the broad Principles of Corporate Governance. In addition to basic governance issue the board lays strong emphasis on transparency, accountability and integrity.

Your Company has been practicing good Corporate Governance principles over the years.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Management discussion and Analysis on the operation of the company is presented in a separate section forming part of the annual report.

INDUSTRIAL RELATIONS:

Industrial relations in your company during the year was peaceful, cordial and healthy. Your company had been able to maintain peaceful industrial atmosphere and mutual trust between the management and the employees.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the valuable co-operation and support received from the customers and suppliers, various financial Institutions, Banks, Central and State Government bodies, Auditors and Legal Advisors which have made possible the excellent results achieved by your company and to all the persons who reposed faith and trust in us. We would also like to express thanks to our shareholders and stakeholders for their confidence and understanding.

Last but not the least, we wish to place on record our appreciation of the sincere services rendered by the employees and our colleagues at all levels, who have put in their best efforts. We look forward to their continued support in future.

Date: 26th August, 2010

Place: Ahmedabad

For and on behalf of Board Of Directors



**Viral Shah
(Chairman)**



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(A) Overview of the Indian Steel Industry –

The Indian steel industry is currently going through an expansionary phase backed by a liberalized policy environment. Prospects of domestic demand appear to be excellent driven by high investment rate, accelerated growth in the manufacturing industry and expansion in physical infrastructure creation.

According to the annual report 2008-09 by the ministry of steel

- India remained the fifth largest producer of crude steel in the world during 2008.
- India also maintained its lead position as the world's largest producer of direct reduced iron (DRI) or sponge iron with nearly 20 million tonnes production in 2008-09.
- As per the revised estimates, the country is likely to achieve a steel production capacity of nearly 124 million tonnes by the year 2011-12

The growth was driven by capacity expansion from 43.91 million tonnes per annum (MTPA) in 2003-04 to 64.4 MTPA in 2008-09. Crude steel production grew at more than 8.16% annually from 38.72 million tonnes in 2003-04 to 54.52 million tonnes in 2008-09.

Production of finished steel was at 56.39 million tonnes during 2008-09 as against 40.71 million tonnes in 2003-04 at average annual growth rate of 7.7%.

The National Steel Policy 2005 had projected consumption to grow at 7% based on a GDP growth rate of 7-7.5% and production of 110 million tonnes by 2019-2020. These estimates will be largely exceeded and it is envisaged that in the next five years, demand will grow at a considerably higher annual average rate of over 10% as compared to around 7% growth achieved between 1991-92 and 2005-06. It has been assessed that, on a 'most likely scenario' basis, the steel production capacity in the country by the year 2011-2012 will be nearly 124 million tonnes.

Liberalization of the foreign trade regime has had a favorable effect on Indian exports. Exports have grown fast and at a rate exceeding 25% per annum between 1991-92 and 2002-03. Thereafter, till 2005-06 export levels stagnated at around 4-4.5 Million Tonnes per year. This period also coincided with a change in the country's export basket in favour of more value added and sophisticated products. The export destinations have also become diversified with the inclusion of new markets in Africa and the Middle East.

(B) Overview of the Company

Gyscoal Alloys Limited was incorporated as Shreenath Mineral Metal Private Limited on September 29, 1999 under the companies act, 1956. On June 21, 2004, the name of the company was changed to Gyscoal Alloys Private Limited. It was subsequently changed to a public limited company with the sanction of the members on March 21, 2006.

Gyscoal Alloys Limited is engaged in the business of manufacturing of Stainless Steel and Mild Steel Long Products from scrap. The plant for the production activities is located at Ubkhal,

Kukarwada, Vijapur – Taluka, Mehasana - District The registered office of the company is situated at 2nd Floor, Mrudul Tower, Near Times of India, Ashram Road, Ahmedabad.

In pursuance of its objectives, Gyscoal Group is committed to maintain world-class quality standards, efficient delivery schedules, competitive price and excellent after sales service. Gyscoal Alloys Limited has the capacity to manufacture all grades of Stainless Steel Products from 200 series to 400 series. The products are primarily used in the construction in chemical plants, Pharmaceutical plants, building construction, railways and other sectors for structural purpose.

Company's Strategy:

- Capitalize on the forecasted demand of SS and MS Long Products.
- Expand the range of products.
- Strengthen the position in Indian Markets i.e. Focused Marketing.
- Maintain long term relationships with the clients
- Continue to explore arrangements with major foreign players and add value to the Company's existing products
- Technological investment.
- Reduce operational costs thereby increasing our cost competitiveness.
- Continue to focus on high quality customer service.

(a) Significant developments subsequent to the last financial year

There has been no significant development in the company subsequent to the last financial year.

(b) Factors affecting results of our operations

The financial condition and results of operations of the Company are affected by the following factors:

- ***Foreign currency risk***

Company has initiated direct exports in the year 2007-08. In case of appreciation of the INR against foreign currency could affect the exports of the products and this may affect the revenues of the Company.

- ***Cost of Materials***

In the recent past, domestic and international markets have shown wide fluctuations in the prices of critical raw materials such as MS / SS Scrap, Ferrous Alloys etc. which are consumed for the manufacturing activity of the company. Any wide fluctuations in the prices of such raw materials may have an adverse impact on the profitability of the Company.

- ***Withdrawal of Government incentives***

Various incentives are offered by the Government for development of infrastructure, particularly in development of roads & housing, in which steel is a major raw material. Adverse change in the focus of the Government may affect the future business prospects of the Company.

- ***Stiff Competition***

The Company conducts the business under a highly competitive environment. Competition is characterized by many factors, including substitute products, price, quality, service, location, reputation and credit availability. Additionally, Company may face competition from new entrants in the industry.

FACTORS THAT MAY AFFECT RESULTS OF THE OPERATIONS

Except as otherwise stated in this Red Herring Prospectus, the following important factors could cause actual results to differ materially from expectations.

- General economic and business conditions in local as well as international market, as India is well integrated with world market;
- Company's inability to successfully implement its growth and expansion plans;
- Increasing competition in the Steel industry;
- Increase in labour costs, raw materials prices and cost of plant & machineries
- Delay in recovery of debts from the customers;
- Changes in laws and regulations that apply to steel industry;
- Recent increase in the prices of raw material and government actions of asking steel industry to roll back price increase may spillover to entire steel industry and put margins under pressure

(c) Results of Operations

As a result of the various factors discussed above that affect the income and expenditure of the Company, results of operations may vary from period to period. The following table sets forth certain information with respect to the results of operations of the Company for the periods indicated read together with notes, accounting policies and report thereon which appear in Red Herring Prospectus:

(Rs in Lacs)

Particulars	Year Ended 31.03.07	Year Ended 31.03.08	Increase/ Decrease (%)	Year Ended 31.03.09	Increase/ Decrease (%)	Year Ended 31.03.2010	Increase/ Decrease (%)
Income							
Income from Operations	7376.94	12192.93	65.28	12749.58	4.57	15896.77	24.68
Other Income (Incl Interest Income)	11.35	16.97	49.52	49.73	193.05	35.62	-28.37
Accretion/ (Depletion) of Stocks	387.97	1028.28	165.04	-241.16	-123.45	-54.80	-77.28
Total	7776.26	13238.18	70.24	12558.15	-5.14	15877.59	26.43

Expenditure							
Material Cost	6670.41	10597.82	58.88	10816.67	2.07	13457.04	24.41
Employee Compensation and Related Expenses	25.60	30.96	20.94	41.11	32.78	57.64	40.21
Manufacturing and other expenses	371.95	924.08	148.58	764.88	-17.23	897.38	17.32
Interest & Financial Charges	130.09	261.26	100.83	422.73	61.80	439.48	3.96
Depreciation	141.03	275.14	95.09	207.96	-24.42	260.06	25.05
Amortization of Preliminary and Miscellaneous Expenses	0	0	0	0	0	0	0.00
Total	7339.08	12089.26	64.73	12253.35	1.36	15111.60	23.33
Profit Before Tax	437.17	1148.92	162.81	304.80	-73.47	765.97	151.30
Provision for Tax	156.99	418.37	166.49	125.94	-69.90	274.30	117.80
Profit after Tax	280.18	730.55	160.74	178.86	-75.52	491.67	174.89

- **Analysis of Revenue**

Revenues, referred to in the financial statements as total income comprises of income from operations which includes job work done for others and other income. The income from operations comprises of the sales of SS / MS angles, Flats, Ingots, job work done for others, etc.

Income from other sources comprises of interest, exchange rate fluctuation etc.

