

10th ANNUAL REPORT 2008-2009



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. Arumugam Sakthivel	Independent Director
Mr. Dharmendra Deo Mishra	Independent Director
Mr. Sunil Talati	Independent Director
Mr. Prem Malik	Independent Director

AUDIT COMMITTEE

Mr. Sunil Talati (Chairman)
Mr. Arumugam Sakthivel
Mr. Manish M. Shah

REMUNERATION COMMITTEE

Mr. Viral M. Shah (Chairman)
Mr. Manish M. Shah
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 India

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 Tenth Annual General Meeting of the Members of the Company will be held on 30th September, 2009 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 2009, Balance Sheet as at that date and Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Zankarsingh Solanki, who retires by rotation and being eligible, offers himself for reappointment.
3. 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 and to fix their remuneration.

SPECIAL BUSINESS:

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

4. To allot shares on preferential basis under section 81(1A) of Companies Act, 1956 and unlisted Public Companies (Preferential allotment) guidelines.

“RESOLVED THAT in accordance with the provisions of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, and enabling provisions in the memorandum and articles of association of the company, and in accordance with the Preferential allotment Guidelines issued by the Ministry of Company Affairs (MCA) and clarifications thereon issued from time to time and subject to the approval of the other concerned authorities, if any, consent of the company be and is hereby accorded to the Board to create, issue/offer and allot 15,38,460 equity shares of Rs.10/- each for cash at premium of Rs. 55/- per share

aggregating to Rs. 9,99,99,900 (Rupees Nine Crore Ninety nine Lacs Ninety nine thousand and nine hundred Only) to the General Capital And Holding Private Limited, whether or not they are members of the Company, on preferential basis to the extent and in one or more trenches and in the manner as may be decided by the Board in this behalf.

RESOLVED FURTHER THAT

- I. the offer, issue and allotment of the aforesaid equity shares shall be made at such time or times as the Board may in its absolute discretion decide, subject however to the compliance with applicable guidelines, notifications, rules and regulations;
- II. the equity shares to be so issued and allotted shall be subject to the provisions of the memorandum and articles of association of the company and shall rank pari passu with the existing equity shares of the company;
- III. the Board be and is hereby authorized to accept any modification(s) to or to modify the terms of issue of the said new equity shares subject to the provisions of the Companies Act, 1956 and MCA Guidelines/Regulations, without being required to seek any further consent or approval of the company in general meeting:

for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all acts, deeds, things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for making the said issue as aforesaid and to settle any question, difficulty or doubt that may arise in this regard including the power to allot over-subscribed/under-subscribed portion if any, in such manner and to such person(s) as the Board may deem fit and proper in its absolute discretion to be most beneficial to the company.”

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

5. Issue of Securities under section 81 & 81(1A) of the Companies Act, 1956

"RESOLVED THAT in accordance with the provisions of Section 81, 81 (IA) and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Government of India (GOI), Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other appropriate authorities, and such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include a duly authorised Committee thereof for the time

being exercising the powers conferred by the Board), the consent of the Company be and is hereby accorded to the Board to offer/issue/allot equity shares and/or other securities whether convertible or not into equity shares of the company, with or without warrants, of the face value of Rs. 10/- at a premium as may be decided by the Board for an aggregate amount not exceeding Rs. 60 Crore including premium out of the authorized share capital of the Company, to such person or persons, who may or may not be the shareholders of the Company, as the Board or a Committee thereof may at its sole discretion decide, including one or more of the members, promoters, employees, Non-resident Indians, Foreign Institutional Investors (FIIs), bodies corporate, companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof, whether through public issue, rights issue, or otherwise, in the domestic or international markets, in one or more modes or combinations thereof and in one or more tranches, in consultation with advisors or such persons and on such terms and conditions including the number of shares to be issued, at par or at premium and for cash or other consideration on such terms and conditions as may be finalized by the Board and that the Board may finalize all matters incidental thereto as it may in its absolute discretion think fit.

RESOLVED FURTHER THAT such of these shares to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/Financial Institutions/Investment Institutions/Mutual Funds/Foreign Institutional Investors/Bodies Corporate/such other persons or otherwise as the Board may in its absolute discretion decide.

RESOLVED FURTHER THAT if the issue is made at a premium, the Board be and is hereby authorized to fix the premium, keeping in view the relevant conditions of stock market and if the issue is to be made in more than one tranches at different times, the Board shall have the full authority to revise and fix the premium again for the purpose of second and subsequent issues.

RESOLVED FURTHER THAT the Board be and is hereby authorized to decide in favour of a reservation in the Issue on firm and/or competitive basis for employees, directors and existing shareholders as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") and in accordance with the ICDR Regulations, subject to the limits prescribed for each such category in the said ICDR Regulations.

RESOLVED FURTHER THAT with respect to the issue of securities, the Company may avail of or exercise a "Green Shoe Option" ("GSO") in accordance with the applicable laws including the ICDR Regulations, if applicable, and allot equity shares up to 15% of the total issue size to stabilizing agent appointed by the Board for such purpose and further authorizes the Board to take all actions and do all deeds required to ensure that the GSO can be exercised in terms of the applicable laws including the

SEBI (ICDR) Regulations including inter alia, entering into any agreements with the stabilizing agent, and/or with any other entity required under law, opening of any accounts including the Special Account for GSO shares of the Company or the GSO Demat Account, Special Account for GSO Proceeds of the Company or the GSO Bank Account, notifying and seeking approvals of any governmental and/or statutory authorities, if required, and doing all such other acts incidental or ancillary to the exercise of the GSO as per applicable law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and deeds as may be required to implement the aforesaid Resolution."

