

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is an internalised process which drives your Company to remain in its path as a sustainable wealth creator for all its stakeholders - shareholders, customers, employees and the overall society at large within which it exists. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders.

BOARD OF DIRECTORS

I. Size and Composition of the Board

The Board is balanced comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals. The Board has been constituted in such a way that it has understanding and competence to deal with current and emerging business issues. The Board has strength of Six Directors as on 31st March, 2012. Our Board of Directors has Three Independent Directors.

During the financial year ended 31st March, 2012 Sixteen Meetings of the Board were held on 5th April, 2011; 25th April, 2011; 28th May, 2011; 20th July, 2011; 2nd August, 2011; 12th August, 2011; 6th September, 2011; 26th September, 2011; 28th September, 2011; 2nd October, 2011; 22nd October, 2011; 12th November, 2011; 1st December, 2011; 29th December, 2011; 14th February, 2012 and 29th March, 2012. 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, 2012 are given below :

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 16 meetings held during the year	No. of Other Directorships	Committee Positions held	
					Chairman	Member
Mr. Chandra Prakash Agarwal Chairman & Managing Director	Executive/ Promoter	Yes	16	1	Nil	Nil
Mr. Prem Prakash Agarwal Whole-time Director	Executive / Promoter	No	12	Nil	Nil	Nil
Mr. Nitin M Kandoi Whole-time Director	Executive/ Promoter	No	12	1	Nil	Nil
Mr. Jyotirindra Nath Dey Director	Non-Executive/ Independent	Yes	14	2	1	2
Mr. Rajesh Kumar Jain Director	Non-Executive/ Independent	No	14	1	1	2
Mr. Virendra Kumar Keshari Director	Non-Executive/ Independent	Yes	13	1	1	2
Mr. Piyush Kankrania Director	Non-Executive/ Independent	No	1	Nil	Nil	Nil

Notes :

- Mr. Virendra Kumar Keshari, Mr. Rajesh Kumar Jain, Mr. Jyotirindra Nath Dey and Mr. Piyush Kankrania 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

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judgment. Further, Mr. Virendra Kumar Keshari has resigned from the Directorship of the Company and Mr. Piyush Kankrania has been introduced in the Board as a Non-Executive Independent Director.

- 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:

Mr. Virendra Kumar Keshari has resigned from the Board of the Company with effect from 14th February, 2012. Further, Mr. Piyush Kankrania has been appointed as Additional Director of the Company at Board Meeting held on March 29, 2012.

APPOINTMENT & REAPPOINTMENT OF DIRECTOR :

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

Mr. Jyotirindra Nath Dey, Director of the Company retires by rotation and being eligible offer himself for reappointment at the forthcoming Annual General Meeting. Mr. Jyotirindra Nath Dey is an electrical engineer having experience of over 42 years in industry, management and engineering, development of technology, banking and commerce. He is a member of various professional bodies viz. Association of Consulting Engineering (I), Indian Society of Lighting Engineer, Arbitration Council of India, and many more.

Details of Mr. Jyotirindra Nath Dey are as under :

Name of the Director	Mr. Jyotirindra Nath Dey
Date of Birth	05.06.1937
Date of Appointment	10.10.2009
Qualifications	Electrical Engineer
Directorship in other Companies	Gallantt Metal Limited Princeton Comtrade Private Limited Saheli Goods Private Limited Concrete Credit Limited Woodland Trade-Link Private Limited. Nilgiri Vanijya Private Limited Pristine Dealer Private Limited Primelink Dealer Private Limited
Membership/Chairmanship of Committees of the other public companies on which he is a Director	Gallantt Metal Limited
No. of Shares held in the Company	Nil

Details of Mr. Piyush Kankrania are as under :

Name of the Director	Mr. Piyush Kankrania
Date of Birth	20.12.1987
Date of Appointment	29.03.2012
Qualifications	B-Com(H), Chartered Accountants

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Experience	Mr. Piyush Kankrania is a Commerce Graduate from Calcutta University and a qualified Chartered Accountant. He possesses rich experience over 3 years of in the filed of Accounts, Finance, Taxation, Auditing and Corporate Affairs. He has handled number of issues pertaining to above areas.
Directorship in other Companies Committees	NIL
Membership/Chairmanship of the other public companies on which he is a Director	NIL
No. of Shares held in the Company	NIL

CODE OF CONDUCT :

Code of Conduct for the Directors and Senior Management of the Company was adopted by the Board in its meeting. This Code has been laid down with a view to promote good corporate governance and exemplary personal conduct and is applicable to all the Directors and Senior Managerial Personnel of the Company. 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 Ispat 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 20011-12".

Chandra Prakash Agarwal
Chairman & Managing Director

Mayank Agrawal
CEO

COMMITTEES OF THE BOARD

II. AUDIT COMMITTEE :

The Company has constituted an Audit Committee 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. The Audit Committee is vested with role and powers as mentioned in para C & D respectively of Clause 49(II) of the Listing Agreement. All the Members of the Committee are Independent Directors and every Member has rich experience in the financial sector. The Company Secretary acts as Secretary to the Committee. Statutory Auditors, Internal Auditors and Senior Management Personnel of the Company can also attend the meetings by invitation. The recommendations of the Audit Committee are placed before the Board for its consideration and approval.