- **Expenditure**

Expenditure mainly comprises of Material Cost, Employee Cost, Operation & Other Expenses and Depreciation. Material cost consists of Raw Material, Packing Materials. Employee Cost consist of payments made to the employees at all levels of the hierarchy. Manufacturing and other cost comprises of expenditure incurred on power & fuel, repairs & maintenance, stores & spares, electricity expenses, sales promotion, expenses incurred for day to day routine (administrative) like Printing & Stationery, Professional Fees, insurance expenses, traveling etc.

- **Comparison of the financials for the year ended March 31, 2007 & March 31, 2008.**

Income

In respect of income from operations, company has registered a growth of 65.28% in the financial year 2007-08. Increase in the operating activities is largely on better utilization of the installed capacity of the plant and overall increasing of demand of steel products in the market.

Material Cost

The raw material consumption as percentage of Income from Operations was 87% in financial year 2007-08 as compared to 90% during 2006-07. Company has been able to achieve

improvement in raw material consumption as percentage of Income from Operations. The improvement was largely on account of acquisition & utilization of the melting unit.

Manufacturing & other expenses

The manufacturing & other expenses as percentage of Income from Operations was 7.58% during financial year 2007-08 as compared to 5.04% during financial year 2006-07. This was mainly due to increase in other manufacturing expenses.

Borrowing and Finance Charges

Finance cost during the financial year 2007-08 was Rs. Rs.261.26 lacs as compared to Rs. Rs.130.09 during financial year 2006-07. It showed an increase of almost 100%.

Total borrowing both secured and unsecured showed an uptrend on account of larger need for funds due to expanded activity and higher sales. Total borrowing was Rs. 1700.68 lacs for the year ended on March 31, 2008 as compared to Rs. 1429.70 lacs for the year ending on March 31, 2007.

Depreciation

To increase its production capacity, Company made significant additions to its block of assets during 2007-08 as well 2006-07. Increase in the block of assets was Rs. 592.63 lacs during the financial year ending on March 31, 2008 and Rs. 1261.40 lacs during financial year ending on March 31, 2007. Due to increase in value of fixed assets, there has been a corresponding increase in depreciation for the financial year 2007-08 to Rs. 275.14 lacs from Rs. 141.03 lacs in the financial year 2006-07..

Profit after tax

The Profit after tax and extra-ordinary items as a percentage to total income (Income from Operations and other income) has improved from 3.79% during financial year 2006-07 to 5.98% during financial year 2007-08. Increase is contributed by overall improvement in capacity utilization, better price realization.

- **Comparison of the financials for the year ended March 31, 2008 & March 31, 2009.**

Income

In respect of income from operations, company has registered a growth of 4.57% in the financial year 2008-09 as compared to financial year 2007-08. Due to global recession, the markets had suffered reduction in demand both in domestic as well as international market.

Material Cost

The Company has been able to maintain the improvement in raw material consumption as percentage of Income from Operations. It was 85% during the financial year 2008-09. The percentage of material cost to Income from operations remained in the range of 85-90% during the years 2005-06 to 2008-09.

Manufacturing & other expenses

Manufacturing and other expenses during the financial year 2008-09 was Rs. 764.88 lacs as compared to Rs. 924.08 lacs during financial year 2007-08. The reduction in the manufacturing and other expenses was mainly on account of re-grouping of expenses under various accounting heads and excise duty adjustment which was reduced from the value of finished stock.

Borrowing and Finance Charges

Finance cost during the financial year 2008-09 was Rs.422.73 lacs as compared to Rs. 261.26 during financial year 2007-08. It showed an increase of almost 62%.

Total borrowing for the year ended on March 31, 2009 was Rs.2475.21 lacs as compared to Rs. 1700.68 lacs for the year ending on March 31, 2008.

Depreciation

To increase product range, company has made significant additions to its Block of assets during 2008-09. Depreciation during the financial year 2008-09 was Rs. 207.96 lacs as compared to Rs. 275.14 lacs during the financial year 2007-08. The majority of assets purchased during the year 2008-09 by the company were put to use after September 30, 2008 and therefore amount of depreciation was lower. The company had shown WIP (Building and Plant and Machinery) of Rs 115.33 lacs for which no depreciation was claimed in that particular year.

Profit after tax

The Profit after tax and extra-ordinary items as a percentage to total income (Income from Operations and other income) was reduced to 1.40% during financial year 2008-09 compared to 5.98% during financial year 2007-08. The major reason for lower profits was global recession as a result of which the sales were affected at very competitive rates. However, the company managed to achieve a profitability ratio of 1.40% compared with the total income.

- **Comparison of the financials for the year ended March 31, 2009 & March 31, 2010.**

Income

In respect of income from operations, company has registered a growth of 24.68% in the financial year 2009-10 as compared to financial year 2008-09. The demand both in domestic as well as international market started improving and therefore the company's sales started to increase during the financial year 2009-10.

Material Cost

The material cost during the financial year 2009-10 was Rs 13457.04 lacs compared to Rs 10816.67 lacs for the financial year 2008-09. There was increase in the material consumption to the extent of the increase in the turnover of Company. The income from operations increased by 24.68% during March 31,2010 and the raw material consumption also increased proportionately by 24.41%. The raw material consumption as percentage of Income from Operations was approx 85% during the financial year 2009-10 which remained the same compared to financial year 2008-09.

Manufacturing & other expenses

Manufacturing and other expenses during the financial year 2009-10 was Rs 897.38 lacs where as during the financial year 2008-09 was Rs. 764.88 lacs. There was increase in manufacturing and other expenses by 17.32% were mainly on account of direct costs related to increase in sales turnover. The percentage of manufacturing and other expenses was 5.65% of the income from operations during financial year 2009-10 compared to 6.00% during financial year 2008-09.

Borrowing and Finance Charges

Interest and Finance cost during the financial year 2009-10 increased marginally by 3.96%. The borrowing cost was Rs.422.73 lacs during the financial year 2008-09 compared to Rs. 439.48 lacs during financial year 2009-10.

Depreciation

Depreciation during the financial year 2009-10 was Rs. 260.06 lacs as compared to Rs. 207.96 lacs during the financial year 2008-09. The company had shown WIP (Building and Plant and Machinery) of Rs 450.82 lacs for which no depreciation was claimed in that particular year.

Profit after tax

The Profit after tax and extra-ordinary items for the financial year 2009-10 increased by 174.89% amounting to Rs 491.67 lacs compared to Rs 178.86 lacs during the financial year 2008-09. The profit after tax margin also increased to 3.09% as a percentage of Income from Operations during the financial year 2009-10. The same was 1.40% during financial year 2008-09. The major reason for increased profitability was due to increase in Income from operations during 2009-10 and optimum use of manufacturing facilities. The direct costs as a percentage of income from operations remained same where as the income from operations increased by almost 25%.

- ***Competitive conditions***

The Company faces stiff competition from medium and larger well-established players. The Company is smaller in size compared to the market leaders. However with proposed capital expenditure company intends to make it good and face competition more confidently.

REPORT ON CORPORATE GOVERNANCE

Your Company is always keen to provide maximum information to all its stakeholders and thereby becoming more and more transparent, objective and informative. As step in that direction, your Company is presenting this Corporate Governance Report. Your Company believes that principles of fairness, transparency and accountability are the cornerstones for good governance,

1. Company's Philosophy on Code of Governance

Corporate Governance is based on the principal of truth, transparency, accountability, equity and responsibility in all our dealings with our employees, shareholders, customers, suppliers, government, lenders and community at large. The Company believes that better corporate governance can be achieved through increased transparency in its operations and has taken and will continue to take various measures towards achievement of good corporate governance. It is a tool to judge and evaluate the standards and ethics of Corporate Management.

2. Board of Directors

2.1. Composition of the Board:

The board is headed by an Executive Chairman who is also the promoter director. The Company's Board comprises of eight directors three of whom are executive directors and remaining non-executive directors. Out of the five non-executive directors four are independent directors.

2.2 Details of Memberships of the Directors in other Boards and in Board Committees

as on 31st March, 2010 are as under:

Name of Directors	Category of Directors	No. of other Directorship		No of other Committee Membership/ Chairmanship held*	
		Public	Private	Committee Chairmanship	Committee Membership
Mr. Viral M. Shah	Chairman & Mg. Director	0	1	NIL	NIL
Mr. Manish M. Shah	Whole-time Director	0	1	NIL	NIL
Mr. Zankarsinh K. Solanki	Non-Executive Director	0	3	NIL	NIL
Mrs. Giraben K. Solanki	Executive Director	0	2	NIL	NIL
Mr. Dharmendra Deo Mishra	Independent Director	0	0	NIL	NIL
Mr. Prem Malik	Independent Director	3	3	1	3
Mr. Kuren Amin	Independent Director	0	3	NIL	NIL
Mr. Sunil Talati	Independent Director	2	1	NIL	NIL

*Only Audit Committee, Investor /Shareholders' Grievance Committee and Remuneration Committee have been considered.