Registered Office:

2nd Floor Mrudul Tower, B/H Times Of India,

Ashram Road, Ahmedabad.

Date; 7th September, 2009.

Place: Ahmedabad

By Order Of the Board.



Viral Shah
Chairman

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 [23/09/2009] to [30/09/2009] (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; 7th September, 2009.

Place: Ahmedabad

By Order Of the Board.



Viral Shah
Chairman

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

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying notice

Item 4:

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. Raising of capital is the best way to generate long term fund. The present paid up capital is only Rs. 65890960 It is therefore proposed to issue further 15,38,460 equity shares of Rs.10/- each for cash at premium of Rs. 55/- per share aggregating to Rs. 9,99,99,900 (Rupees Nine Crore Ninety nine Lacs Ninety nine thousand and nine hundred Only) on a preferential basis to General Capital And Holding Private Limited. The promoters of your company presently hold an aggregate of 100 % of the subscribed equity capital of Rs. 6,58,90,960 which after the proposed preferential allotment of 15,38,460 equity shares as aforesaid, will continue to be the majority holders, of the total subscribed equity capital of Rs. 8,12,75,560. The preferential issue and allotment of equity shares is proposed to be made at Rs.10/- cash, at premium value of Rs.55/- per share. The proposed preferential allotment to any of the promoters and/or their associates as aforesaid would not result in any change in the control over your company.

The provisions of section 81(1A) provides inter alia that when it is proposed to increase the issued capital of the company by allotment of further shares, such shares shall be first offered to the existing shareholders of the company for subscription unless the shareholders decide otherwise in a general meeting.

The said special resolution will, if passed, enable the Board on behalf of the company, to issue and allot equity shares on a preferential basis to promoters and/or their associates as permitted by section 81(1A) of the Companies Act, 1956. The company in consultation with its advisors, experts and others concerned will fix the detailed terms and conditions of the issue which will be in line with the requirements of the Unlisted Public Companies (Preferential Allotment Rules), 2003. The following details are provided as per the requirement of the Rules.

- a) The price or price band at which the allotment is proposed. = Your company proposes to allot the shares at face value Rs. 10/-, with the premium of Rs.55/- per share
- b) The relevant date on the basis of which price is arrived at. = on the basis of latest audited balancesheet.
- c) The Object of the preferential offer.= 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. Raising of capital is the best way to generate long term fund.
- d) The class or classes of person to whom the allotment is proposed to be made.=Primarily the allotment will be made to General Capital And Holding Private limited

e) Intention of promoters/directors/key management person to subscribe to the offer. = The Company is promoted by the promoters and they subscribing the shares.

f) Shareholding pattern of promoters and other classes before and after the offer. =Presently the promoters hold 100 % equity of the company. After the offer the promoters with the group companies will continue to hold 100 % of the equity.

g) Proposed time within which the allotment shall be completed = The allotment shall be completed within 6 months from the expiry of the approval from the shareholders.

h) Whether a change in control is intended or expected. = No change in control is intended or expected.

The directors recommend the resolution for your approval.

The directors of your company may be deemed to be concerned or interested to the extent of the shares are issued to the promoter of the company wherein Mrs. Giraben Solanki and Mr. Zankarsinh Solanki are the directors.

Item 5 :

The Company is proposing to expand its existing line of operation by enhancing the production facilities. Presently Company is having a production capacity of 18,000 TPA in Melting section. Our company proposes to increase its melting capacity from existing 18,000 TPA to 1,18,000 TPA. For this the company is planning to come out with its maiden public issue in the coming year

The directors recommend the resolution for your approval.

None of the directors of your company is concerned or interested in the above resolution.

Registered Office:

2nd Floor Mrudul Tower, B/H Times Of India,

Ashram Road, Ahmedabad.

Date; 7th September, 2009.

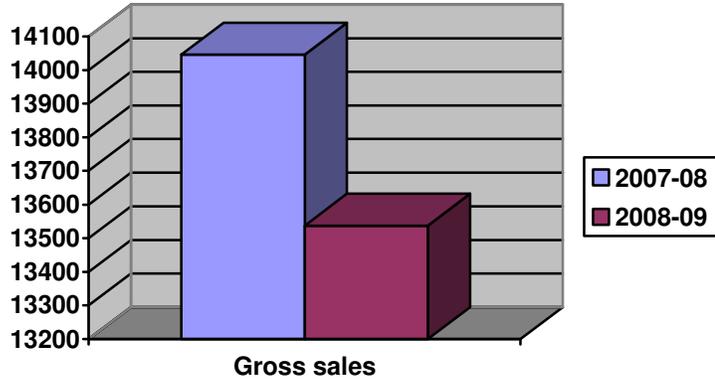
By Order Of the Board.



Place: Ahmedabad

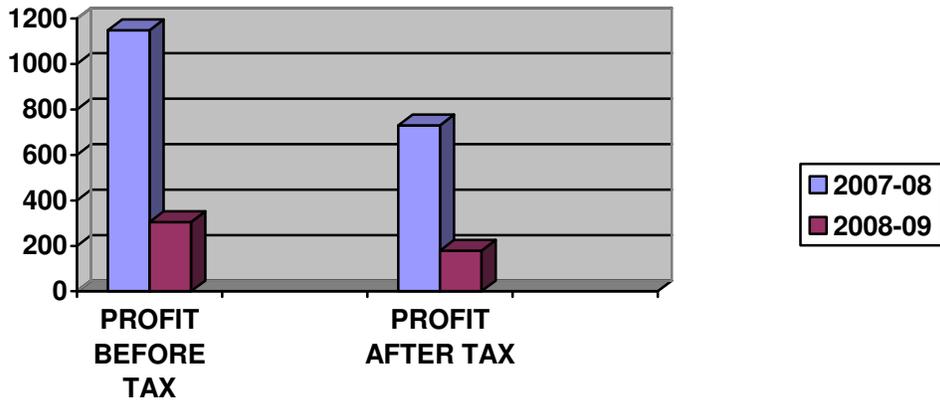
**Viral Shah
Chairman**

Charts of Sales & Profit comparison are as follows:



Gross turnover of our Company has gone down by 3.5% at Rs. 13537.23 Lacs in current year in comparison to Rs. 14046.18 Lacs.

