

Directors' Report

To the members

Your Directors have pleasure in presenting the 7th Annual Report of the Company and the Annual Accounts for the year ended 31st March, 2011.

1. WORKING RESULTS

(Rs. in Lacs)

Financial Results	2011	2010
Income from operation	55,658.56	43,311.59
Other Income	1,187.25	116.12
Profit before Interest, Depreciation and Tax	5826.24	6521.38
Less : Interest	1,232.80	1400.61
Profit before Depreciation & Tax	4593.44	5120.77
Less : Depreciation (including amortization)	1,567.50	1528.13
Profit Before Tax	3025.94	3592.64
Provision for Tax :		
- Current	603.78	611.29
- Deferred	129.91	626.46
Profit After Tax	2,292.25	2354.89

2. PERFORMANCE REVIEW

During the year your Company has reported a turnover of Rs. 55,658.56 Lacs. The operating profit stood at Rs. 5826.24 Lacs. The Profit before Tax and Profit after Tax remains Rs. 3025.94 Lacs and Rs. 2292.25 Lacs respectively. Increase in turnover during the year is result of various strategic initiatives taken by the Company to improve its volumes and profitability. However, profitability of the Company remains lesser than that of previous year mainly due increase in input cost.

Your Company was availing area based excise exemption as the unit is set up in Kutch, Gujarat for five years. The period of said exemption has been completed in December, 2010. And also your Company was getting sales tax incentive which has also been exhausted in September ' 2010.

Yours Directors are pleased to report that irrespective of completion of incentive period, your Company has shown an excellent performance in terms of both financial and operational performance.

3. PROJECTS AND EXPANSION INITIATIVES

The Company has decided to set-up a new Pellet plant with beneficiation unit at village-Halavarthi, Taluka and District - Koppal, Karnataka. Company has acquired a land of 106 acres (approx.) for the expansion plan as above and has also obtained clearances for the new project from the

Karnataka Government and Ministry of Environment and Forests. However, the size and shape of the project is yet to be decided.

4. DIVIDEND

In view of conserving resources of the Company for future plan and to strengthen its fund and liquid position, Directors are unable to recommend any dividend.

5. DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000 your Directors state that :

- The Applicable Accounting Standards have been followed in the preparation of Annual Accounts.
- That the accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011.
- That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

Directorts' Report

D. That the Annual Accounts have been prepared on a going concern basis.

6. CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance together with Auditors' Certificate on Corporate Governance is appended to the Annual Report. Your Company is committed to achieving the highest standards of Corporate Governance and has complied with the requirements of Clause 49 of the Listing Agreement. Further, as required under Clause 49 of the Listing Agreement a Management Discussion and Analysis Report is appended to the Annual Report.

7. INITIAL PUBLIC OFFER OF EQUITY SHARES BY GALLANTT ISPAT LIMITED

M/s. Gallantt Ispat Limited (GIL), a Company under the same Group has come out with Initial Public Offer (IPO) of 81,00,208 Equity Shares of Rs. 10/- each at a Premium of Rs. 40/- per Equity Share. Your Company has promoted GIL as a Promoter of the Company. GIL has successfully concluded IPO and received overwhelming response from the public. Equity Shares of GIL is listed with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

8. LISTING INFORMATION

The Equity Shares in the Company are in dematerialized form and is listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fee has been paid to the Stock Exchanges for the year 2011-12. The ISIN No. of the Company is I N E 2 9 7 H 0 1 0 1 9.

9. FIXED DEPOSITS

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

10. PARTICULARS OF EMPLOYEES

No employee of the Company is covered under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

11. AUDITORS & AUDITORS' REPORT

M/s. A. K. MEHARIA & ASSOCIATES, Chartered Accountants, statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The

Company has received a certificate from them that their reappointment, if made, would be within the limits laid down under Section 224 (1B) of the Companies Act, 1956.

The notes on accounts referred to the Auditors' Report are self-explanatory and therefore, do not call for any further explanation.

12. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO

The particulars as prescribed under sub-section 1(e) of Section 217 of the Act, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is annexed hereto and form part of the report.

13. PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

Accelerating sales force performance is a key priority for Companies. Company is in continuous process of discussing the methods for developing a go-to-market strategy and designing sales forces. Your Company relies on its sales teams to deliver revenue growth, and entrust to them their most valuable assets - customers. In turn, your Company's sales teams brought a remarkable growth in the sales volume and profit margin irrespective of cut throat competition. The industrial relations continued to be cordial.

14. DIRECTORS

Mr. Dinesh R. Agarwal, Director of your Company, retires from the Board by rotation and eligible for re-election.

15. ACKNOWLEDGEMENT

Your Directors would like to acknowledge and place on record their sincere appreciation to all Stakeholders, Customers, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.

On behalf of the Board

Place : Kolkata
Date : July 15, 2011

C. P. Agarwal
Chairman

Annexure to Directors' Report

Information pursuant to Section 217(1)(e) of the Companies Act, 1956

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

Energy conservation continued to be an area of priority. Your Company accords highest priority for conservation of energy and necessary measures for optimizing energy consumption have been taken i.e., close and vigorously monitoring of various plants and equipments, adopting new and latest technology etc.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy - Nil

(c) In respect of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods - This has resulted in cost savings for the Company.

(d) Total energy consumption and energy consumption per unit of production as per Form "A" of the Annexure in respect of industries specified in the Schedule thereto :

FORM-A

Disclosure of Particulars with respect to conservation of energy

	2010-11	2009-10
A. Power & Fuel Consumption		
1. Electricity		
(a) Purchased		
Total Unit (in Lacs)	110.66	95.28
Amount (Rs. in Lacs)	740.87	836.51
Rate Per Unit (Rs.)	6.70	8.78
(b) Own Generation		
Total Units (in Lacs)	1605.59	1688.11
Amount (Rs. in Lacs)	5939.56	5027.42
Rate per Unit (Rs.)	3.70	2.98
2. Coal		
Quantity (M.T.)	223717	199450
Total Cost (Rs. in Lacs)	9114.07	7253.99
Average Rate (Rs. per M.T.)	4074	3637
3. Furnace Oil		
Quantity (K. Ltrs.)	170.214	106.884
Total Cost (Rs. in Lacs)	42.40	34.04
Average Rate (Rs. / K. Ltrs.)	24910	21158
B. Consumption per unit of production		
1. Electricity (Unit/M.T.)		
- Sponge Iron	68	73
- Rolling	95	95
- SMS (Furnace)	744	800
2. Coal		
- Sponge Iron (Kg/M.T.)	1097	1136
- Rolling (M.S. Bar) (Kg./M.T.)	101	88
- Power Plant (Per 1000 KWH)	700	557

Annexure to Directors' Report

FORM - B

Disclosure of Particulars with respect to technology absorption

RESEARCH & DEVELOPMENT (R&D)

Specific areas in which R & D carried out by the Company

No Research & Development work has been carried out by the Company.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation etc.

- Absorbing and adapting latest technology in maintenance system.
- Technical Interaction with expert.
- Continuous efforts are being made towards improvements in existing production process.

2. Benefits derived as a result of the above efforts

- Improvement in quality of products.
- Cost reduction
- Improvement in the existing process and productivity.
- Knowledge of updated technology.

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to export, initiative taken to increase exports, development of new export markets for products and export plans. - Nil
2. The information on foreign exchange earnings and outgo has been discusses in schedule 'T' point No. 7 (Notes on accounts)

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

CORPORATE GOVERNANCE PHILOSOPHY

Your Company believes in good Corporate Governance which in turn provides transparency of corporate policies, strategies and the decision making process. As a part of its growth strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance.

Corporate Governance at Gallantt Metal is an ongoing process and the Company continuously strives to improve upon its practices in line with the changing demands of the business environment. This chapter reports and confirms that your Company complies with the requirements on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, the details of which are given hereunder :

I. BOARD OF DIRECTORS

Size and Composition of the Board

The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Board is balanced comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals. The Board has strength of Six Directors as on 31st March, 2011. Our Board of Directors has Three Independent Directors.