2.3 Board meetings:

A) The details of Board meeting held during the year 2009-10 are given hereunder;

Sr No	Date of Meeting	Board Strength	No. of Directors present
1.	15/04/2009	8	7
2.	02/05/2009	8	4
3.	07/07/2009	8	7
4.	30/08/2009	8	4
5.	07/09/2009	8	4
6.	07/10/2009	8	7
7.	05/11/2009	8	7
8.	01/12/2009	8	4
9.	11/12/2009	8	4
10.	18/12/2009	8	4
11.	19/01/2010	8	3
12.	17/02/2010	8	4
13.	02/03/2010	8	3
14.	30/03/2010	8	3
15.	31/03/2010	8	4

The maximum time gap between any two meetings was not more than 3 (three) calendar months.

B. Attendance of directors at (i) Board Meeting and (ii) Annual General Meeting

Names of Directors	No. of Board Meetings attended	Attendance at the last AGM
Mr. Viral Shah	15	YES
Mr. Manish Shah	15	YES
Mrs. Giraben Solanki	12	YES
Mr. Zankarsinh Solanki	15	YES
Mr. Kuren Amin	1	NO
Mr. Dharmendra Deo Mishra	0	NO
Mr. Sunil Talati	4	YES
Mr. Prem Malik	0	NO

2.4 Disclosures regarding appointment/re-appointment of Directors:

Mr. Viral Shah & Mr. Manish Shah are Directors retiring at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

Mr. Kuren Amin has been appointed as an Additional Director with effect from 5th November, 2009. He will retire pursuant to the provisions of Section 260 of the Companies Act, 1956 at the ensuing Annual General Meeting.

The Board has recommended the appointment of Mr. Kuren Amin as Director and re-appointment of Mr. Viral Shah & Mr. Manish Shah, retiring Directors.

The brief resume and other information required to be disclosed under this section is provided in the Notice of Annual General Meeting.

2.5. DIRECTORS' SHAREHOLDING

Shareholding of the Directors in the company as on 31st March, 2010

Names of Directors	No. of shares held	Percentage of share-holding
Mr. Viral M. Shah	4896502	60.25
Mr. Manish M. Shah	240471	2.96
Mr. Zankarsinh K. Solanki	154857	1.91
Mrs. Giraben K. Solanki	1224153	15.06

The remaining directors namely Mr. Arumugam Sakthivel, Mr. Dharmendra Deo Mishra, Mr. Sunil Talati and Mr. Prem Malik do not hold any share in the Company.

3. CODE OF CONDUCT

Company's Board has laid down a Code of Business Conduct and Ethics (the "Code") for all the Board Members and Senior Management of the Company. The Code is available on the website of the company www.gyscoal.com. All the Board Members and Senior Management personnel have affirmed compliance of the Code.

The Managing Director has confirmed the compliance of the Code. A declaration as required under sub-clause I (D) of clause 49 of the listing agreement is as under:

"In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges. I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Business Conduct and Ethics applicable to them for the year 2009-2010.

Date : 26/08/2010
Place: Ahmedabad



Viral M. Shah
Managing Director

4. COMMITTEE OF DIRECTORS

Sr. No.	Committee of Directors	Constituted on
1	Audit Committee	18 th February, 2008
2	Remuneration Committee	18 th February, 2008
3	Shareholders & Investors' Grievance Committee	18 th February, 2008

4.1. Audit Committee:

The scope and functions of the Audit Committee are as per Section 292A of the Companies Act. Its main function is to provide the Board of Directors of the Company with additional assurance as to reliability of financial information and statutory financial statements and as to the adequacy of internal accounting and control systems. It acts as a link between the management, statutory auditors and the Board of Directors. The scope of Audit Committee shall include, but shall not be restricted, to the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Oversight of the Company's reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
6. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
7. Reviewing with management the annual financial statements before submissions to the board, focusing primarily on:
 - Any changes in accounting policies and practices.
 - Major accountings entries based on exercise based on judgment by management.
 - Qualification in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchanges and legal requirements concerning financial statements.
 - Any related party transaction i.e transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives, etc, that may have potential conflict with the interest of the Company at large.
8. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
9. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and making appropriate recommendation to the Board to take up steps in the matter.
10. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
11. Discussion with internal auditors any significant findings and follow up thereon.
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
13. Discussion with external auditors before the audit commences nature and scope of audit as well as to have post- audit discussion to ascertain any area of concern.
14. Reviewing the Company's financial and risk management policies.
15. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors.

16. It shall have discussion with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half yearly and annual financial statements before submissions to the Board.

17. It shall ensure compliance of internal control systems.

A. Composition

The terms of the Audit Committee comply with the requirements of Section 292A of the Companies Act, 1956 and also Clause 49 of the Listing Agreement to be entered into with the Stock Exchange. The Audit Committee consists of with at least 2/3rd members being independent directors. The representative of Auditors are invitees to the Audit Committee.

The members of the Audit Committee are;

Name of the Members	Designation	Nature of Directorship
Mr. Sunil H. Talati	Chairman	Independent & Non Executive Director
*Mr. Kuren Amin	Member	Independent & Non Executive Director
Mr. Manish M. Shah	Member	Executive Director

* Mr. A. Sakthivel Resigned as Director on 5th Nov, 2009 and his place Mr. Kuren Amin was appointed as Director w.e.f 5th Nov, 2009

B. Attendance

During the financial year ended 31st March, 2010, the meetings of the Audit committee held as under;

Sr. No.	Dates of Meeting	Committee strength	No. of members present
1.	15/04/2009	3	3
2.	07/07/2009	3	3
3.	05/09/2009	3	3
4.	07/10/2009	3	3
5.	05/11/2009	3	3
6.	08/12/2009	3	3
7.	11/01/2010	3	3

Attendance at the Committee meetings

Name of Directors	Category	No. of meetings attended
Mr. Sunil H. Talati	Independent & Non Executive Director	7
Mr. A. Sakthivel	Independent & Non Executive	4

	Director	
Mr. Kuren Amin	Independent & Non Executive Director	3
Mr. Manish M. Shah	Executive Director	7

Ms Neha Choksi, Company Secretary and Compliance officer acts as Secretary of the Committee w.e.f 5th November, 2009

4. 2. REMUNERATION COMMITTEE

The remuneration policy of the Company is based on several criterions which include responsibility, performance, potentials of the director and growth of the Company.

The remuneration committee is vested with all the necessary powers and authorities to recommend and ensure appropriate disclosure on the remuneration of Managing Director, Wholetime Director and other Directors.

A. Composition:

The Committee currently comprises of

Sr. No.	Name of the Directors	Designation	Nature of Directorship
1.	Mr. Sunil H. Talati	Chairman	Independent & Non Executive Director
2.	Mr. Dharmendra Deo Mishra	Member	Independent & Non Executive Director
3.	Mr. Prem Malik	Member	Independent & Non-Executive Director

B. No Remuneration committee meeting was held during the year

Details of remuneration to Managing Director / Whole Time Directors:

Managing Director / Whole Time Directors are being paid remuneration as approved by the shareholders and other appropriate authorities from time to time. The details of the payment made to the Managing Director/Whole time Directors during the year are given below:-

Mr. Viral M. Shah draw remuneration in the scale of 40,000-10,000-80,000 p.m. inclusive of all perks but he will be entitled to the PF, ESI and Gratuity as per the rules of the company. The above remuneration falls within the limits prescribed in schedule XIII of the Companies Act, 1956.

Mr. Manish M. Shah draw remuneration in the scale of 20,000-5,000-40,000 p.m. inclusive of all perks but he will be entitled to the PF, ESI and Gratuity as per the rules of the company. The above remuneration falls within the limits prescribed in schedule XIII of the Companies Act, 1956.

Mrs. Giraben Solanki draw remuneration in the scale of minimum remuneration of Rs. Rs.15000 p.m. and maximum remuneration of Rs.30000 p.m. during the course of her tenure inclusive of all perks but she will be entitled to the PF, ESI and Gratuity as per the rules of the company. The above remuneration falls within the limits prescribed in schedule XIII of the Companies Act, 1956

4.3 SHAREHOLDERS AND INVESTORS GRIEVANCE COMMITTEE

A. Composition

As part of its Corporate Governance initiative, the Company constituted the Shareholders/Investors Grievance Committee to specifically look into matters relating to shareholders grievance such as approval of transfer / transmission / demat / remat of shares, issue of duplicate, split-up, consolidation, renewal of share certificate, non-receipt of Annual Report, non- receipt of declared dividends and such other issues.