PROFIT COMPARISON



Profit Before Tax (PBT) for current financial year is 304.80 Lacs which is declined by 73% in comparison to 1148.92 Lacs for previous year.
Profit After Tax (PAT) reported by the company is 178.86 Lacs which has decline by 76% as compared to 730.55Lacs for previous year.

DIRECTOR'S REPORT

To
Members
Gyscoal Alloys Limited
Ahmedabad.

Your Directors are happy to present the 10th Annual Report together with the audited statements of Accounts for the year ended on 31st March 2009.

Financial Result

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

PARTICULARS	CURRENT YEAR 2008-2009 (In'Rs.)	PREVIOUS YEAR 2007-2008 (In'Rs.)
Total Income	1255815004	132818038
Total Expenses	1225334478	1208926369
Profit Before Interest Depreciation & Tax (EBDIT)	93549991	168531427
Interest & Financial Charges	42272566	26125854
Depreciation	20796899	27513904
Profit before Tax	30480526	114891669
Provision for current Income Tax	2613837	36156300
Provision for Deferred Tax Assets	8715890	5439309
Provision for FBT	264313	243940
Net Profit After Tax	17886486	73054820
Balance B/F	85138931	12084111
Balance Carried to Balance Sheet	103025417	85138931

Looking to the Global & Indian recessionary scenario in the Steel Industries the Gross turnover of our Company has gone down by 3.5% at Rs. 13537.23 Lacs in current year in comparison to Rs. 14046.18 Lacs.

Profit Before Tax (PBT) for current financial year is 304.80 Lacs which is declined by 73% in comparison to 1148.92 Lacs for previous year.

Profit After Tax (PAT) reported by the company is 178.86 Lacs which has decline by 76% as compared to 730.55Lacs for previous year.

The decrease in profit in current financial year has been resulted from the higher financial charges paid by the company for its loans taken for the expansion projects and the margin of realizations were also gone considerably low in such a depressed market.

However your directors are pleased to inform that even in such a depressed market your company has been able to achieve 98.2% capacity utilization of the plant compared to 71.2% capacity in the previous year and considers the working of the company satisfactory.

DIVIDEND

Looking to the decline in profit and with a view to conserve the liquid resources and to strengthen the financial position of the company , your Directors do not recommended any dividend for the financial year ended 31st March, 2009.

OVERVIEW

GLOBAL ECONOMY OVERVIEW

The global economy slipped into a recession in the second half of 2008, lowering world GDP growth to 2.1% in 2008 (The IMF considers growth less than 3% as a recession) The Indian economy which grew at an average rate of 8.8% between 2003-04 and 2007-08, saw the growth dip to 6.7% in 2008-09. The demand in both advanced and emerging economies fell sharply resulting in production cuts, cost controls and lay offs. Governments and central banks around the world have responded to the crisis in an unprecedented show of policy force in form of various fiscal stimulus and monetary policy measures.

STEEL INDUSTRY OVERVIEW

Steel is a highly capital intensive industry and cyclical in nature. Its growth is intertwined with the growth of the economy at large, and in particular the steel consuming industries such as manufacturing, housing and infrastructure. Steel, given its backward and forward linkages, has a large multiplier effect.

Every steel maker worldwide faced an unprecedented decline in demand after October 2008 following the global economic downturn; Steel demand is likely to stabilize in the latter part of 2009 leading to a mild recovery in 2010. Emerging economies were also affected by the economic crisis, but to a lesser degree. Steel consumption in the BRIC countries (Brazil, Russia, India and China) is expected to fall by 5.9% in 2009, with China, which has been the source of much of the global increase in steel demand, too seeing negative growth of about 5% in 2009. The Indian economy, which is recovering faster than its global peers from the current slowdown, appears better positioned

Steel prices declined significantly across the world with more than a 50% reduction in the second half, compared to first half of 2008-09. World steel production in the first quarter of calendar 2009 was 269 million tonnes, a decrease of 22.8% over the first

quarter of calendar 2008. The largest decline in steel demand was felt in the US, Europe and Japan.

While steel will continue to have a stronghold in traditional sectors such as construction, housing, ground transportation, special steels will be increasingly used in hi-tech engineering industries such as power generation, petrochemicals, fertilizers etc. Steel will continue to be the most popular, versatile and dominant material for wide ranging applications. While India may not become a leader in world steel market, it can become a powerful force.

1. Indian Steel Industry

India is a reputed name in the world steel industry; the country's steel industry is catching up the pace and luring the steel majors from all over the world. The industry has gained strength from the strong Indian economy, and strong sectors like infrastructure, construction and automobile. Although India consumes less steel as compared to other Asian countries, India is currently the fifth largest steel-producing nation in the world with production of over 54 million tonnes (MT). Indian steel sector enjoys advantages of domestic availability of raw materials and cheap labour. Iron ore is also available in abundant quantities. This provides major cost advantage to the domestic steel industry. Thus, the country offers vast scope for the steel industry in future.