During the year ended 31st March, 2012, 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. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee.

Effective from February 14, 2012, Mr. Virendra Kumar Keshari relinquished Chairmanship of the Audit Committee (as resigned from the Board). Mr. Piyush Kankrania, Non-Executive Independent Director, has been appointed as Chairman of the Committee.

Mr. Virendra Kumar Keshari, then Chairman of the Audit Committee attended the last Annual General Meeting held on 28th September, 2011.

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 2011-12, six meetings were held on 28th May, 2011, 12th August, 2011, 6th September, 2011, 12th November, 2011, 14th February, 2012 and 29th March, 2012.

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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	5
Mr. J. N. Dey	Member	Independent	6
Mr. R. K. Jain	Member	Independent	5
Mr. P. Kankrania**	Chairman	Independent	1

*Resigned from the Committee with effect from 14th February, 2012.

**Mr. Piyush Kankrania has been appointed as a Chairman with effect from 29th March, 2012.

REMUNERATION COMMITTEE :

During the year ended 31st March, 2012, 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. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee.

Effective from February 14, 2012, Mr. Virendra Kumar Keshari relinquished Membership of the Remuneration Committee (as resigned from the Board). Mr. Piyush Kankrania, Non-Executive Independent Director, has been appointed as a Member of 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 2011-12, one meeting of the Remuneration Committee was held on 29th March, 2012.

Remuneration of Directors

(a) Executive Directors (Managing / Wholetime Directors)

The aggregate value of salary and perquisites paid for the year ended 31st March, 2012 to Managing/Wholetime Directors are as follows:

Name	Designation	Aggregate Value of Salary & Perquisites (Rs.)
Mr. Chandra Prakash Agarwal	Managing Director	6,00,000/-
Mr. Prem Prakash Agarwal	Wholetime Director	6,00,000/-
Mr. Nitin M Kandoi	Wholetime Director	6,00,000/-

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 is under a contract period of 5 years.

(b) Non-Executive Directors

Except sitting fees, the Company is not paying any remuneration to the 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, 2012, 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. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee and also as the Compliance Officer.

Effective from February 14, 2012, Mr. Virendra Kumar Keshari relinquished Membership of the Share Transfer & Shareholders/Investors Grievance Committee (as resigned from the Board). Mr. Piyush Kankrania, Non-Executive Independent Director, has been appointed as a Member of the Committee.

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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 nitesh@gallantt.com designated exclusively for the purpose.

During the year 2011-12, two meetings of the Share Transfer & Shareholders/Investors Grievance Committee were held on 30th November, 2011 and March 29, 2012.

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

Names	Designation	Category	Committee Meeting Attended
Mr. R. K. Jain	Chairman	Independent	2
Mr. V. K. Keshari*	Member	Independent	1
Mr. J. N. Dey	Member	Independent	2
Mr. P. Kankrania**	Member	Independent	1

*Resigned from the Committee with effect from 14th February, 2012.

**Mr. Piyush Kankrania has been appointed as a Member with effect from 29th March, 2012.

During the year Company has received One complaint which were successfully redressed.

III. SUBSIDIARY COMPANY :

Company has no Subsidiary Company(s).

IV. DISCLOSURES :

- There were no materially significant related party transactions i. e. transactions of the Company of material nature, which 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 Financial Statements."
- 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
2011	Bhartiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata - 700 017	28.09.2011	02.00 P.M.
2010	11, Crooked Lane, Second Floor, Kolkata - 700 069	06.09.2010	10.00 A.M.
2009	"ASHYANA", 29C, Bentinck Street, Kolkata - 700 069	20.08.2009	01.30 P.M.

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.

Information like quarterly/half yearly/annual financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board to enable them to put them on their websites and communicate to their members.

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The quarterly/half-yearly/annual financial results 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.

Shareholding Pattern and Corporate Governance Report are also filed electronically on NEAPS. NEAPS stands for NSE Electronic Application Processing System. NEAPS is a web based application designed by NSE for Corporates.

Management Discussion & Analysis Report

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

Compliance Officer

The Board has designated Mr. Nitesh Kumar, Company Secretary as the Compliance Officer.

Address: 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata- 700 069.

Phone : +91-33-40642189, Telfax : +91-33-22312429.

