

# REPORT ON CORPORATE GOVERNANCE

(Pursuant to part C of Schedule V of the SEBI Listing Obligations and Disclosure Requirements) Regulation, 2015.

## 1. CORPORATE GOVERNANCE PHILOSOPHY

Your Company's philosophy on Corporate Governance emanates from resolute commitment to protect stakeholder rights and interests, proactively manage risks and create long-term wealth and value. Corporate Governance is aimed at creating systems and putting in processes whereby organizations are able to generate long-term wealth and create value for all its stakeholders. Transparency, accountability, fairness and responsibility are the four basic tenets of Corporate Governance and Gallantt Ispat Limited believes that fair, transparent and ethical governance practices are sine qua non for the way we do business. At Gallantt Ispat we are committed to meet the aspirations of all our stakeholders which include shareholders, customers, suppliers, banks & financial institutions, government, employees and the community at large.

Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations/ Regulations/LODR Regulations). The Company has adopted best practices mandated in SEBI (LODR) Regulations, 2015.

## 2. BOARD OF DIRECTORS

### 2.1 Composition

Your Company's Board has an optimum combination of Executive, Non-executive and Independent Directors with one women Director, as per the requirements of Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The composition of the Board and the Independent Directors of the Company meet all the criteria mandated by SEBI Listing Regulations and the Companies Act, 2013.

The composition of the Board as on March 31, 2016 is as follows:

- Executive Directors - 4
- Non Executive Independent Directors - 4

Names of the Director		% to the total number of Directors
<b>I</b>	<b>Independent Director</b>	50%
	Jyotirindra Nath Dey	
	Rajesh Kumar Jain	
	Piyush Kankrania	
	Sangeeta Upadhyaya	
<b>II</b>	<b>Non-Executive Non-Independent Director</b>	NIL
<b>III</b>	<b>Executive Director</b>	50%
	Chandra Prakash Agrawal	
	Santosh Kumar Agrawal	
	Prem Prakash Agrawal	
	Nitin M Kandoi	

The Board is balanced comprising Executive and Non-Executive Directors. The Board has been constituted in such a way that it has understanding and competence to deal with current and emerging business issues. Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal and Mr. Prem Prakash Agrawal are related to each other as brothers. Also, relatives of these Directors are employed in the Company.

### 2.2 Appointment of Directors

Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and terms and conditions of appointment. The Company has issued

letter of appointment to all the Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website [www.gallantt.com](http://www.gallantt.com).

### 2.3 Meetings and Attendance

During the financial year 2015-16, Twelve Board Meetings were held. These were held on 14.05.2015, 27.05.2015, 30.05.2015, 19.06.2015, 26.06.2015, 28.07.2015, 28.08.2015, 23.10.2015, 13.02.2016, 16.02.2016, 17.03.2016 and 30.03.2016.

Composition of the Board of Directors, their attendance in the Board Meetings and other particulars as on 31st March, 2016 is as follows:

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 12 meetings held during the year	No. of other directorships in public companies as on 31/03/2016	No. of committee positions held in other public companies as on 31/03/2016	
					Chairman	Member
Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318)	Executive/ Promoter	Yes	12	1	Nil	Nil
Mr. Santosh Kumar Agrawal Director Sales & Marketing (DIN: 01045228)	Executive/ Promoter	No	6	Nil	Nil	Nil
Mr. Prem Prakash Agrawal Whole-time Director (DIN: 01397585)	Executive/ Promoter	No	9	Nil	Nil	Nil
Mr. Nitin M Kandoi Whole-time Director (DIN:01979952)	Executive/ Promoter	No	7	1	Nil	Nil
Mr. Jyotirindra Nath Dey Director (DIN: 00180925)	Non-Executive/ Independent	Yes	12	2	2	4
Mr. Rajesh Kumar Jain Director (DIN: 02113164)	Non-Executive/ Independent	No	10	Nil	Nil	Nil
Mr. Piyush Kankrania Director (DIN: 05241962)	Non-Executive/ Independent	Yes	11	Nil	Nil	Nil
Mrs. Sangeeta Upadhyay Director (DIN : 06920195)	Non-Executive/ Independent	No	10	Nil	Nil	Nil