However, the current economic turmoil has dented the growth curve of various industries such as construction, which, in turn, has hit the Indian steel industry hard. But with the government's plans to boost up the economy by injecting funds in various industries like infrastructure, construction, automobile and power, growth is well expected in near future

According to the forecasts made by World Steel Association, global steel consumption is projected to decline by around 14.9% in 2009 led by US (-36.6%), Europe (-28.8%), CIS (-23.7%) and Japan (-20.4%). Also, the world's largest steel producer China is projected to experience a decline of 5% in steel usage. However, India is the only country that is projected to witness a growth of around 2% in 2009. According to the World Steel Association, India's apparent steel use is forecasted to reach 53.5 million tonne in 2009, a 1.7% increase from 2008 and is expected to reach 58 million tonne in 2010 an increase of 8% Year on Year Basis

As India surges ahead, catapulting its industry to new economic heights, the Indian government plans to invest over US\$ 350 billion in industries related to infrastructure and construction. In such a scenario, the Indian steel industry will see a boom for some time to come.

3. COMPANY OVERVIEW

A. Performance:

Our Company is engaged in Steel Business and is one of the leading manufacturers of Stainless Steel long products in the country with installed capacity of 18000 MT for melting & 18000 MT for rolling per annum.

The overall operational performance of the Company during the year has been satisfactory. The plants have operated to its maximum capacity during the year and there was no break down or shut downs.

The operational performance strengthens the financial performance of the company. The Company uses best technology to minimize its cost, improve product quality through regular research and development.

Our company made exports during the year and is having good realization from export activities and is expanding its global clientele.

The Company operates in local/ exports segment geographically of which the export has amounted to Rs 652.31 lacs(Net) out of total turnover of Rs. 11947.65 lacs. But due to nature of the business, the assets/ liabilities and expenses for these activities can not be bifurcated separately.

B. Segment- wise production Overview

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.

C. Capacity Utilization:

Your directors are pleased to inform that the company was able to utilize 98.27 % i.e fullest of its capacity and is trying to utilize the maximum capacity.

FUTURE OUTLOOK:

The Board of Directors looks further for better industry conditions resulting into higher production, sale and profits. Better availability of working capital will enable the company to use capacity for own production, thereby reducing dependence on job work. We plan to increase our profitability by concentrating on our product mix as stainless steel products have higher margin compare to mild steel products. we intended to expand our market presence through brand building efforts, communications and promotional, interaction with industry research organizations, participation in industry events, public relations and investor relations efforts The company has direct exports during the current year having good export realizations and expects a rise in the percentage of direct exports in the upcoming year.

The Company is proposing to expand its existing line of operation by enhancing the production facilities. Presently Company is having a production capacity of 18,000 TPA in Melting section. Our company proposes to increase its melting capacity from existing 18,000 TPA to 1,18,000 TPA. For this the company is planning to come out with its maiden public issue in the coming year enabling the company to offer/issue/allot equity shares and/or other securities, under section 81 & 81 (1A) of the Companies Act, 1956, of the face value of Rs. 10/- at a premium as may be decided by the Board for an aggregate amount not exceeding Rs. 60 Crore including premium out of the authorized share capital of the Company

ISSUE OF SHARES ON PREFERENTIAL BASIS

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 present paid up capital is only Rs. 65890960. It is therefore proposed to issue further 15,38,460 equity shares of Rs.10/- each for cash at premium of Rs. 55/- per share aggregating to Rs. 9,99,99,900 (Rupees Nine Crore Ninety nine Lacs Ninety nine thousand and nine hundred Only) on a preferential basis under section 81(1A) of Companies Act, 1956 and unlisted Public Companies (Preferential allotment) guidelines to General Capital And Holding Private Limited

DIRECTORS:

Your Board is having very varied and experience Directors on the Board consisting of Managing Director, Whole Time Director and Independent directors. Shri Zankarsinh Solanki retires by rotation and being eligible offer himself for re-appointment at the ensuing general meeting. Your Directors recommend his reappointment.

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.

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)19575 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,652.31 lacs (USD 1475540) while there was outflow of RS. 118.79 lacs (USD 271154) 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.

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.

ACKNOWLEDGEMNT:

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: 7th September, 2009

Place: Ahmedabad

For and on behalf of Board Of Directors



Viral. Shah
Chairman

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, 2009, and also the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

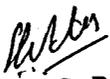


GYSCOAL ALLOYS LIMITED

(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, 2009;
- (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For RANGANI & PATEL
Chartered Accountants,



S. G. PATEL

Partner

Membership No. : 45886



Ahmedabad, 7th September, 2009

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 year 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 not granted any loan to companies, firm or other parties listed in the register maintained u/s. 301 of the Companies Act, 1956 under same management. The Company has taken interest free loans from 6 parties listed in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 317.66 lacs and the year end balance of loans taken from such parties was Rs. 362.63 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.
- (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.



GYSGOAL ALLOYS LIMITED

- (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 year 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 year. 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, 2009 for a period of more than six months from the date they became payable
- (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 year covered by our audit and the immediately preceding financial year.



GYSCOAL ALLOYS LIMITED

- (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 year 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 Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956,
- (xix) According to information and explanation given to us, the Company has not issued any debentures.
- (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 year.

For RANGANI & PATEL
Chartered Accountants,



S. G. PATEL
Partner
Membership No. : 45886



Ahmedabad, 7th September, 2009

GYSCOAL ALLOYS LTD.