During the financial year ended 31st March, 2011 Ten meetings of the Board were held on 20th April, 2010, 29th May, 2010, 24th June, 2010, 2nd August, 2010, 12th August, 2010, 06th September, 2010, 25th October, 2010, 12th November, 2010, 20th December, 2010, and 11th February, 2011. The maximum time gap between any two consecutive meetings did not exceed four months. The details regarding the attendance of Directors at the Board Meetings, Number of other Directorships and Committee positions held by them in other Companies as on 31st March, 2011 are given below :

Report on Corporate Governance

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 10 meetings held during the year	No. of other Directorships	Committee Positions held	
					Chairman	Member
Mr. Chandra Prakash Agarwal Chairman & Managing Director	Executive/ Promoter	Yes	9	1	Nil	Nil
Mr. Nitin M Kandoi Director	Non-Executive Non-Independent/ Promoter	No	6	1	Nil	Nil
Mr. Dinesh R. Agarwal Whole-time Director	Executive/ Promoter	No	6	Nil	Nil	Nil
Mr. Jyotirindra Nath Dey	Non-Executive Independent	Yes	10	2	1	2
Mr. Rajesh Kumar Jain	Non-Executive/ Independent	No	8	1	1	2
Mr. Virendra Kumar Keshari	Non-Executive/ Independent	Yes	10	1	1	2

Notes :

- Mr. Virendra Kumar Keshari, Mr. Rajesh Kumar Jain and Mr. Jyotirindra Nath Dey have been considered as Independent Directors as they do not have any material pecuniary relationship or transactions with the Company, its promoters, its management, etc. which in judgment of the Board, may affect independence of their judgment.
- Other Directorships of only Indian Public Limited Companies have been considered.
- Committee positions of only 3 committees namely Audit Committee, Share Transfer and Investors'/Shareholders' Grievance Committee and Remuneration Committee have been considered.
- The Company placed before the Board of Directors the annual operating plans, capital budgets, the information on recruitment and remuneration of senior officers just below the board level, performance and various other information, including those specified under Annexure I of the Listing Agreement from time to time.

Changes in composition of the Board of Directors since last Report

There is no change in the composition of the Board of Directors of the Company since last Report.

Reappointment of Director

The brief particulars of the Directors of the Company proposed to be re-appointed at the ensuing Annual General Meeting are as under :

(a) Name of the Director	Mr. Dinesh R. Agarwal
Date of Birth	13.12.1967
Date of Appointment	07.02.2005 (Since Incorporation)
Qualifications	B. Com(H)
Experience	Mr. Dinesh R. Agarwal, a promoter Director of the Company having experience of 22 years in textiles sector and more than a decade in iron and steel sector. In his capacity as Whole-time, he is managing all entire marketing and general

Report on Corporate Governance

	administrative division of the Company. During this period and under his Directorship, the Company has completed and achieved various targets and plans and the Company achieved higher levels of growth. His expertise in the steel and power businesses has been instrumental in contributing to the growth of the Company.
Directorship in other Companies	1. Ganesh Laxmi Processor Pvt. Ltd.
	2. G. L. Sarees Pvt. Ltd.
	3. Kadodara Power Pvt. Ltd.
	4. G. L. Steel & Power Ltd.
Membership/Chairmanship of Committees of the other public companies on which he is a Director.	Nil
No. of Shares held in the Company	210000

Code of Conduct

The code of conduct in line with the provisions of clause 49 of the Listing Agreement has been framed / adopted by the Board and is applicable to all the members of the Board and Senior Management Executives. This Code forms an integral part of the Company's Governance Policy. The Code has been posted on the web site of the Company www.gallantt.com. Declaration of compliance of the Code of Conduct in terms of sub clause (ii) of clause 49(I)(D) of listing agreement is given hereunder :

"The Board of Directors of Gallantt Metal Limited has pursuant to sub clause (i) of Clause 49 (I) D of the Listing Agreement laid down Code of Conduct for all Board members and senior managerial personnel of the Company which has also been posted on the website of the Company, viz. www.gallantt.com.

In terms of sub-clause (ii) of the said clause and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that Directors and the members of senior management of the Company have complied with the Code of Conduct during the financial year 2010-11".

Place : Kolkata

Date : July 15, 2011

Chandra Prakash Agarwal

Chairman and Managing Director

II. COMMITTEES OF THE BOARD

Audit Committee

Audit Committee has been constituted in accordance with the requirements of Section 292A of the Companies Act, 1956 and the terms of reference are in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. During the year ended 31st March, 2011, the Audit Committee comprised of Mr. Virendra Kumar Keshari, an Independent Director, as the Chairman, Mr. Jyotirindra Nath Dey and Mr. Rajesh Kumar Jain all independent Directors as Members. Mr. Rajesh Upadhyaya, Company Secretary acts as the Secretary to the Committee.