**Notes:**

- Mr. Rajesh Kumar Jain, Mr. Jyotirindra Nath Dey, Mr. Piyush Kankrania and Mrs. Sangeeta Upadhyaya have been considered as Independent Directors as they qualify to be Independent Directors as per the provisions of the Companies Act, 2013 and Listing Regulations.
- Other Directorships of only Indian Public Limited Companies have been considered.
- Committee positions of only 3 committees namely Audit Committee, Stakeholders Relationship Committee (formerly Share Transfer and Investors'/Shareholders' Grievance Committee) and Nomination and Remuneration Committee (formerly Remuneration Committee) have been considered.
- The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice convening the Meeting of the shareholders.
- Except Mr. Chandra Prakash Agrawal, Mr. Santosh Kumar Agrawal and Mr. Prem Prakash Agarwal who are brothers, no other directors have any inter se relationship.
- None of the Directors hold Chairmanship of the Board Committees in excess of the maximum ceiling of five and membership in excess of the maximum ceiling of ten as specified under regulation 26 of SEBI Listing Regulations.

**Separate Meeting of Independent Directors:**

As per the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 and the SEBI Listing Regulations, Independent Directors of the Company held one meeting without the attendance of non-independent directors. The meeting, inter alia, has taken following business:

1. Review of performance of non-independent directors and the Board as a whole;
2. Review of performance of the Chairperson of the Company, taking into account the views of the executive and independent directors;
3. Assessment of quality, quantity and timeliness of flow of information between the company management and the Board.

Holding of the separate Board meeting is mandatory as required under Section 149 read with Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations.

The Board evaluates the Company's strategic direction, management policies, performance objectives and effectiveness of Corporate Governance practices. Further, the Board fulfills the key functions as prescribed under the Listing Regulations.

**2.4 Shareholding of Directors**

The details of shares held by the Directors of the Company in their individual names as on March 31, 2016 are furnished below :

Sr. No.	Name of Directors	No. of Shares held
1.	Chandra Prakash Agrawal	49,36,088
2.	Mr. Santosh Kumar Agrawal	2,19,708
3.	Mr. Prem Prakash Agrawal	3,14,303
4.	Mr. Nitin M Kandoi	50,000
5.	Jyotirindra Nath Dey	NIL
6.	Mr. Rajesh Kumar Jain	NIL
7.	Mr. Piyush Kankrania	NIL
8.	Mrs. Sangeeta Upadhyay	NIL

### 2.5 Induction and Familiarization Program for Directors

Your Company follows a structured orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis.

Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

The details of familiarisation programme have been posted in the website of the Company [www.gallantt.com](http://www.gallantt.com)

### 2.6 Independent Directors

Your Company appointed Independent Directors having expertise/experience in their respective field/profession. None of the Independent Directors are Promoters or related to Promoters. They do not have pecuniary relationship with the Company and further do not hold two percent or more of the total voting power of the Company.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as required under Section 149(7) of the Companies Act, 2013.

All Independent Directors maintain their limits of directorships as required under Listing Regulations. The Company had issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed in the website of the Company [www.gallantt.com](http://www.gallantt.com).

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Independent Directors of the Company viz. Mr. Piyush Kankrania, Mr. Jyotirindra Nath Dey, Mr. Rajesh Kumar Jain and Mrs. Sangeeta Upadhyay have given declaration to the Company that they qualify the criteria of independence as required under the Act and the regulations.

### 2.7 Board Procedures

The Board meets atleast once in a quarter to review financial results and operations of the Company. In addition to the above, the Board also meets as and when necessary to address specific issues concerning the businesses of your Company. The Board Meetings are governed by a structured Agenda. The Agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members are, on a quarterly basis, apprised by the Managing Director & CEO on the overall performance of the Company through presentations and detailed notes.

### 2.8 Information supplied to the Board

The Board has complete access to any information within your Company which *inter alia* includes –

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Annual and Quarterly results for the Company
- D. Minutes of meetings of Audit Committee and other Committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important, if any.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- H. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- J. Details of joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions, wherever necessary. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Quarterly details of foreign exchange exposures and

the steps taken by management to limit the risks of adverse exchange rate movement, if material.

- N. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc., if any.

While formulating and approving policies concerning appointment of directors and other senior officers, board diversity, remuneration and evaluation, the Board seeks to ensure business continuity with due weightage to succession planning.