BALANCE SHEET AS AT 31.03.2009

	SCHEDULE	AS ON 31.03.2009 Rupees	AS ON 31.03.2008 Rupees
I SOURCES OF FUNDS :			
(1) SHAREHOLDERS' FUND :			
(a) Share Capital	1	65890960	65890960
(b) Reserves and Surplus	2	126538117	108651631
(c) Share Application Money		36925000	0
		229354077	174542591
(2) LOAN FUNDS :			
(a) Secured Loans	3	195670783	152297963
(b) Unsecured Loans	4	51851321	17769596
		247522104	170067559
(3) DEFERRED TAX LIABILITIES		19904787	11188898
TOTAL :->		496780969	355799048
II APPLICATION OF FUNDS :			
(1) FIXED ASSETS :			
(a) Gross Block	5	242430326	197292176
(b) Less : Depreciation		77368412	56571513
(c) Net Block		165061914	140720663
(2) INVESTMENTS	6	209030	209030
(3) CURRENT ASSETS, LOAN AND ADVANCES :			
(a) Sundry Debtors	7	253684145	134549463
(b) Cash & Bank Balance	8	33413780	6260395
(c) Loans & Advances	9	29782045	58382685
(d) Inventories	10	307646167	322574849
Less : CURRENT LIABILITIES & PROVISIONS :		624526137	521767392
(a) Current Liabilities	11	254168763	262325093
(b) Provisions	12	41217204	46600835
NET CURRENT ASSETS :		329140170	212841464
(4) DEFERRED TAX ASSETS		0	0
(5) MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		2369855	2027891
TOTAL :->		496780969	355799048
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

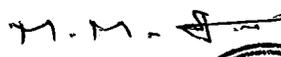
For, RANGANI & PATEL
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD OF DIRECTORS


S. G. PATEL
PARTNER

AHMEDABAD
DATE : 07/09/2009




MANISH SHAH
DIRECTOR

AHMEDABAD
DATE : 07/09/2009




VIRAL SHAH
DIRECTOR

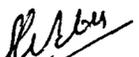
GYSCOAL ALLOYS LTD

PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED ON 31.03.2009

	SCHEDULE	AS ON 31.03.2009 Rupees	AS ON 31.03.2008 Rupees
INCOME :			
Sales and Income from Operation	13	1194765197	1183543238
Increase /(Decrease) in Finished Stock	14	-24145904	102828046
Income from Operation / Jobwork	15	80192701	35749682
Other Income	16	4973011	1697071
TOTAL :>		1255815004	1323818038
EXPENDITURE :			
Raw Material Consumed	17	1081666503	1059782200
Manufacturing Expenses	18	60217500	74569584
Employees' Remuneration and Benefits	19	4111409	3095989
Administrative and Other Expenses	20	16269601	17838837
Finance Charges	21	42272566	26125854
Preliminary Expenses Written off		0	0
Depreciation	5	20796899	27513904
TOTAL :>		1225334478	1208926369
Net Profit Before Tax		30480526	114891669
Taxation			
- Current Tax Including Wealth Tax		3613837	36153600
- Deferred Tax		8715890	5439309
- Fringe Benefit Tax		264313	243940
Net Profit After Tax		17886486	73054820
Balance Brought Forward from Previous Year		85138931	12084111
Net Balance for Appropriation		103025417	85138931
APPROPRIATION :			
Balance Carried to Balance Sheet		103025417	85138931
TOTAL :>		103025417	85138931
Earning per Share - Basic & Diluted (Rs.)		2.71	11.82
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 : 07/09/2009



FOR & ON BEHALF OF THE BOARD OF DIRECTORS


MANISH SHAH
DIRECTOR

AHMEDABAD
DATE : 07/09/2009




VIRAL SHAH
DIRECTOR

GYSCOAL ALLOYS LTD

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AS ON 31.03.2009 Rupees	AS ON 31.03.2008 Rupees
SCHEDULE : 1 SHARE CAPITAL :		
AUTHORISED :		
12000000 Equity Shares (12000000 Equity Shares in Previous Year) of Rs. 10 each	120000000	120000000
	120000000	120000000
ISSUED, SUBSCRIBED AND PAID UP :		
6589096 Equity shares (6589096 Equity Shares in Previous Year) of Rs. 10 each fully paid up (Out of which, 2275520 Equity Shares were issued as fully paid up Bonus Shares during Previous Year)	65890960	65890960
Total :>	65890960	65890960
SCHEDULE : 2 RESERVES AND SURPLUS :		
A. GENERAL RESERVE		
As per Last Balance Sheet	744800	23500000
Add : Transfer form Profit & Loss Account	0	0
	744800	23500000
Less : Utilised for issuing Bonus Shares	0	22755200
	744800	744800
B. SHARE PREMIUM	22767900	22767900
C. PROFIT AND LOSS ACCOUNT (As Per Profit & Loss Account)	103025417	85138931
Total :>	126538117	108651631
SCHEDULE : 3 SECURED LOANS :		
Term Loan	43932410	55986151
Vehicle Loan	615100	
Working Capital Loan	151123273	96311811
Total :>	195670783	152297963
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	2898672	0
From Directors and other	33734863	14341336
From Bank	15217786	3428260
Total :>	51851321	17769596



SCHEDULE : 5 : FIXED ASSETS :