The Committee comprises of the following persons:

Name of the Members	Designation	Nature of Directorship
Mr. Sunil H. Talati	Chairman	Independent & Non Executive Director
Mr. Dharmendra Deo Mishra	Member	Independent & Non Executive Director
Mr. Manish M. Shah	Member	Executive Director

B. No Share holder's and investors grievance committee meeting was held during the year

5. GENERAL MEETINGS

For the year ended	Location	Date	Time	Details of Resolution passed
31/03/2009	Registered Office: 2 nd Floor, Mrudul Tower, B/h Times of India, Ashram Road, Ahmedabad 380009	30/09/2009	11.30 a.m.	Ordinary Business Special Business
31/03/2008	Registered Office: 2 nd Floor, Mrudul Tower, B/h Times of India, Ashram Road, Ahmedabad 380009	30/09/2008	11.30 a.m.	Ordinary Business Special Business
31/03/2007	Registered Office: 2 nd Floor, Mrudul Tower, B/h Times of India, Ashram Road, Ahmedabad 380009	29/09/2007	11.30 a.m.	Ordinary Business

Location, date, time & place of last three Annual General Meeting and Extra-ordinary General meeting held during 2009-10 are given below;

During the year ended 31st March, 2010, there have been no resolutions passed by the Company's shareholders by postal ballot. At the ensuing annual General Meeting, there is no resolution proposed to pass by postal ballot.

A. Extra-ordinary General Meetings:

2 Extra-ordinary Meetings were held during the year, the details of which is as follows"

Sr. No.	Date	Location	Time	Details of Resolution passed
1.	30/05/2009	Registered Office: 2 nd Floor, Mrudul Tower, B/h Times of India, Ashram Road, Ahmedabad 380009	11.30 a.m.	Ordinary Resolution: 1. Increase in Authorised capital of the company from Rs 12 crores to Rs 15 crores
2,	13/01/2010	Registered Office: 2 nd Floor, Mrudul Tower, B/h Times of India, Ashram Road, Ahmedabad 380009	11.30 a.m.	Ordinary Resolution: Increase in Authorised share capital from Rs. 15 crores to Rs. 17 crores

6. DISCLOSURES

- Transactions with the related parties are disclosed in Note of Schedule to the Accounts in the Annual Report.
- There are no materially significant related party transactions made by the company with its promoters, Directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- The Company is in the process of implementation of risk assessment & minimization procedure. The same shall be periodically reviewed by the Committee.
- As the Company is still unlisted the proceeds of public issue clause is not applicable to it.
- The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on 31st March, 2010 in compliance with Clause 49 of Listing Agreement.
- Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.

7. GENERAL SHAREHOLDERS' INFORMATION

Registered Office	2ND Floor, Mrudul Tower, B/h Times of India, Ashram Road, Ahmedabad – 380009.
Annual General Meeting	18th September, 2009

A. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010

Category	No. of shares held	% of holding
Promoter's holding		
Promoters*	8112057	99.81
– Indian Promoters	----	----
– Foreign Promoters	----	----
Persons acting in Concert #	----	----
Sub-Total	----	----
Non-Promoters Holding	----	----
Institutional Investors	----	----
Mutual Funds and UTI	----	----
Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-government Institutions) / Venture Capital	----	----
Sub-Total	8112057	99.81
Others	----	----
Private Corporate Bodies	----	----
Indian Public	15499	0.19
NRIs / OCBs	----	----
Any other (Friends & Associate	----	----
Sub-Total	15499	0.19
GRAND TOTAL	8127556	100

B. BROAD SHAREHOLDING DISTRIBUTION

Range of shares	SHAREHOLDERS		SHARES	
	No. of Shareholders	%	No. of shares	%
01 to 1000	NIL		NIL	
1001 to 2000	1		1249	0.02
2001 to 5000	1		2187	0.03
5001 to 10000	0		0	0
10001 & above	8		8124120	99.95
TOTAL	10	100.00	8127556	100.00

C. DEMATERIALIZATION OF SHARES

The Company's Shares are dematerialized form. The dematerialization facility is available from both the depositories namely National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). Equity shares of the company are 100% in dematerialized form as on 31st March, 2010.

D. INVESTORS CORRESPONDENCE

For any assistance relating to share transfers, transmissions, transposition, change of address and any other query relating to the shares of the Company, please write to:

Ms. Neha Choksi Gyscoal Alloys Ltd. Adress: 2nd Floor, Mrudul Tower, B/h Times of India, Ashram Road, Ahmedabad – 380009.	Tel No : (079) 66614508 Fax No : (079) 26579387 Email Id : cs@gyscoal.com
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Details of Investors Grievances:

No. of Complaints received	Pending	Solved
NIL	NIL	NIL
NIL	NIL	NIL
NIL	NIL	NIL

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Gyscoal Alloys Ltd.

We have examined the compliance of conditions of Corporate Governance by Gyscoal Alloys Ltd for the year ended on 31st March, 2010 as stipulated in Clause 49 of the Listing Agreement.

As per SEBI Circular SEBI/MRD/SE/31/2003/26/08 dated 26th August, 2003 the provisions of the revised clause 49 shall be implemented by all entities seeking listing for the first time, at the time of listing and hence the Conditions of Corporate Governance are applicable to the Company as the Company is planning to come out with an IPO in the forth coming year.

In our Opinion and 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 Clause 49 of Listing Agreement and as per the requirements stipulated in the regulations of SEBI.

We further 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.

For,

Samdani Shah & Associates,


Chirag Shah
Partner
C.P.No. 3498

Date: **26/08/2010**
Place: Ahmedabad

Ahmedabad Office: 804 Shiromani Complex. Opp. Ocean Park. S.M. Road, Satellite, Ahmedabad - 15
Ph. + 91 79 40020304, (O) e-mail : chi118_min@yahoo.com
Vadodara Office : 103, Tanishq, Opp. SBI Urmil Branch., Productivity Road, Vadodam - 20
Ph. + 91 265 2330583, 2321494 (O) e-mail : cssamdani@gmail.com

GYSCOAL ALLOYS LIMITED

AUDITORS' REPORT

**TO,
THE MEMBERS,
GYSCOAL ALLOYS LTD.**

We have audited the attached Balance Sheet of GYSCOAL ALLOYS LTD., as at 31st March, 2010, and also the Profit and Loss Account for the period ended on that date and the Cash Flow Statement for the period ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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 sub-section (4A) of Section 227 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 to the extent applicable.

Further to our comments in the Annexure referred to in above, we report that :

- (a) 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;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books.
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the 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;
- (e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.



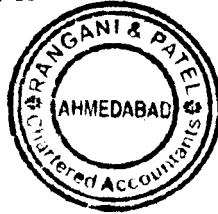
GYSCOAL ALLOYS LIMITED

- (f) 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, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the period ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

RANGANI & PATEL
Chartered Accountants,
Firm Reg. No. 114847W



S. G. PATEL
Partner
Membership No. : 45886



Ahmedabad, 26th August, 2010

GYSCOAL ALLOYS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

[Referred to in paragraph (3) of our report of even date]

(i) In respect of its fixed assets:

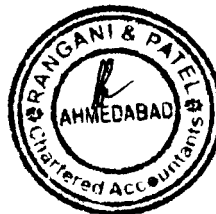
- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the Management in accordance with a programme of verification which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The Company has not disposed off any fixed assets during the period and accordingly, the question of going concern status being affected does not arise.

(ii) In respect of its inventories:

- (a) As explained to us, the inventories of finished and semi-finished goods and raw materials at Factory were physically verified during the period by the Management. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

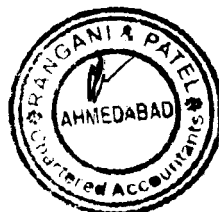
(iii) In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in register maintained u/s. 301 of Companies Act, 1956 :

- (a) The Company has granted interest free loan to one parties listed in the register maintained u/s. 301 of the Companies Act, 1956 under same management. The maximum amount involved during the period was Rs. 1.01 lacs and the period end balance of loans taken from such parties was Rs. 1.01 lacs. The Company has taken interest free loans from 7 parties listed in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the period was Rs. 687.71 lacs and the period end balance of loans taken from such parties was Rs. 440.02 lacs.
- (b) In our opinion and according to information and explanation given to us, we are of the opinion that the rate of interest and terms and conditions of the loans taken by the company are not prima facie prejudicial to the interest of the company.