### 2.9 Performance evaluation of Directors

The Nomination and Remuneration Committee of the Board laid down the criteria for performance evaluation of all Directors. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated. The criteria for performance evaluation are as follows:

#### Role & Accountability

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offer constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

#### Objectivity

- Non-partisan appraisal of issues.
- Own recommendations given professionally without tending to majority or popular views.

#### Leadership & Initiative

- Heading Board Sub-committees.
- Driving any function or identified initiative based on domain knowledge and experience.

#### Personal Attributes

- Commitment to role & fiduciary responsibilities as a Board member.
- Attendance and active participation.
- Proactive, strategic and lateral thinking.

### 2.10 Non-executive Directors' compensation and disclosures

Except sitting fees for attending meetings of Board and Committee thereof, Non-executive Directors (including Independent Directors) are not paid fixed fees/remuneration.

### 2.11 Other Provisions as to Board and Committees

The Board met twelve times during the year and the time gap between any two meetings did not exceed 120 days.

### 3. AUDIT COMMITTEE

In terms of provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations, Audit Committee of the Board of Directors presently consists of three Non-executive Independent Directors. The role of the Audit Committee is to provide directions to and oversee the internal audit and risk management functions, review of financial results and annual financial statements, interact with statutory auditors and such other matters as are required in terms of the Companies Act, 2013 and SEBI Listing Regulations.

Constitution of the Audit Committee complies with requirements of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with all members being financially literate and most having accounting or related financial management expertise.

#### 3.1 Composition

As on date, the Audit Committee comprises of three (3) Independent Directors. The members of the Audit Committee are Mr. Piyush Kankrania (Chairman), Mr. Rajesh Kumar Jain and Mr. Jyotirindra Nath Dey, all of whom possess accounting and financial management expertise/ exposure. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Audit Committee.

Mr. Piyush Kankrania, the Chairman – Audit Committee was present at the Annual General Meeting held on September 28, 2015.

Chief Financial Officer, Internal Auditors, Statutory Auditors, Cost Auditors, Manager Accounts attend meetings of the Committee as invitees.

#### 3.2 Terms of reference

The Audit Committee is empowered, pursuant to its terms of reference in brief, inter alia, to:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with reasonable expertise, if considered necessary.
5. Review of internal audit function and discussion on internal audit reports
6. Review of vigil mechanism and above all adequacy of internal control systems.
7. Review of risk management policies especially enterprise level risk management.

#### Compliance and other related aspects

- Disclosure of related party transactions and subsequent modifications, if any.
- Scrutiny of inter-corporate loans and investments.

- Valuation of undertakings or assets of the company.
- Uses/application of funds raised through an issue.
- Review and recommendation of appointment, remuneration and terms of appointment of statutory auditors.
- Review of other services rendered by the statutory auditors.
- Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.

The Audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Regulations and provisions of Section 177 of the Companies Act, 2013.

The minutes of each Audit Committee are placed and discussed at the meeting of the Board. The Audit Committee role, powers, function etc. of the Audit Committee has been reconstituted in accordance with Section 177 of the Companies Act, 2013 and Listing Regulations. The recommendations of the Audit Committee are placed before the Board for its consideration and approval.

### 3.3 Meetings and Attendance

A total of Ten Audit Committee Meetings were held in the financial year 2015–16. The meetings were held on 14.05.2015, 27.05.2015, 30.05.2015, 28.07.2015, 28.08.2015, 23.10.2015, 13.02.2016, 16.02.2016, 17.03.2016 and 30.03.2016.

The composition of the Committee and details of attendance at the Meetings are as follows:

Names	Designation	Category	Committee Meeting Attended
Mr. P. Kankrania	Chairman	Independent	10
Mr. J. N. Dey	Member	Independent	10
Mr. R. K. Jain	Member	Independent	10

Audit Committee has powers prescribed under Regulation 18(3) of the Listing Regulations and the scope of activities of the Audit Committee is prescribed in Part C of Schedule II of this Regulation. Audit Committee also mandatorily reviews the information prescribed under Part C of Schedule III.

### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE

In terms of Section 178 (5) of the Act, read with Regulation 20 of the Listing Regulations the Board has constituted Stakeholders' Relationship Committee ("SRC"). As per the Listing Regulations, the Committee

shall specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

#### 4.1 Composition

During the year ended 31st March, 2016, the Stakeholders Relationship Committee comprised of Mr. Rajesh Kumar Jain, an Independent Director, as the Chairman and Mr. Piyush Kankrania 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.

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 Stakeholders Relationship Committee. The shareholders/investors can register shares related complaints, if any, in the e-mail Id nitesh@gallantt.com designated exclusively for the purpose.

#### 4.2 Meetings and Attendance

A total of one Stakeholders Relationship Committee Meeting was held in the financial year 2015–16. The meetings were held on 21.03.2016.

The composition of the Committee and details of attendance at the Meetings are as follows:

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

Sl. No.	Particulars	Numbers
1.	Complaints pending as on 1 April, 2015	0
2.	Complaints received during the year ended 31 March, 2016	1
3.	Complaints disposed of during the year ended 31 March, 2016	1
4.	Complaints pending as on 31 March, 2016	1

As required under Regulation 40(10) of the Listing Regulations entered into by Gallantt Ispat with stock

exchanges, a certificate is obtained every six months from a practising Company Secretary that all transfers have been completed within the stipulated time. The certificates are forwarded to BSE and NSE.

In terms of SEBI's circular no. D&CC/FITTC/CIR-16 dated December 31, 2002, as amended vide circular no. CIR/MRD/DP/30/2010 dated September 6, 2010 an audit is conducted on a quarterly basis by a practicing Company Secretary, for the purpose of, inter alia, reconciliation of the total admitted equity share capital with the depositories and in the physical form with the total issued/paid up equity share capital of Gallantt Ispat. Certificates issued in this regard are forwarded to BSE and NSE, where the equity shares of Company are listed as well as to the two Depositories viz, NSDL and CDSL.

## 5. NOMINATION AND REMUNERATION COMMITTEE

Pursuant to Section 178 of Companies Act, 2013, the Nomination and Remuneration Committee (NRC) of the Board of Directors was formed by the Board of Directors to oversee the Company's nomination process for the senior management and to decide their salary, perquisites and commission / performance linked remuneration etc., to be paid to them and other employees within the broad frame-work of the Policy, merit and Company's performance. Presently NRC consists of three Non-Executive Independent Directors.

### 5.1 Role of Nomination and Remuneration Committee

The role of the Remuneration and Nomination Committee in brief, inter alia, includes:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Committee also co-ordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of individual Directors.

### 5.2 Meetings and Attendance

During the year ended 31st March, 2016, the NRC comprised of Mr. Jyotirindra Nath Dey, an Independent Director, as the Chairman and Mr. Piyush Kankrania and Mr. Rajesh Kumar Jain all independent Directors as Members. Mr. Nitesh Kumar, Company Secretary acts as the Secretary to the Committee.

A total of one Nomination and Remuneration Committee Meeting was held in the financial year 2015–16. The meeting was held on 21.03.2016.

The composition of the Committee and details of attendance at the Meetings are as follows:

Names	Designation	Category	Meeting Attended
Mr. J. N. Dey	Chairman	Independent	1
Mr. P. Kankrania	Member	Independent	1
Mr. R. K. Jain	Member	Independent	1

### 5.3 Nomination and Remuneration Policy of the Company

The Remuneration Policy of the Company is designed to attract, motivate and retain manpower. This Policy applies to directors and senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

The remuneration of the Managing Director, Executive Director and KMPs of the Company is recommended by the Nomination and Remuneration Committee based on established criteria. Nomination and Remuneration Policy has been given on the Directors Report.

### 5.4 Remuneration of Directors

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

The aggregate value of salary and perquisites paid for the year ended 31st March, 2016 to Managing/Whole-time Directors are as follows:

Name	Designation	Aggregate Value of Salary & Perquisites (₹ In Lacs)
Mr. Chandra Prakash Agrawal	Chairman and Managing Director	13.20
Mr. Prem Prakash Agarwal	Wholetime Director	13.20
Mr. Nitin M Kandoi	Director - Plant Operation	13.20
Mr. Santosh Kumar Agrawal	Director - Sales & Marketing	13.20

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.