SR. NO.	TYPE OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK								
		AS ON 01.04.2008	ADDITION / ADJUSTMENT DURING THE YEAR	4	SALES / ADJUSTMENT DURING THE YEAR	5	UP TO 31.03.2008	DEDUCTION ON ACCOUNT OF SALES / ADJUSTMENT	8	FOR 2008-2009	9	UP TO 31.03.2009	10	AS ON 31.03.2009	11	AS ON 31.03.2008	12	
1	2	3																
1	COMPUTER	938413	99498	0	1057911	470818	0	203087	673905	364006	467595							
2	FURNITURE	1256619	20660	0	1277279	131410	0	206691	338101	939178	1125209							
3	VEHICLES	4952093	1954432	0	6906525	791154	0	1086906	1878060	5028465	4160939							
4	PLANT & MACHINERY	154985410	31053044	0	186038454	50509151	0	16562586	67071737	118966747	104476259							
5	BUILDING	32488766	316891	0	32805657	4668980	0	2737629	7406609	25399048	27819786							
6	FACTORY LAND	2670875	160250	0	2831125	0	0	0	0	2831125	2670875							
7	WIP (Building & Plant & Machinery)	0	11533375	0	11533375	0	0	0	0	11533375	0							
	TOTAL	197292176	45138150	0	242430326	56571513	0	20796899	77368412	165061914	140720663							
	PREVIOUS YEAR TOTAL	138029238	59262938	0	197292176	29057609	0	27513904	56571513	140720663	108971629							



GYSCOAL ALLOYS LTD

SCHEDULES FORMING PART OF BALANCE SHEET

PARTICULARS	AS ON 31.03.2009 Rupees	AS ON 31.03.2008 Rupees
SCHEDULE : 6 INVESTMENTS :		
Long Term (Unquoted)		
Eq. Share Navrang Organizer Pvt. Ltd. (20893 shares of Rs. 10 each fully paid up at cost)	208930	208930
Share of Mrudul Tower Association (1 share of Rs. 100 each fully paid up at cost)	100	100
Total :>	209030	209030
SCHEDULE : 7 SUNDRY DEBTORS :		
(Unsecured, Considered Good)		
Debts Outstanding for a Period Exceeding Six Months	35533340	29803654
Other Debts	218150805	104745809
Total :>	253684145	134549463
SCHEDULE : 8 CASH AND BANK BALANCE :		
(a) Cash on hand	1914402	4996175
(b) With Schedule Banks :		
In Current Accounts with L.C. Margine	20970782	1264220
(ii) Fixed Deposits	10528595	0
Total :>	33413780	6260395
SCHEDULE : 9 LOANS AND ADVANCES :		
(Unsecured, Considered Good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	9781368	11960731
Deposits	8304736	41905781
Duties and Taxes	11409498	4115742
Prepaid Expenses	154594	239217
Staff Advances	131849	161213
Total :>	29782045	58382685
SCHEDULE : 10 INVENTORIES :		
Finished Goods	114151968	158206099
Raw Material	193494199	164368750
Total :>	307646167	322574849
SCHEDULE : 11 CURRENT LIABILITIES :		
Sundry Creditors	226161509	246034195
Advance from Customers	27738887	799263
Other Current Liabilities	268367	15491635
Total :>	254168763	262325093
SCHEDULE : 12 PROVISIONS :		
Provision for Taxation	39767437	45717810
Provision for FBT	264313	87979
Provision for Expenses	451656	257389
Provision for Gratuity	733798	537657
Total :>	41217204	46600835



GYSCOAL ALLOYS LTD

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNTS

PARTICULARS	As on 31.03.2009 Rupees	As on 31.03.2008 Rupees
SCHEDULE : 13 SALES :		
SALES AND INCOME FROM OPERATION		
Gross Sales :	1353723082	1404617748
Less : Excise Duty	110565529	173558052
Less : VAT & CST	48392356	47516458
	158957885	221074510
Total :>	1194765197	1183543238
SCHEDULE : 14 INCREASE/(DECREASE) IN FINISHED STOCK :		
VALUE OF FINISHED STOCK		
Closing Stock as at 31.03.2009	114151968	158206099
Opening Stock as at 01.04.2008	158206099	55378053
Less : Excise Duty Adjustment	19938227	0
	138267872	55378053
Total :>	-24115904	102828046
SCHEDULE : 15 INCOME FROM OPERATION / JOB WORK :		
Job Work & Other Income from Operation	80192701	35749682
Total :>	80192701	35749682
SCHEDULE : 16 OTHER INCOME :		
Other Income	900594	688519
Exchange Rate Fluctuation Income	3062024	254699
Interest Earned	1010393	753853
Total :>	4973011	1697071
SCHEDULE : 17 RAW MATERIAL CONSUMED :		
Opening Stock	164368750	127224412
Add : Purchase	1178533999	1170180359
	1342902749	1297404771
Less : Purchase Return & Rate Difference	67742047	73253821
Less : Closing Stock	193494199	164368750
	261236246	237622571
Total :>	1081666503	1059782200