General Shareholder Information :

1. Date, Time and Venue of 8th AGM	Tuesday, 25th September, 2012 at 11.30 A.M. at Rabindra Okakura Bhavan, DD-27/A/1, Sector-1, DD Block, Salt Lake City, Kolkata-700 091
2. Financial Calender	1st April to 31st March
3. Dates of book closure	19th September, 2012 to 25th September, 2012
4. Listing on stock exchanges	Bombay Stock Exchange Ltd. (BSE) National Stock Exchange of India Ltd. (NSE)
5. Listing fees for 2012-13	Paid for both the Stock Exchanges
6. Electronic Connectivity	National Securities Depository Ltd. & Central Depository Services (India) Ltd.
7. Registered Office	1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata - 700 069 Phone : +91-33-40642189 Telfax : +91-33-22312429 Website : gallantt.com , E-mail : nitesh@gallantt.com
8. Works Office	Plot No. AL-5, Sector - 23, Gorakhpur Industrial Development Authority (GIDA) Sahjanwa, Gorakhpur, U.P. Phone : +91-551-2700302 Fax : +91-551-2700320
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 : nichetechpl@nichetechpl.com Website : www.nichetechpl.com
10. Dividend	A dividend of Re. 0.50 per equity share will be credited / dispatched on or after 30th September, 2012 subject to approval by the shareholders at the Annual General Meeting to be held on 25th September, 2012.

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11. 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 2011-12.

(Amount in Rs.)

Year 2011-12	BSE		NSE	
	High	Low	High	Low
April	101.50	71.10	104.00	72.00
May	97.95	86.00	98.00	82.95
June	98.20	86.00	98.00	80.00
July	98.10	87.05	106.60	88.00
August	91.50	85.00	98.00	87.20
September	103.00	88.55	101.70	88.20
October	118.80	95.00	118.45	97.00
November	119.10	112.00	119.10	111.95
December	116.75	67.40	116.00	74.85
January	64.05	35.10	71.15	38.45
February	46.45	40.00	46.70	39.00
March	44.20	38.65	45.00	38.70

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.

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 100.00% of Equity Shares have been dematerialized as on 31st March, 2012.

Stock Code :

Bombay Stock Exchange Limited	533265
National Stock Exchange of India Limited	GALLISPAT

Distribution of Shareholding

The distribution of shareholding as on 31st March, 2012 was as follows :

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	1394	87.78	1,61,986	0.61
501-1,000	55	3.46	42,730	0.16
1,001-5,000	74	4.66	1,57,692	0.59
5,001-10,000	12	0.75	92,504	0.35
10,001-50,000	17	1.07	4,08,113	1.52
50,001-1,00,000	14	0.88	10,25,853	3.83
1,00,001 and Above	22	1.39	2,48,77,627	92.94
TOTAL	1,588	100.00	2,67,66,505	100.00

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Categories of shareholding as on 31st March, 2012

Category (as Gallantt Ispat reports to stock exchanges)	Shares Holdings	% of Total
PROMOTERS' HOLDING:		
Promoters	1,87,18,131	69.93
Total Promoters' Holding	1,87,18,131	69.93
PUBLIC SHAREHOLDING:		
Institutional Investors		
Financial Institution Investor	13,25,145	4.95
Others		
Bodies Corporate	20,95,381	7.83
Individuals	27,22,331	10.17
NRI/OCBs	18,86,000	7.05
Clearing Memb/Clearing Cor (Demat shares in transit)	19,517	0.07
Total Public Shareholding	80,48,374	30.07
GRAND TOTAL	2,67,66,505	100

Details of Fund Obtained - Issue of Zero Coupon Fully Convertible Unsecured Debentures :

During the Financial Year 2011-12 Company has concluded Preferential Allotment of 25,00,000 Zero Coupon Fully Convertible Unsecured Debentures (the "FCDs") at a price of Rs. 160/- (including a premium of Rs. 150/- each) under the provisions of Section 81(1A) of the Companies Act, 1956 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. As per the terms of the Issue, FCDs so allotted shall be compulsorily converted into 25,00,000 Equity Shares of Rs. 10/- each fully paid up.

Investor's Correspondence :

For investor matters :
 Nitesh Kumar
 Company Secretary and Compliance Officer
 Secretarial Department
 Gallantt Ispat Limited
 1, Crooked Lane, Second Floor
 Room Nos. 222 & 223, Kolkata-700 069 (W.B.)
 Tel : +91-33-40642189
 Telefax : +91-33-22312429

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.

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of the conditions of Corporate Governance by Gallantt Ispat Limited for the year ended 31st March, 2012, 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, 2012 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 **Anoop Agarwal & Co.**
Chartered Accountants

H. C. Pant
Partner

Membership No. 017694

Place: Kolkata
Date : 13.08.2012

CEO/CFO CERTIFICATION

The Board of Director
Gallantt Ispat Limited
1, Crooked Lane, Second Floor,
Room Nos. 222 & 223, Kolkata - 700 069.

Re: Financial Statements for the Financial year 2011-12 - Certificate by MD and Manager Accounts & Finance

We, Mayank Agrawal, CEO and Mr. Nitesh Kumar, Manager Accounts & Finance and Company Secretary, of Gallantt Ispat Limited on the review of financial statements and cash flow statement for the year ended 31st March, 2012 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, 2012 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
August 13, 2012

Nitesh Kumar
Manager Accounts & Finance
and Company Secretary

Mayank Agrawal
Chief Executive Officer