#### 5.5 Evaluation Criteria

The Company has adopted an Evaluation policy to evaluate performance of each director, the Board as a whole and its committees. Evaluation is also carried out by the Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act 2013 and Code for Independent Directors' as outlined under Schedule IV of the Companies Act, 2013. Such evaluation factors various criteria including contribution, domain expertise, strategic vision, industry knowledge, participation in discussions etc.

## 6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Pursuant to Section 135 of Companies Act, 2013, the Corporate Social Responsibility Committee of the Board of Directors was formed by the Board of Directors. The composition of the CSR Committee is in line with provisions of Section 135 of the Companies Act, 2013.

#### 6.1 Terms of reference

The CSR Committee is empowered pursuant to its terms of reference, inter alia, to:

1. Recommend the amount of expenditure to be incurred on the CSR activities;
2. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
3. Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company; and
4. Such other activities as the Board of Directors may determine from time to time.

#### 6.2 Meetings and Attendance

The Committee met four (4) times during the financial year ended 31st March, 2016 on 27.05.2015, 26.06.2015, 28.07.2015 and 21.03.2016. The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2016 is detailed below:

Names	Designation	Committee Meeting Attended
Mr. Jyotirindra Nath Dey	Chairman	4
Mr. Prem Prakash Agrawal	Member	4
Mr. Chandra Prakash Agrawal	Member	4

The Board of Directors of the Company has approved the CSR Policy of the Company on the recommendations of the CSR Committee. The details of the CSR initiatives of the Company form part of the CSR Section in the Annual Report. The CSR Policy has been placed on the website of the Company [www.gallantt.com](http://www.gallantt.com). and is form of part of this Annual Report.

## 7. SUBSIDIARY COMPANIES

During the Year Company has acquired shareholding of Shree Surabhi Wheat Products Private Limited (Surabhi Wheat) and Shree Surabhi Flour Mills Private Limited (Surabhi Flour). Consequent upon acquisition of more than 50% shareholding in Surabhi Wheat and Surabhi Flour, these Companies became subsidiaries of the Company. Your Company does not have any material unlisted Indian subsidiary, and hence, is not required to nominate an Independent Director of the Company on the Board of any material unlisted subsidiary.

Subsidiary companies of the Company are managed by their respective Board having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company monitors performance of unlisted subsidiary company, inter alia, by the following means:

- (i) Financial statements, in particular the investments made by the subsidiary company are reviewed by the Audit Committee of the Company.
- (ii) All minutes of Board meetings of subsidiary company are placed before the Company's Board on regular basis.

(iii) All significant transactions and arrangements entered into by the subsidiary company are reviewed on regular basis.

## 8. RISK MANAGEMENT

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Your Company's risk management is embedded in the business processes. Your Company laid down procedures to inform Board members about risk assessment and minimisation and has implemented the Risk Management plan and continuously monitors it.

Your company has identified the following risks:

Key Risk	Impact to Gallantt Ispat Limited	Mitigation Plans
Commodity Price Risk	Risk of price fluctuation on basic raw materials like Iron Ore, Coal, Chemicals, Scraps as well as finished goods used in the process of manufacturing.	The Company commands excellent business relationship with the business associates. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways. Also by focusing on new value added products helps in lowering the impact of price fluctuation in finished goods.
Uncertain global economic environment – slow growth in global economy	Impact on raw materials which are imported	We have internal procedure to mitigate the global adverse impact.
Interest Rate Risk	Any increase in interest rate can affect the finance cost	Any increase in interest rate can affect the finance cost. Dependence on debt is very minimum and we have surplus funds cushion to settle the entire debt in case the need arises. Further, the Company has repaid the Term Loan in full.
Foreign Exchange Risk	Your company does not have export sales. However, import raw materials from country outside India. Any volatility in the currency market can impact the overall profitability	The Company commands excellent business relationship with the sellers and suppliers. In case of major fluctuation either upwards or downwards, the matter will be mutually discussed and compensated both ways.
Human Resources Risk	Your Company's ability to deliver value is dependent on its ability to attract, retain and nurture talent. Attrition and non-availability of the required talent resource can affect the overall performance of the Company.	By continuously benchmarking of the best HR practices across the industry and carrying out necessary improvements to attract and retain the best talent. Also recruitment is across almost all states of India which helps to mitigate this risk and we do not anticipate any major issue for the coming five years.
Competition Risk	Your company is always exposed to competition Risk from Steel and Ago Manufacturers across the region. The increase in competition can create pressure on margins, market share etc.	By continuous efforts to enhance the brand image of the Company, quality, Cost, timely delivery and customer service.
Compliance Risk – Increasing regulatory requirements	Any default can attract penal provisions	By regularly monitoring and review of changes in regulatory framework. By monitoring of compliance through legal compliance Management tools and regular internal audit and secretarial audit.