GYSCOAL ALLOYS LIMITED

- (c) There is no overdue amount of loan taken from or granted to companies, firm or other parties listed in the register maintained u/s. 301 of the Companies Act, 1956.
- (iv) 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 and services and we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) In respect of contracts or arrangements 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:
- (a) The particulars of contracts or arrangements referred to in Section 301 that need to be entered into the register maintained under the said section have been so entered.
- (b) In our opinion and having regard to our comments in paragraph (iv) above, the transactions exceeding the value of rupees five lakhs in respect of any party during the period have been made at prices which are prima facie, reasonable, having regard to prevailing market prices at the relevant time where such prices are available.
- (vi) As informed to us, the Company has not accepted any deposit from public.
- (vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. Cost records have not been produced for verification.
- (ix) **In respect of Statutory Dues:**
- (a) According to the information and explanations given to us, the Company has been **generally** regular in depositing undisputed statutory dues including provident fund, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities during the period. **However, in some instances for the payment of TDS and PF the company has made delay and made such payments alongwith interest.** We are informed that the E.S.I.C. Act is not applicable to the Company, as it falls in the revenue territory wherein the application is exempt.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it, were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable **except Income Tax of Rs. 361.54 lacs payable for the AY:2008-09 which is overdue from 1-10-2008 and Income Tax of Rs. 36.14 lacs payable for the AY:2009-10 which is overdue from 1-10-2009. However, the company has filed its income tax returns for AY 2008-09 and AY 2009-10 respectively as on 21-08-2010 and 19-08-2010, and paid its income tax dues.**



GYSCOAL ALLOYS LIMITED

- (c) According to the information and explanations given to us, there are no disputed amounts payable in respect of provident fund, income tax, sales tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (x) The Company does not have any accumulated losses and has not incurred cash losses during the financial period covered by our audit and the immediately preceding financial period.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances granted by the Company on the basis of security by way of pledge of shares, debentures, and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Order is not applicable to the company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, clause 4(xiv) of the Order is not applicable to the company.
- (xv) As informed to us, the Company has not given any guarantee for loans taken by others from bank of financial institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the period for the purpose for which the loans were obtained.
- (xvii) According to the information and explanation given to us, the funds raised on short - term basis have not been used for long term investment.
- (xviii) According to information and explanation given to us, the price at which the Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 is not prima facie prejudicial to the interest of Company.
- (xix) According to information and explanation given to us, the Company has not issued any debentures.



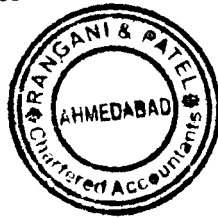
GYSCOAL ALLOYS LIMITED

- (xx) During the period covered by our audit report, the Company has not raised any money by public issues.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company was noticed or reported during the period.

**For RANGANI & PATEL
Chartered Accountants,
Firm Reg. No. 114847W**



S. G. PATEL
Partner
Membership No. : 45886



Ahmedabad, 26th August, 2010

GYSCOAL ALLOYS LTD.
BALANCE SHEET AS AT 31.03.2010

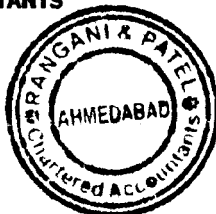
	SCHEDULE	AS ON 31.03.2010 Rupees	AS ON 31.03.2009 Rupees
I SOURCES OF FUNDS :			
(1) SHAREHOLDERS' FUND :			
(a) Share Capital	1	81275560	65890960
(b) Reserves and Surplus	2	260321076	126538117
(c) Share Application Money		0	36925000
		341596636	229354077
(2) LOAN FUNDS :			
(a) Secured Loans	3	242139198	195670783
(b) Unsecured Loans	4	45429927	51851321
		287569125	247522104
(3) DEFERRED TAX LIABILITIES		34149540	19904787
TOTAL :->		663315300	496780969
II APPLICATION OF FUNDS :			
(1) FIXED ASSETS :			
(a) Gross Block	5	361209470	242430326
(b) Less : Depreciation		103373741	77368412
(c) Net Block		257835729	165061914
(2) INVESTMENTS	6	209030	209030
(3) CURRENT ASSETS, LOAN AND ADVANCES :			
(a) Sundry Debtors	7	260497055	253684145
(b) Cash & Bank Balance	8	8023703	33413780
(c) Loans & Advances	9	27633469	29782045
(d) Inventories	10	351048585	307646167
		647202812	624526137
Less : CURRENT LIABILITIES & PROVISIONS :			
(a) Current Liabilities	11	193413058	254168763
(b) Provisions	12	54473745	41217204
		247886803	295385967
NET CURRENT ASSETS :		399316009	329140170
(4) DEFERRED TAX ASSETS		0	0
(5) MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		5954532	2369855
TOTAL :->		663315300	496780969
Significant Accounting Policies and Notes to Accounts forming part of the Financial Statements	22		
Schedules referred to above form an Integral part of the Financial Statements			

As per our separate report annexed herewith of even date

**For, RANGANI & PATEL
CHARTERED ACCOUNTANTS**


S.G. PATEL
PARTNER

AHMEDABAD
DATE : 26/08/2010

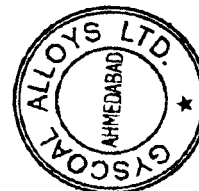


FOR & ON BEHALF OF THE BOARD OF DIRECTORS


MANISH SHAH
DIRECTOR

AHMEDABAD
DATE : 26/08/2010


VIRAL SHAH
DIRECTOR



GYSCOAL ALLOYS LTD

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED ON 31.03.2010

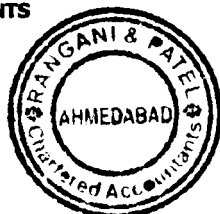
	SCHEDULE	AS ON 31.03.2010 Rupees	AS ON 31.03.2009 Rupees
INCOME :			
Sales and Income from Operation	13	1520432547	1194765197
Increase /(Decrease) in Finished Stock	14	-5480494	-24115904
Income from Operation / Jobwork	15	69243900	80192701
Other Income	16	3561579	4973011
TOTAL :->		1587757532	1255815004
EXPENDITURE :			
Raw Material Consumed	17	1345703917	1081666503
Manufacturing Expenses	18	80027064	60217500
Employees' Remuneration and Benefits	19	5763933	4111409
Administrative and Other Expenses	20	9711216	16269601
Finance Charges	21	43948413	42272566
Preliminary Expenses Written off		0	0
Depreciation	5	26005329	20796899
TOTAL :->		1511159872	1225334478
Net Profit Before Tax		76597660	30480526
Taxation			
- Current Tax Including Wealth Tax		13185248	3613837
- Deferred Tax		14244754	8715890
- Fringe Benefit Tax		0	264313
Net Profit After Tax		49167659	17886486
Balance Brought Forward from Previous Year		103025417	85138931
Net Balance for Appropriation		152193076	103025417
APPROPRIATION :			
Balance Carried to Balance Sheet		152193076	103025417
TOTAL :->		152193076	103025417
Annualised Earning per Share - Basic & Diluted (Rs.)		6.93	2.71
Nominal Value of Share (Rs.)		10	10
(Refer Note : 4 of Schedule : 21)			
Significant Accounting Policies and Notes to Accounts forming part of the Financial Statements	22		
Schedules referred to above form an intigral part of the Financial Statements			