GYSCOAL ALLOYS LTD

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNTS

PARTICULARS	As on 31.03.2009 Rupees	As on 31.03.2008 Rupees
SCHEDULE : 18 MANUFACTURING EXPENSES :		
Power & Fuel	36231331	26948994
Salary & Wages	13956841	12731699
Stores & Spares	1520503	1016734
Repairing & Maintenance Expenses	87605	931937
Other Manufacturing Expenses	8421220	32940220
Total :->	60217500	74569584
SCHEDULE : 19 EMPLOYEES' REMUNERATION AND BENEFITS :		
Director Remuneration	840000	789750
Employee's salary & Bonus	3271409	2306239
Total :->	4111409	3095989
SCHEDULE : 20 ADMINISTRATIVE & OTHER EXPENSES :		
Advertisement Expenses	132500	20128
Auditor Remuneration	66180	67416
Commission Expenses	559974	367948
Donation Expenses	0	137212
Facilitator Charges	0	1841940
ISO Certificate Expenses	23034	38342
Director Promotion Expenses	0	11849
Loss On Comodity Transaction	350881	
L. C. Charges	0	3851775
Material Testing Expenses	12129	8131
Octroi charges	0	22315
Printing, Stationary & Zerox Expenses	223860	206453
Professional Tax	2400	1000
ROC Filing Expenses	0	15441
Hotel & Boarding Exps.	359307	
Sales Promotion Expenses	0	55490
Service Tax Expenses	4580	10206
Stamp Duty Expenses	547175	109163
Subscription and Member Fees	44282	32598
Telephone Expenses	691825	544697
Website Renewal Expenses	5851	7969
Repairing & Maintenance Expenses	226242	111432
Registration & Licence Fees	78233	0
Bank Charges	1213491	739462
Computer Expenses	66875	80733
Professional, Legal & Consultancy Expenses	2520547	2187860
Vehicle Expenses	716950	681701
Electricity Burning Expenses (Office)	362975	202731
Local Taxes & Levies	51536	694632
Insurance Expenses	335795	285550
Penalty and Interest on Late Payment of Taxes	1258336	636846
Misc. Expenses	378606	1332806
Office Expenses	310179	286828
Postage & Courier Expenses	53521	30070
Staff Welfare Expenses	132815	61262
Travelling Expenses	1848787	2011083
Custom, Clearing & Forwarding Expenses	3690735	1145768
Total :->	16269601	17838837



GYSOAL ALLOYS LTD

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNTS

PARTICULARS	As on 31.03.2009 Rupees	As on 31.03.2008 Rupees
SCHEDULE : 21 FINANCE CHARGES :		
Interest on Fixed Loan	10446390	9700120
Interest on Working Capital & other Loan	31826175	16425734
Total :->	42272566	26125854



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 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 it 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.



GYSCOAL ALLOYS LIMITED

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	8715890	5439309

Fringe Benefit Tax is accounted for in accordance with provision of the Income Tax Act, 1961.



GYSCOAL ALLOYS LIMITED

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.

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. 652.31 lacs (Net) out of total turnover of Rs. 11947.65 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. 180000
2. Manish M shah	Director	Directors Remuneration of Rs. 240000 Unsecured Loan Taken of Rs. 3450701 Unsecured Loan Repaid of Rs. 1542451
3. Viral M. Shah	Director	Directors Remuneration of Rs. 420000 Unsecured Loan Taken of Rs. 12875000 Unsecured Loan Repaid of Rs. 2535000
5. Mona Shah	Share Holder Having Significant influence over The enterprise	Remuneration of Rs. 144000 Unsecured Loan Taken of Rs. 7325000 Unsecured Loan Repaid of Rs. 2740000
6. Sarojben M. Shah	Share Holder Having Significant influence over the enterprise	Remuneration of Rs. 150000
7. Dipali Shah	Share Holder Having Significant influence over The enterprise	Remuneration of Rs. 96000 Unsecured Loan Taken of Rs. 2000000 Unsecured Loan Repaid of Rs. 300000
8. K. H. Solanki	Relative of Director	Unsecured Loan Taken of Rs. 373397



GYSKOAL ALLOYS LIMITED

(2) Managerial Remuneration

	Current Year	Previous Year
Directors Remuneration	840000	786000

(3) Auditors Remuneration

	Current Year	Previous Year
Payment to Auditors		
- For Audit	50000	50000
- For Taxation Matter	16180	17416

(4) Earning Per Share

Net Profit after Tax	178.86 Lacs	730.55 Lacs
Weighted Avg. No. of Shares	65.89 Lacs	61.786 Lacs
Basic & Diluted Earning Per Share	2.71 Rs.	11.82 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	2008-09
Present Value of Obligation as at the beginning of the year.	5,37,657
Current Service Cost	2,11,085
Interest Cost	42,529
Actuarial (Gain)/Loss on obligation	(57,473)
Present Value of Obligation as at the end of the year	7,33,798

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

Particulars	2008-09
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	2008-09
Present Value of Obligation as at the end of the year	7,33,798
Fair Value of Plan Assets at the end of the year	0
Net Assets/(Liability) recognized in Balance Sheet	(7,33,798)

*Recognized to the extent of Rs. 1,96,141 in profit and loss account.



GYSCOAL ALLOYS LIMITED

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

Particulars	2008-09
Current Service Cost	2,11,085
Interest Cost	42,529
Expected Return on Plan Assets	0
Net Actuarial losses (gains) recognized in year	(57,473)
Expenses Recognized in the statement of Profit & Loss	1,96,141

E. Actuarial Assumptions

Particulars	2008-09
Discount Rate	7.91%
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. 652.31 lacs (USD 1475540) while there was outflow of Rs. 118.79 lacs (USD 271154) during the year. The Company uses Foreign Currency Forward Contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.
- (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/-
- (11) **Contingent Liabilities not provided for in respect of :**
- Claims against the company not acknowledged as debt Rs. Nil (Previous year Rs. Nil)
 - Letter of credit issued by bank on behalf of the company Rs. 1359 lacs (Previous year Rs. 1266.25 lacs)
- (12) 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.
- (13) Previous year figures have been regrouped / recasted to make them comparative with those of the current years.



GYSCOAL ALLOYS LIMITED

(14) Wherever supporting evidence is not available, we have relied on the internal vouchers authenticated by the Directors.