The Committee, in addition to other business reviews the quarterly (unaudited) financial results, annual accounts, before submitting to the Board of Directors. During the year 2010-11, six meetings were held on 1st April, 2010, 29th May, 2010, 2nd August, 2010, 12th August, 2010, 12th November, 2010 and 11th February, 2011.

The constitution of the committee and the attendance of each member of the committee are given below :

Names	Designation	Category	Committee Meeting Attended
Mr. V. K. Keshari	Chairman	Independent	6
Mr. J. N. Dey	Member	Independent	6
Mr. R. K. Jain	Member	Independent	6

Report on Corporate Governance

REMUNERATION COMMITTEE

During the year ended 31st March, 2011, the Remuneration Committee comprised of Mr. Jyotirindra Nath Dey, an Independent Director, as the Chairman and Mr. Virendra Kumar Keshari and Mr. Rajesh Kumar Jain all independent Directors as Members. Mr. Rajesh Upadhyaya, Company Secretary acts as the Secretary to the Committee.

The Remuneration Committee was constituted to discharge the Board's responsibilities relating to compensation of the Company's executive directors and senior management. During the year 2010-11, one meeting of the Remuneration Committee was held on 29th May, 2010.

The constitution of the committee and the attendance of each member of the committee are given below :

Names	Designation	Category	Committee Meeting Attended
Mr. J. N. Dey	Chairman	Independent	1
Mr. V. K. Keshari	Member	Independent	1
Mr. R. K. Jain	Member	Independent	1

Remuneration of Directors

(a) Executive Directors (Managing / Whole-time Directors)

The aggregate value of salary and perquisites paid for the year ended 31st March, 2011 to Managing/Whole-time Directors are as follows :

Name	Designation	Aggregate Value of Salary & Perquisites (Rs.)
Mr. Chandra Prakash Agrawal	Managing Director	12,00,000/-
Mr. Dinesh R. Agarwal	Whole-time Director	12,00,000/-

The Remuneration to the Executive Directors is determined by the Remuneration Committee within the statutory limit subject to the approval of shareholders of the Company. As per the agreement entered into with the Executive Directors there is no provision for severance fees to the Directors on termination of the employment. Further, the Company has not yet introduced any stock option to its Directors/Employees. The Executive Directors are under a contract period of 5 years.

(b) Non-Executive Directors

The Company has not paid any remuneration to Non-executive Directors other than sitting fees for attending the meetings of the Board and Committees of the Board of Directors of the Company. The Company pays sitting fees of Rs. 500/- to its Non-executive Directors for attending the meeting of the Board of Directors or Committees of the Board.

Share Transfer & Shareholders/Investors Grievance Committee

During the year ended 31st March, 2011, the Share Transfer & Shareholders/Investors Grievance Committee comprised of Mr. Rajesh Kumar Jain, an Independent Director, as the Chairman and Mr. Virendra Kumar Keshari and Mr. Jyotirindra Nath Dey all independent Directors as Members. Mr. Rajesh Upadhyaya, Company Secretary acts as the Secretary to the Committee and also as the Compliance Officer.

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redressal of shareholders'/investors' complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc.

A status report of shareholder complaints and redressal thereof is prepared and placed before the Share Transfer & Shareholders/Investors Grievance Committee. The shareholders/investors can register shares related complaints, if any, in the e-mail Id rajesh@gallantt.com designated exclusively for the purpose.

During the year 2010-11, no meeting of the Share Transfer & Shareholders/Investors Grievance Committee was held.

III. SUBSIDIARY COMPANY

Company has no Subsidiary Company(s).

Report on Corporate Governance

IV. DISCLOSURES

- a. There were no materially significant related party transactions i. e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. The related party transactions are duly disclosed in the "Notes on Accounts" to the Balance Sheet.
- b. There were no cases of non-compliance by the Company and no penalties / strictures imposed on the Company by any statutory authority on any matter.