As per our separate report annexed herewith of even date

For, **RANGANI & PATEL**
CHARTERED ACCOUNTANTS


S.G. PATEL
PARTNER

AHMEDABAD
DATE : 26/08/2010

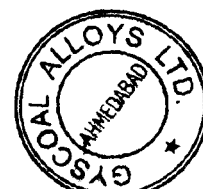


FOR & ON BEHALF OF THE BOARD OF DIRECTORS


MANISH SHAH
DIRECTOR

AHMEDABAD
DATE : 26/08/2010


VIRAL SHAH
DIRECTOR



GYSCOAL ALLOYS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2010

Particulars	31-Mar-10		31-Mar-09	
(A) Cash Flow from Operating Activities :				
Net Profit Before Tax		76597.66		30480.53
Add : Interest Cost		43948.41		42272.57
Net Profit Before Tax and Interest		120546.07		72753.10
Adjustment in :				
Depreciation/Amortisation	26005.33		20796.90	
Income on Exchange Flactuation	(201.62)		(3062.02)	
Provision for Gratuity	291.27		196.14	
Provision for Expenses	44.34		194.27	
Interest Income	(2672.33)		(1010.39)	
Interest Cost	(43948.41)	(20481.43)	(42272.57)	(25157.68)
Operating Profit Before Working Capital Changes		100064.64		47595.42
(Increase)/Decrease Sundry Debtors	(6812.91)		(119234.68)	
Increase/(Decrease) Current Liabilities	(60755.71)		(8156.33)	
(Increase)/Decrease in Inventories	(43402.42)		14928.68	
(Increase)/Decrease in Loan & Advances	2148.58	(108822.46)	28600.64	(83861.69)
Cash Generated from Operations		(8757.82)		(36266.27)
Direct Taxes Paid (net)		264.31		9552.19
Net Cash from Operating Activities (A)		(9022.13)		(45818.46)
(B) Cash Flow from Investing Activity :				
Purchase of Fixed Assets		(118779.14)		(45138.15)
Interest Income Received		2672.33		1010.39
Income on Exchange Flactuation		201.62		3062.02
Net Cash form Investing Activities (B)		(115905.19)		(41065.73)
(C) Cash Flow from Financial Activities				
Fresh Issue of Equity Share Capital		15384.60		0.00
Increase/(Decrease) in Share Premium		84615.30		0.00
Increase/(Decrease) in Share Application Money		(36925.00)		36925.00
Increase/(Decrease) in Unsecured Loans		(6421.39)		34081.73
Increase/(Decrease) in Secured Loans		46468.42		43372.82
Expenses for increasing Authorised Capital		(3584.68)		(341.96)
Dividend Paid		0.00		0.00
Net Cash used in Financing Activities (C)		99537.24		114037.58
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(25390.08)		27153.39
Cash and Cash Equivalents as at September,2009				
Cash in Hand		591.84		1914.40
Bank Balance in Current Accounts with Banks		7431.86		31499.38
		8023.70		33413.78
Less : Cash and Cash Equivalents as at 31st March, 2009		33413.78		6260.39
		(25390.08)		27153.39

As per our separate report annexed herewith of even date

For, **RANGANI & PATEL**
CHARTERED ACCOUNTANTS

S. G. Patel
S. G. PATEL
PARTNER

AHMEDABAD
DATE : 26/08/2010



FOR & ON BEHALF OF THE BOARD OF DIRECTORS

M. M. Shah
MANISH SHAH
DIRECTOR

AHMEDABAD
DATE : 26/08/2010



GYSCOAL ALLOYS LTD

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2010

PARTICULARS	AS ON 31.03.2010 Rupees	AS ON 31.03.2009 Rupees
SCHEDULE : 1 SHARE CAPITAL :		
AUTHORISED :		
17000000 Equity Shares (12000000 Equity Shares in Previous Year)	170000000	120000000
of Rs. 10 each	170000000	120000000
ISSUED, SUBSCRIBED AND PAID UP :		
8127556 Equity shares (6589096 Equity Shares in Previous Year)	81275560	65890960
of Rs. 10 each fully paid up		
Out of the 8127556 Equity Shares, 2275520 Equity Shares were issued as fully paid Bonus Shares by utilisation of Rs. 22755200 from General Reserve Account on 30.11.2007		
Total :->	81275560	65890960
SCHEDULE : 2 RESERVES AND SURPLUS :		
A. GENERAL RESERVE		
As per Last Balance Sheet	744800	744800
Add : Transfer form Profit & Loss Account	0	0
	744800	744800
Less : Utilised for issuing Bonus Shares	0	0
	744800	744800
B. SHARE PREMIUM	107383200	22767900
C. PROFIT AND LOSS ACCOUNT (As Per Profit & Loss Account)	152193076	103025417
Total :->	260321076	126538117
SCHEDULE : 3 SECURED LOANS :		
FROM BANKS		
Term Loan	38988938	43932410
Vehicle Loan	150965	615100
Working Capital Loan	202999295	151123273
Total :->	242139198	195670783
Notes :		
1) Term Loans are secured by way of charge created/to be created by way of mortgagage of Land & Building situated at Ubkhal, Kukarwada & Ahmedabad and charge on all of the company's immovable and movable properties both present and future in favoue of the Bank and personal guarantee of the Directors.		
2) Vehicle Loans are secured by way of hypothecation of respective vehicles		
3) Working Capital loan is secured by way of hypothecation of finished goods, raw-materials, WIP and book-debts of the company.		
SCHEDULE : 4 UNSECURED LOANS :		
Inter Corporate Deposits	0	2898672
From Directors and other	44002392	33734863
From Bank	1427535	15217786
Total :->	45429927	51851321



GYSOAL ALLOYS LTD.

SCHEDULE : 5 : FIXED ASSETS :

SR. NO.	TYPE OF ASSETS	GROSS BLOCK					DEPRECIATION				NET BLOCK	
		AS ON 01.04.2009	ADDITION / ADJUSTMENT DURING THE PERIOD	SALES / ADJUSTMENT DURING THE PERIOD	AS ON 31.03.2010	UP TO 31.03.2009	DEDUCTION ON ACCOUNT OF SALES / ADJUSTMENT	FOR THE PERIOD UP TO 31.03.2010	UP TO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009	
1	2	3	4	5	6	7	8	9	10	11	12	
1	COMPUTER	1037911	563655	0	1601566	673905	0	1077907	851812	749754	364006	
2	FURNITURE	1277279	320205	0	1597484	338101	0	199049	537150	1060334	939178	
3	VEHICLES	6906525	1675000	0	8581525	1878060	0	1474513	3352573	5228952	5028465	
4	PLANT & MACHINERY	186038454	73278744	0	259317198	67071737	0	24203705	88275442	17404756	118966717	
5	BUILDING	32805657	9392197	0	4219785395	7406609	0	2950155	10356764	31840090	25399048	
6	FACTORY LAND	2831125	0	0	2831125	0	0	0	0	2831125	2831125	
7	WIP (Land, Building & Plant & Machinery) *	11533375	79676507	46127164	45082718	0	0	0	0	45082718	11533375	
TOTAL		242430326	164906308	4612716395	361209470	77368412	0	26005329	103373741	257835729	165061914	
PREVIOUS YEAR TOTAL		197292176	45138150	0	242430326	56571513	0	20796899	77368412	165061914	140720663	

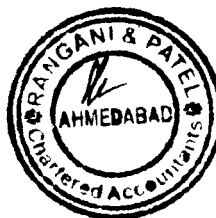
* WIP includes Rs. 4,28,75,000/- given as an advance during the year for the purchase of land at Magodi, Dist. Gandhinagar



GYSCOAL ALLOYS LTD

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2010

PARTICULARS	AS ON 31.03.2010 Rupees	AS ON 31.03.2009 Rupees
SCHEDULE : 6 INVESTMENTS :		
Long Term (Unquoted)		
Eq. Share Navrang Organizer Pvt. Ltd.	208930	208930
(20893 shares of Rs. 10 each fully paid up at cost)		
Share of Mrudul Tower Association	100	100
(1 share of Rs. 100 each fully paid up at cost)		
Total :>	209030	209030
SCHEDULE : 7 SUNDRY DEBTORS :		
(Unsecured, Considered Good)		
Debts Outstanding for a Period Exceeding Six Months	38498918	35533340
Other Debts	221998137	218150805
Total :>	260497055	253684145
SCHEDULE : 8 CASH AND BANK BALANCE :		
(a) Cash on hand	591842	1914402
(b) With Schedule Banks	7431861	31499377
Total :>	8023703	33413779
SCHEDULE : 9 LOANS AND ADVANCES :		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	9476738	9781368
Deposits	9577963	8304736
Duties and Taxes	8124375	11409498
Prepaid Expenses	204018	154594
Staff Advances	250375	131849
Total :>	27633469	29782045
SCHEDULE : 10 INVENTORIES :		
Finished Goods	108671474	114151968
Raw Material	242377111	193494199
Total :>	351048585	307646167
SCHEDULE : 11 CURRENT LIABILITIES :		
Sundry Creditors	190177641	226161509
Advance from Customers	2400000	27738887
Other Current Liabilities	835417	268367
Total :>	193413058	254168763
SCHEDULE : 12 PROVISIONS :		
Provision for Taxation	52952685	39767437
Provision for FBT	0	264313
Provision for Expenses	495993	451656
Provision for Gratuity	1025067	733798
Total :>	54473745	41217204