(15) 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. per annum)	14572
Production during the year - Job Work Basis (M.T. per annum)	3116
Total Capacity Utilization (%)	98.27%

(16) 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	0.000	0.000	1157.355	1062.22	0.000	0.000	52.900	74.208
S.S ROUND	49.895	126.74	1082.600	1098.89	0.000	0.000	0.000	0.000
S.S BILLET/INGOT	35.330	57.134	1140.145	1549.07	19.830	19.839	111.595	171.13
S.S PLATE AND ITS PRODUCTS	49.985	66.24	0.000	0.000	46.385	49.423	0.000	0.000
M.S PLATE/INGOT/SCRAP	4.995	0.770	109.920	42.110	0.000	0.000	15.445	5.863
S.S RCS	0.000	0.000	29.790	63.154	0.000	0.000	0.000	0.000
FURNACE OIL	81.899	22.560	523.040	111.475	0.000	0.000	1.000	0.139
COAL / G.C SHEET	10.310	0.380	0.000	0.000	0.000	0.000	6.455	0.238
OLD & USED PLATE	0.000	0.000	31.115	5.539	0.000	0.000	31.115	5.539
S.S ANGLE	0.000	0.000	255.430	0.000	0.000	0.000	0.000	0.000
S.S SCRAP MODVATEBLE	186.347	395.990	2004.874	1602.097	0.000	0.000	877.396	1046.182
S.S SCRAP NON MODVATEBLE	17.295	43.750	865.743	659.906	0.000	0.000	106.694	138.702
M.S SCRAP	65.000	22.750	0.000	0.000	0.000	0.000	0.000	0.000
S.S FLAT	222.815	545.890	414.200	636.206	126.530	77.301	0.000	0.000
S.S ROUND	57.030	148.278	0.000	0.000	0.000	0.000	0.000	0.000
S.S ROUND CUTTING	0.000	0.000	272.990	434.790	0.000	0.000	112.170	249.699
BASIC RAMMING MASS	0.000	0.000	9.000	2.295	8.090	2.067	0.000	0.000
S.S PATTI PATTI	0.000	0.000	100.895	49.887	0.000	0.000	0.000	0.000
S.S INGOT	0.000	0.000	1718.227	2317.094	0.000	0.000	38.200	21.117
S.S BILLET	119.815	242.170	0.000	0.000	76.150	26.690	0.000	0.000
S.S PRODUCTS	0.000	0.000	2192.990	2113.551	0.000	0.000	0.000	0.000
STORES & SPARES	0.000	0.000	0.000	0.000	0.000	0.000	0.000	192.512
CHEMICAL STOCK	25.283	20.310	26.125	27.202	0.000	0.000	30.020	29.602



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	187.740	365.180	1365.735	1416.328	113.445	183.780
S.S. PLAT AND THARE PRODUCTS	47.684	87.290	217.560	22.661	123.144	187.794
S.S. BILLET AND THARE PRODUCTS	5.829	12.300	0.000	0.000	5.829	12.300
S.S. FLAT AND THARE PRODUCTS.	234.985	403.310	3740.955	2749.992	171.955	246.427
S.S. ROUND AND THARE PRODUCTS	30.100	43.050	1047.175	1457.256	31.635	36.222
S.S. RCS	0.000	0.000	67.515	147.292	39.555	77.606
M.S. ANGLES AND THARE PRODUCTS	12.470	3.420	12.470	0.000	0.000	0.000
S.S. MISROLL	7.040	2.810	17.010	0.000	13.800	11.040
S.S. ROUGH BILLET	1.385	2.008	1.385	0.000	0.000	0.000
S.S. BILLET CUT PCS	72.815	178.396	72.815	79.712	0.000	0.000
M.S. TMT BARS	31.500	14.170	31.500	0.000	0.000	0.000
S.S. ROUND	0.000	0.000	1132.910	700.712	131.725	191.396
S.S. ANGLE CUTTING	0.000	0.000	283.400	377.985	11.835	15.326
S.S. PATTI	0.000	0.000	0.465	0.261	0.000	0.000
S.S. INGOT	51.573	100.320	2774.404	1632.519	142.443	183.181
S.S. FLAT CUTTING	201.135	322.190	201.135	147.022	0.000	0.000
S.S. PRODUCT	0.000	0.000	2192.990	2966.183	0.000	0.000

As per our separate report annexed herewith of even date

**For, RANGANI & PATEL
CHARTERED ACCOUNTANTS**

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

S.G. Patel

**S. G. PATEL
PARTNER**

AHMEDABAD
DATE : 07/09/2009



M.M. Shah

**MANISH SHAH
DIRECTOR**

AHMEDABAD
DATE : 07/09/2009



Viral Shah

**VIRAL SHAH
DIRECTOR**

GYSCOAL 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	Nil

III Position of Mobilisation and Deployment of Fund

(Rs. In 'ooo)

i	Total Liabilities	496781
ii	Total Assets	496781
iii	Sources of Fund	
	1) Paid up Capital	65891
	2) Reserves & Surplus	126538
	3) Secured Loans	195671
	4) Unsecured Loans	51851
	5) Deferred Tax Liability	19905
	6) Share Application Money	36925
iv	Application of Fund	
	1) Net Fixed Assets	165062
	2) Net Current Assets	329140
	3) Investments	209
	4) Misc. Expenditure	2370

IV Performance of the Company

1) Turnover (Total Income)	1255815
2) Total Expenditure	1225335
3) Profit before Tax	30480
4) Profit After Tax	17886
5) Earning per Share	Rs. 2.71
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 CUTTING