General Body Meetings

Location and time of last 3 Annual General Meetings are as under :

Year	Venue	Date	Time
2010	EZCC, 'Aikatan', IA - 290, Sector - III, Salt Lake City, Kolkata - 700 097.	24.09.2010	11.30 A.M.
2009	EZCC, 'Aikatan', IA - 290, Sector - III, Salt Lake City, Kolkata - 700 097.	23.09.2009	12.00 Noon
2008	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	18.09.2008	11.00

Details of Resolutions passed through Postal Ballot

No resolution has been passed by the Company through postal ballot during the year under report.

Compliance Certificate

Compliance Certificate for Corporate Governance from the Auditors of the Company is annexed herewith.

Means of Communication

In accordance with Clause 54 of the Listing Agreement, the Company has maintained a functional website at www.gallantt.com containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, etc. The contents of the said website are updated from time to time.

The Quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board. These are also published in the prescribed format within 48 hours of the conclusion of the meetings of the Board in which they are considered and approved, in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of West Bengal. These results are simultaneously posted on the website of the Company at www.gallantt.com

Management Discussion & Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report.

Compliance Officer

The Board has designated Mr. Rajesh Upadhyaya, Company Secretary as the Compliance Officer.

Address : 11, Crooked Lane, Second Floor, Kolkata - 700 069.

Tel : +91-33-22312429.

GENERAL SHAREHOLDER INFORMATION

1. Date, Time and Venue of 7th AGM	Wednesday, 28th September, 2011 at 11.30 A.M. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017
2. Financial Calender	1st April to 31st March
3. Dates of book closure	22nd September, 2011 to 28th September, 2011
4. Listing on stock exchanges	Bombay Stock Exchange Ltd. (BSE) National Stock Exchange of India Ltd. (NSE)
5. Listing fees for 2011-12	Paid for both the Stock Exchanges
6. Electronic Connectivity	National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd.

Report on Corporate Governance

7. Registered Office	11, Crooked Lane, Second Floor Kolkata - 700 069. Tel : +91-33-22312429; Fax : +91-33-22312429 Website : gallantt.com E-mail : gml@gallantt .com
8. Works Office	Near Toll Gate, Village- Kamakhyali, Taluka-Bachau, District- Kutch, Gujarat. Telefax : +91-2837-283555/557
9. Registrar and Share transfer agent	Share transfers in physical form and other communication regarding share Transfer, certificates, dividends, change of address, etc. may be addressed to : NICHE TECHNOLOGIES PVT. LTD. D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata - 700 001 Phone Nos. :- +91-33-22156823 Fax No. :- +91-33-22156823 Contact Person: Mr. S. Abbas E-mail : gml@nichetechpl.com Web-site : www.nichetechpl.com

10. Stock Market Data

Monthly high and low quotations of shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the Year 2010-11.

(Amount in Rs.)

Year 2010-11	BSE		NSE	
	High	Low	High	Low
April	32.00	26.10	32.25	25.00
May	31.30	25.10	31.40	24.30
June	33.20	27.20	35.00	27.10
July	32.50	30.25	34.00	28.50
August	34.80	31.00	35.30	26.10
September	45.40	30.70	45.00	30.80
October	35.90	24.50	35.00	24.25
November	31.00	21.95	30.80	22.05
December	25.65	20.15	26.40	20.00
January	24.90	17.55	25.15	20.50
February	22.15	17.10	21.60	16.60
March	20.75	17.10	21.00	16.15

11. Share Transfer System

Shares sent for transfer in physical form are normally registered by our Registrar and Share Transfer Agents within 15 days of receipt of the documents, if documents are found in order. Share under objection are returned within two weeks.

12. Dematerialisation of Shares and Liquidity

The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL 99.23% of Equity Shares have been dematerialized as on 31st March, 2011.