GYSCOAL ALLOYS LTD

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2010

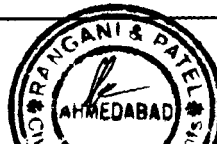
PARTICULARS	As on 31.03.2010 Rupees	As on 31.03.2009 Rupees
SCHEDULE : 13 SALES :		
SALES AND INCOME FROM OPERATION	1683949558	1353723082
Gross Sales :		
Less : Excise Duty	99210383	110565529
Less : VAT & CST	64306628	48392356
	163517011	158957885
Total :>	1520432547	1194765197
SCHEDULE : 14 INCREASE/(DECREASE) IN FINISHED STOCK :		
VALUE OF FINISHED STOCK		
Closing Stock as at 31.03.2010	108671474	114151968
Opening Stock as at 01.04.2009	114151968	158206099
Less : Excise Duty Adjustment	0	19938227
	114151968	138267872
Total :>	(5480494)	(24115904)
SCHEDULE : 15 INCOME FROM OPERATION / JOB WORK :		
Job Work & Other Income from Operation	69243900	80192701
Total :>	69243900	80192701
SCHEDULE : 16 OTHER INCOME :		
Other Income	687625	900594
Exchange Rate Fluctuation Income	201622	3062024
Interest Earned	2672332	1010393
Total :>	3561579	4973011
SCHEDULE : 17 RAW MATERIAL CONSUMED :		
Opening Stock	193494199	164368750
Add : Purchase	1443363150	1178533999
	1636857349	1342902749
Less : Purchase Return & Rate Difference	48776321	67742047
Less : Closing Stock	242377111	193494199
	291153432	261236246
Total :>	1345703917	1081666503



GYSCOAL ALLOYS LTD

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2010

PARTICULARS	As on 31.03.2010 Rupees	As on 31.03.2009 Rupees
SCHEDULE : 18 MANUFACTURING EXPENSES :		
Power & Fuel	51183640	36231331
Salary & Wages	17830832	13956841
Stores & Spares	1970273	1520503
Repairing & Maintenance Expenses	101425	87605
Other Manufacturing Expenses	8940894	8421220
Total :>	80027064	60217500
SCHEDULE : 19 EMPLOYEES' REMUNERATION AND BENEFITS :		
Director Remuneration	949916	840000
Employee's Salary & Bonus	4814017	3271409
Total :>	5763933	4111409
SCHEDULE : 20 ADMINISTRATIVE & OTHER EXPENSES :		
Advertisement Expenses	0	132500
Auditor Remuneration	207270	66180
Commission Expenses	15733	559974
ISO Certificate Expenses	48311	23034
Loss On Comodity Transaction	0	350881
Material Testing Expenses	0	12129
Printing, Stationary & Zerox Expenses	242808	223860
Professional Tax	2400	2400
Hotel & Boarding Exps.	0	359307
Sales Promotion Expenses	57356	0
Service Tax Expenses	0	4580
Stamp Duty Expenses	726720	547175
Subscription and Member Fees	67485	44282
Telephone Expenses	658693	691825
Website Renewal Expenses	8189	5851
Repairing & Maintenance Expenses	216876	226242
Registration & Licence Fees	64478	78233
Bank Charges	442148	1213491
Computer Expenses	29815	66875
Professional, Legal & Consultancy Expenses	710585	2520547
Vehicle Expenses	706648	716950
Electricity Burning Expenses (Office)	400171	362975
Local Taxes & Levies	84967	51536
Insurance Expenses	208904	335795
Penalty and Interest on Late Payment of Taxes	57039	1258336
Income Tax Exps.	694169	0
Misc. Expenses	1187720	378606
Office Expenses	465736	310179
Postage & Courier Expenses	44121	53521
Staff Welfare Expenses	24932	132815
Travelling Expenses	1444544	1848787
Custom, Clearing & Forwarding Expenses	893397	3690735
Total :>	9711216	16269601
SCHEDULE : 21 FINANCE CHARGES :		
Interest on Fixed Loan	8816554	10446390
Interest on Working Capital & other Loan	35131860	31826175
Total :>	43948413	42272566



GYSCOAL ALLOYS LIMITED

SCHEDULE – 22

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis for Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP), Accounting Standards issued by the Institute of Chartered Accountants of India, as applicable, and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates and difference between actual results and estimates are recognized in the period in which the results are known/materialize.

3. Inventories

Inventories are valued at the lower of cost and net realizable value. Costs of inventories comprise all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost of inventories is generally ascertained on the 'weighted average' basis.

4. Depreciation

Depreciation in respect of all fixed assets has been calculated on written down value method under section 205 (2) (b) of the Companies Act, 1956 at the rates given in schedule XIV of the Companies Act, 1956 for half year and depreciation on addition of assets during the year has been provided on prorata basis.

5. Fixed Assets

Fixed Assets are stated at their acquisition cost (Net of CENVAT Credit) less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their location and working condition up to the date the assets are put to use where applicable together with any incidental expenses of acquisition/installation. Cost of acquisition includes borrowing costs that are directly attributable to the acquisition/construction of qualifying assets.

An assets is considered as impaired in accordance with Accounting Standard (AS) – 28 "Impairment of Assets" when at balance sheet date there are indications of impairment and the carrying amount of the assets, or wherever applicable, the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the assets net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as impairment loss in the Profit & Loss Account.

6. Investments

Long term Investments are carried at cost. When there is a decline other than temporary in their value, the carrying amount is reduced on an individual investment basis and decline is charged to Profit & Loss A/c. Appropriate adjustment is made in carrying amount of Investment in case of subsequent raise in carrying value of the Investment.



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7. Revenue Recognition

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection. Revenue from sale of goods is recognized on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for price, significant risk and rewards of ownership are transferred to the customers and no effective ownership is retained. Sales comprises sale of goods and services, net of trade discounts and include exchange differences arising on sales transactions.

8. Retirement Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized as per Accounting Standard 15 (Revised 2005) at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

9. Borrowing Cost

Borrowing Costs attributable to acquisition and/or construction of qualifying assets as defined in Accounting Standard (AS) – 16 on "Borrowing Cost" are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use. All other Borrowing Costs are charged to revenue.

10. Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated into Rupees at the exchange rate prevailing at the Balance Sheet Date. All exchange differences are dealt with in Profit and Loss Account.

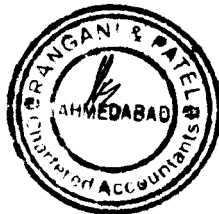
11. Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable income and accounting income. Deferred Tax Assets or Differed Tax Liability are measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

Major Components of Deferred Tax Liability arising on account of timing difference are :

	Current Year	Previous Year
Related to Fixed Assets	14244754	8715890



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12. Earning Per Share

The Company reports basic and diluted Earning Per Share (EPS) in accordance with Accounting Standard (AS) – 20 on "Earning Per Share". The basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive. Here the annualized EPS is calculated and disclosed on the face of Profit & Loss A/c.

13. Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard (AS) – 29 "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to the accounts. Provision is made if it is probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

14. Segment Reporting

The Company is mainly engaged in the business of manufacturing of S.S. Products. Considering the nature of business and financial reporting of company, the company has only one segment, viz. S.S. Products as reportable segment. The company operates in local / export segment geographically of which the export has amounted to Rs. 103.80 lacs (Net) out of total turnover of Rs. 15204.32 lacs. But due to nature of the business, the assets / liabilities and expenses for these activities can not be bifurcated separately.

B. NOTES TO ACCOUNTS:

(1) Related Party Disclosures

Name of Related Party	Relationship	Related Party Transaction
1. Giraben Solanki	Director	Directors Remuneration of Rs. 202900
2. Manish M shah	Director	Directors Remuneration of Rs. 276008 Unsecured Loan Taken of Rs. 460000 Unsecured Loan Repaid of Rs. 1000000
3. Viral M. Shah	Director	Directors Remuneration of Rs. 471800 Unsecured Loan Taken of Rs. 10735600 Unsecured Loan Repaid of Rs. 4875000
4. Z. K. Solanki	Director	Unsecured Loan Taken of Rs. 2250000
5. Mona Shah	Share Holder Having Significant influence over The enterprise	Remuneration of Rs. 159820 Unsecured Loan Taken of Rs. 2950000
6. Sarojben M. Shah	Share Holder Having Significant influence over the enterprise	Remuneration of Rs. 166748



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7. Dipali Shah	Share Holder Having Significant influence over The enterprise	Remuneration of Rs. 106520 Unsecured Loan Taken of Rs.1000000
8. K. H. Solanki	Relative of Director	Unsecured Loan Repaid of Rs. 373397
9. Torque Automotive Pvt. Ltd.	Associate Concern	Unsecured Loan Taken of Rs. 23427828 Unsecured Loan Repaid of Rs. 26326500 Unsecured Loan Given of Rs. 101328 Fixed Assets Purchased of Rs. 1675000
10. General Capital & Holdings Pvt. Ltd.	Associate Concern	Sales of Rs. 21078525
11. Gyscoal Enterprise Pvt. Ltd.	Associate Concern	Sales of Rs. 20604734

(2) Managerial Remuneration

	Current Year	Previous Year
Directors Remuneration	950708	840000

(3) Auditors Remuneration

	Current Year	Previous Year
Payment to Auditors		
- For Audit	99270	50000
- For Taxation Matter	0	16180

(4) Earning Per Share

Net Profit after Tax	491.68 Lacs	178.86 Lacs
Weighted Avg. No. of Shares	70.99 Lacs	65.89 Lacs
Annualised Basic & Diluted Earning Per Share	6.93 Rs.	2.71 Rs.