13. Stock Code

Bombay Stock Exchange Limited 532726
National Stock Exchange of India Limited GALLANTT

Report on Corporate Governance

14. Distribution of Shareholding

The distribution of shareholding as on 31st March, 2011 was as follows

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	6533	72.22	1363914	1.68
501-1,000	1167	12.90	1012312	1.24
1,001-5,000	1021	11.28	2379100	2.93
5,001-10,000	133	1.47	1001499	1.23
10,001-50,000	120	1.33	2728167	3.35
50,001-1,00,000	29	0.32	2129035	2.62
1,00,001 and Above	43	0.48	70708297	86.95
TOTAL	9046	100	81322324	100

Categories of shareholding as on 31st March, 2011

Category (as Gallantt Metal reports to stock exchanges)	Shares Holdings	% of total
PROMOTERS' HOLDING :		
Promoters	41186092	50.64
Total Promoters' Holding	41186092	50.64
PUBLIC SHAREHOLDING :		
Institutional Investors		
Financial Institution Investor	5000000	6.15
Others		
Bodies Corporate	24762660	30.45
Individuals	9359625	11.51
NRI/OCBs	519015	0.64
Trust	5000	0.01
Clearing Member/Clearing Cor. (Demat shares in transit)	489932	0.60
Total Public Shareholding	40136232	49.36
Grand Total	81322324	100.00

15. Investor's Correspondence

For investor matters :

Rajesh Upadhyaya
 Company Secretary and Compliance Officer
 Secretarial Department
 Gallantt Metal Limited
 11, Crooked Lane
 Second Floor
 Kolkata - 700 069 (W.B.)
 Telefax :- +99-33-22312429

ADOPTION OF NON-MANDATORY REQUIREMENTS

Except constitution of Remuneration Committee, the Company has so far not implemented other Non-Mandatory requirements of the Code of Corporate Governance.

Report on Corporate Governance

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members

Gallantt Metal Limited

We have examined the compliance of the conditions of Corporate Governance by Gallantt Metal Limited for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company had complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that there are no investor grievances pending against the Company for the period exceeding one month as at 31st March, 2011 as per the records maintained by the Registrar and Transfer Agent of the Company and presented to the Investors Grievance Committee.

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 **A. K. Meharia & Associates**

Chartered Accountants

A. K. MEHARIA

Partner

Place : Kolkata

Date : July 15, 2011

CEO/CFO CERTIFICATION

The Board of Director

Gallantt Metal Limited

11, Crooked Lane, Second Floor,
Kolkata - 700 069.

Re : Financial Statements for the Financial year 2010-11 - Certificate by MD and Manager Accounts & Finance

We, Chandra Prakash Agarwal, Managing Director and Mr. Rajesh Upadhyaya, Manager Accounts & Finance and Company Secretary, of Gallantt Metal Limited on the review of financial statements and cash flow statement for the year ended 31st March, 2011 and to the best of my knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2011 which are fraudulent illegal or violative of Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining the financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or purpose to take rectify these deficiencies.
5. We have indicated to the Auditors & the Audit Committee:
 - (i) there have been no significant changes in internal control over financial reporting during the period.
 - (ii) there have been no significant changes in accounting policies during the period.
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Kolkata

July 15, 2011

Rajesh Upadhyaya

*Manager Accounts & Finance
and Company Secretary*

Chandra Prakash Agarwal

Managing Director

Management Discussion and Analysis Report

(forming part of the Report of the Directors for the year ended 31st March, 2011)

Business Environment

The global economy is recovering steadily from the lows of 2008. After shrinking by 0.6% in 2009, world economic output was back on positive track registering 5% growth in 2010. Much of the new growth impetus came from developing and emerging economies that witnessed 7.1% growth in 2010 compared to 2.6% in 2009. Even the advanced economies recovered from a 3.6% contraction in output in 2009 to a growth of 3% in 2010. These positive trends have led to lower risk perceptions, greater global financial stability and improved business sentiments.

Clearly, 2010-11 brought in good news on the macro-economic front in terms of growth. And economic growth and infrastructure development share a reciprocal relationship. While positive growth sentiments drive higher infrastructure investments, such investments and provision of adequate infrastructure support is essential to sustain over 8% growth over a period of time. In fact, the Planning Commission's XIth Five-Year Plan (2007-12) estimates a 15% compounded annual growth rate in infrastructure investment during the period. As a result, its share in GDP is expected to rise from 5.71% in 2006-07 to 8.37% in 2011-12. The infrastructure and steel industry in India is thus poised for significant growth.

Industry Outlook

Global Steel Industry reached a new high in 2010 after a disastrous 2008. The global demand growth was at 13% after a steep fall in 2008. Asia was the leading steel producer with a 64% share in global crude steel production. China was the largest producer with a 44% share, India ranked fifth in world crude steel production. In 2010, global steel production grew 15%, to 1414 MnT. Global finished steel consumption grew 13.1% to 1283 MnT in 2010. Steel consumption in emerging and advanced economies grew 9.1% and 25% respectively in 2010.

The Indian Steel Industry ranks fifth in the world with an estimated crude steel production of 63 MnT in F.Y. 2010-11. Integrated Steel Producers contributed 55% of the total crude steel production in 2010-11 and 45% by secondary producers.

In 2010-11, steel consumption grew at a healthy 10% from 59 MnT in 2009-10, to 66 MnT, owing to strong demand from infrastructure, construction, automobile, and industrial sectors.

According to estimates by the Ministry of Steel, India is slated to add around 200 MnT of capacity during the next decade, increasing overall crude steel capacity from 78 MnT in 2010-11 to around 280-290 MnT by 2020. Certain estimates suggest that India would emerge as the world's second largest steel producer by 2015-16.

Opportunity and Threats

Given the strong underlying growth momentum of the Indian economy, the outlook remains positive with a sustained increase in service sector growth, normalizing agricultural output due to expected favourable monsoon and robust private consumption. Further, the substantial governmental outlays on building physical and social infrastructure with thrust on public private partnership model of development is expected to lead to sustained growth in industrial sector.

The Eleventh Five Year Plan emphasized the importance of investment in infrastructure for achieving a sustainable growth of 9 to 10% in GDP over the next decade. The expected increase in infrastructure spend is positive for the steel industry. To grab these opportunities, your Company is in the process to start some new facilities.

Major challenges for your Company in near term shall be sustainability of demand under rising inflationary pressure while cost pressure squeezing the margins. The perceived threats for the Company are acute competition from existing steel Companies and also by new entrants in this field, increasing material cost, unremunerative prices and unavailability of good quality raw materials due to export of the same in raw form.

Risk & Concern

The steel industry is subject to cyclical swings arising from factors such as excess capacity, regional demand & supply imbalances and volatile swings in market demand and prices, more recently exacerbated by quarterly pricing for iron ore and metallurgical coal.

The years ahead could, however, be challenging as the government endeavors to curb inflationary growth. Fiscal policies to control inflation will affect access to credit and could slow down investment levels as also consumer demand. The most significant impact will however be from the slowdown in major infrastructure projects in the areas of road construction, mass transit systems, power generation and investments in primary industries.

Lignite and Limestone are raw material in the manufacture of products of the Company. As such the export of these materials may affect the profitability of the Company. The Company has been taking continuous modernization programme to maintain efficient operations.

Internal Control System

The Company has a proper and adequate system of internal control and commensurate with the size and nature of its business. The Company maintains periodical internal checks and conduct adequate internal audit, which provide safeguards and proper monitoring and vetting of transactions. The Company has always believed that transparency, system and controls are important factors in the success and growth of any organization. Internal Control System is integral part of Corporate Governance. The Audit Committee of the Board of Directors of the Company inter alia conducts pre-audit and post-audit checks to ensure follow-up on the observations made by the team. During the year the Audit Committee met regularly to review the financial results of the Company, and to ascertain adequacy of internal control systems in the Company. Your Directors are satisfied with the adequacy of the same.

Human Resources

Your Company recognises people as the primary source of its competitiveness, and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. The Company promoted an open and transparent working environment to enhance teamwork and build business focus. The year gone by has been quite significant for the Human Resource function of the Company.

Statutory Compliance

The Company Secretary, as Compliance Officer, ensures compliance of the SEBI regulations, provisions of the Listing Agreement, Companies Act and other applicable laws and regulations.

Future Outlook

India's rapid economic growth and soaring demand by sectors like infrastructure, real estate and automobiles, at home and abroad, has put Indian Steel Industry on the global map. The outlook for Indian Steel industry is very bright. India's lower wages and favourable energy prices will continue to promise substantial cost advantage compared to production facilities in Europe or the US. The outlook for demand for steel is encouraging.

Your Company's in-house consumption of entire Sponge Iron for manufacturing Billets, which are further rolled into TMT Bars along with installed 25MW Captive Power Plant utilizing the waste heat from the Sponge Iron Plant would improve the overall profitability of the project making it financially more viable. Various initiatives were taken up during the previous year to improve plant efficiency and enhance production.

Cautionary Statement

Statements made in this report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.