- (5)** As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:

A. Reconciliation of opening and closing balances of Defined Benefit obligation.

Particulars	2009-10
Present Value of Obligation as at the beginning of the year.	7,33,798
Current Service Cost	2,20,900
Interest Cost	60,905
Actuarial (Gain)/Loss on obligation	9,464
Present Value of Obligation as at the end of the year	10,25,067



GYSCOAL ALLOYS LIMITED

B. Reconciliation of opening and closing balances of fair value of plan assets.

Particulars	2009-10
Present Value of Plan Assets as at the beginning of the year.	0
Expected Return on Plan Assets	0
Contributions	0
Actuarial (Gain)/Loss on Plan Assets	0
Fair Value of Plan Assets at the end of the year	0

C. Reconciliation of fair value of assets and obligations

Particulars	2009-10
Present Value of Obligation as at the end of the year	10,25,067
Fair Value of Plan Assets at the end of the year	0
Net Assets/(Liability) recognized in Balance Sheet	(10,25,067)

*Recognized to the extent of Rs. 2,91,269 in profit and loss account.

D. Expense recognized during the year (Under the head Employee's remuneration & Benefits- Refer Schedule - 19)

Particulars	2009-10
Current Service Cost	2,20,900
Interest Cost	60,905
Expected Return on Plan Assets	0
Net Actuarial losses (gains) recognized in year	9,464
Expenses Recognized in the statement of Profit & Loss	2,91,269

E. Actuarial Assumptions

Particulars	200910
Discount Rate	8.30%
Rate of increase in Compensation Level	6.00%
Rate of Return on Plan Assets	0.00%

- (6) In the opinion of Board of Directors, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all liabilities is adequate and not in excess of the amounts considered reasonably necessary.
- (7) Outstanding Balance of unsecured loans, sundry debtors, sundry creditors, loans and advances and any other outstanding balances including all squared up accounts are subject to confirmation.
- (8) There was a foreign exchange inflow of Rs. 103.81 lacs (USD 211604) while there was outflow of Rs. 20.70 lacs (USD 42029) during the year.
- (9) Cheques of Rs. 85 lacs received from Salvo Steels Pvt. Ltd., one of the debtors of the Company, were dishonored. So, the Company has filed a suit against it u/s. 138 of the N.I. Act and the matter is pending in court. Total outstanding amount recoverable from the party is Rs. 18127314/-



GYSCOAL ALLOYS LIMITED

(10) Contingent Liabilities not provided for in respect of :

Claims against the company not acknowledged as debt Rs. Nil (Previous year Rs. Nil)

(11) The Company has not provided any information about suppliers / sundry creditors regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and Small Scale Industrial Undertakings and hence disclosures, if any, relating to amount unpaid as at the year end together with interest paid/payable as required under the said act have not been given.

(12) Previous year figures have been regrouped / recasted to make them comparative with those of the current years.

(13) Licensed and installed capacities and production :

Particulars	Production in M.T.
Licensed/Installed Capacity (M.T. per annum)	18000
Production during the year (M.T.)	16176.75
Total Capacity Utilization (%)	89.87%

(15) Turnover, Closing & Opening Stock

RAW MATERIALS STOCK								Rs. In Lacs
ITEM	Opening Stock (M.T.)	Amount	Purchase (M.T.)	Amount	Sales (M.T.)	Amount	Closing Stock (M.T.)	Amount
S.S FLAT & ITS PRODUCTS	52.900	74.208	779.065	734.54	0	0	449.435	372.90
S.S ROUND	0	0	2917.360	3725.85	0	0	268.490	331.18
S.S BILLET/INGOT	111.595	171.130	653.480	674.32	0	0	184.410	304.78
S.S PLATE AND ITS PRODUCTS	0	0	0	0	0	0	0.000	0
M.S PLATE/INGOT/SCRAP	15.445	5.863	0	0	0	0	15.445	5.863
S.S RCS	0	0	0	0	0	0	0.000	0
FURNACE OIL	1.000	0.139	854.720	187.49	0	0	65.150	17.11
COAL / G.C SHEET	6.455	0.238	415.955	16.57	0	0	44.530	1.74
OLD & USED PLATE	31.115	5.539	1136.555	200.82	0	0	44.795	8.68
S.S ANGLE	0	0	146.873	228.52	0	0	20.073	29.91
M.S SCRAP	0	0	2167.794	313.50	0	0	957.075	126.53
S.S ROUND CUTTING	112.170	249.699	0	0	0	0	0.000	0
BASIC RAMMING MASS	0	0	94.00	25.39	0	0	7.000	1.89
S.S INGOT	38.200	21.117	0	0	0	0	0.000	0
STORES & SPARES	0	0	0	0	0	0	0.000	215.58
CHEMICAL STOCK	30.020	29.602	38.010	25.29	0	0	36.836	37.96
S.S SCRAP	984.090	1184.884	7576.476	8557.02	0	0	804.051	969.67



GYSCOAL ALLOYS LIMITED

FINISHED GOODS STOCK						Rs. In Lacs
ITEM	Opening Stock (M.T.)	Amount	Sales (M.T.)	Amount	Closing Stock (M.T.)	Amount
S.S.ANGLE AND THARE PRODUCTS	113.445	183.780	1631.650	2289.34	197.310	263.80
S.S. PLAT AND THARE PRODUCTS	123.144	187.794	37.145	59.45	62.419	57.80
S.S BILLET AND THARE PRODUCTS	5.829	12.300	0	0	0.000	0
S.S. FLAT AND THARE PRODUCTS	171.955	246.427	3959.335	4383.92	128.955	158.79
S.S. ROUND AND THARE PRODUCTS	31.635	36.222	667.715	848.70	26.565	34.00
S.S. RCS	39.555	77.606	39.555	38.98	0.000	0
M.S. ANGLES AND THARE PRODUCTS	0.000	0	888.490	217.22	54.875	9.32
S.S. MISROLL	13.800	11.040	0.000	0	19.440	17.16
S.S ROUND	131.725	191.396	1438.930	1852.19	48.255	59.46
S.S ANGLE CUTTING	11.835	15.326	840.020	1196.60	55.235	73.62
S.S PATTI	0.000	0	9.685	2.91	0.000	0
S.S INGOT	142.443	183.181	1003.390	779.32	320.423	412.74
S.S FLAT CUTTING	0.000	0	0	0	0	0
M.S FLAT	0.000	0	28.975	6.82	0.000	0
S.S PRODUCTS	0.000	0	2761.596	3469.50	0.000	0

As per our separate report annexed herewith of even date

For, RANGANI & PATEL
CHARTERED ACCOUNTANTS
Firm Reg. No. 114847W

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

S. G. Patel

S. G. PATEL
PARTNER

AHMEDABAD
DATE : 26/08/2010



M. M. Shah

MANISH SHAH
DIRECTOR

AHMEDABAD
DATE : 26/08/2010

Viral Shah

VIRAL SHAH
DIRECTOR



GYSKOAL ALLOYS LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

I Registration Details

i.	Registration No.	36656
ii.	State Code	04

II Capital Raised During the Year (Rs. In 'ooo)

i	Public Issue	Nil
ii	Right Issue	Nil
iii	Bonus Issue	Nil
iv	Private Placement	15385

III Position of Mobilisation and Deployment of Fund

(Rs. In 'ooo)

i	Total Liabilities	663315
ii	Total Assets	663315
iii	Sources of Fund	
	1) Paid up Capital	81276
	2) Reserves & Surplus	260321
	3) Secured Loans	242139
	4) Unsecured Loans	45430
	5) Deferred Tax Liability	34149
iv	Application of Fund	
	1) Net Fixed Assets	257836
	2) Net Current Assets	399316
	3) Investments	209
	4) Misc. Expenditure	5954

IV Performance of the Company

1) Turnover (Total Income)	1587758
2) Total Expenditure	1511160
3) Profit before Tax	76598
4) Profit After Tax	49168
5) Earning per Share	Rs. 6.93
6) Dividend Rate	Nil

VI Generic Names of three Principle Products / Service of the Company

Item Name	S. S. RCS
	S. S. ANGLE
	S. S. FLAT
	S.S.INGOT