Industrial Safety, Employee Health and Safety Risk	The Steel and Agro industry is labour intensive and are exposed to accidents, health and injury risk due to machinery breakdown, human negligence etc.	By development and implementation of critical safety standards across the various departments of the factory, establishing training need identification at each level of employee.
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## 9. RELATED PARTY TRANSACTIONS

In terms of the Accounting Standard-18 "Related Party Disclosures", as prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Note No. 31 to the Accounts forming part of this Annual Report.

Transactions with related parties entered into by the Company are in the ordinary course of business and on arm's length basis and do not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s) for its prior approval or omnibus approval. There is no materially significant related party transaction during the financial year ended March 31 2016.

## 10. DISCLOSURES

### 10.1 Related Party Transactions

The policy on Related Party Transactions is hosted on the website of the Company [www.gallantt.com](http://www.gallantt.com)

### 10.2 Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

### 10.3 Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is available on Company's website at [www.gallantt.com](http://www.gallantt.com).

### 10.4 Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window for dealing in securities of the Company is closed as per the provisions of the code.

### 10.5 Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention.

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

### 10.6 Remuneration of Directors Criteria for making payments to Non-executive Directors (including Independent Directors)

The Non-executive Directors (including Independent Directors) of the Company are paid remuneration by way of sitting fees for attending meeting of Board and Committee thereof.

Details of payment of Sitting Fee for the year 2015-16 are as follows:

Name of Director	Sitting Fees (₹)
Mr. Jyotirindra Nath Dey	29,000
Mr. Rajesh Kumar Jain	23,000
Mr. Piyush Kankrania	24,000
Mrs. Sangeeta Upadhyay	11,000
<b>TOTAL</b>	<b>87,000</b>

### 10.7 Management

Management Discussion and Analysis Report comprising of all information as prescribed under Listing Regulations is attached to the Directors' Report.

Disclosures have been made by the Senior Management relating to all material, financial and commercial transactions with personal interests, if any. Based on the declarations made, no transaction was in conflict with the interest of the Company.

### 10.8 CEO / CFO Certification

The CEO and the CFO of the Company have certified to the Board with regard to the compliance in terms of Regulation 17(8) of SEBI Listing Regulations and that the certificate forms part of the Annual Report.

### 10.9 Status of compliance of Non-Mandatory requirements under regulation 27(1) of SEBI Listing Regulations

The Company complies with the following non-mandatory requirements:

1. The Auditors have expressed no qualification in their report.
2. The Company has appointed separate persons to the post of the Chairman and the Managing Director/CEO.
3. The Internal auditor periodically reports to the Audit Committee.

### 10.10 Whistle Blower Policy

The Board of Directors of the Company has adopted a Whistle Blower Policy to establish a vigil mechanism and the same is available on Company's website at [www.gallantt.com](http://www.gallantt.com). No person has been denied access to the Audit Committee.

### 10.11 Proceeds from Preferential Issue

Your Company has not raised fund through Preferential Issue.

### 10.12 Shareholders

The details relating to appointment and re-appointment of Directors as required under Listing Regulations is provided in the Notice to the Annual general Meeting.

## 11. MEANS OF COMMUNICATION

- (i) The quarterly and annual results are published in the Business Standard (English) - All Editions and Ekdin (Bengali) edition. The quarterly and

annual results of the Company are available on the Company's website at [www.gallantt.com](http://www.gallantt.com)

- (ii) The quarterly and annual results are filed with the Stock Exchanges in terms of Regulation 33(3) of SEBI Listing Regulations
- (iii) The following are displayed on the Website of the Company i.e. [www.gallantt.com](http://www.gallantt.com):
  - Business of the Company;
  - Terms and conditions of appointment of Independent Directors;
  - Composition of various committees of the Board
  - Whistle Blower Policy
  - Annual Report of the Company;
  - Policy on dealing with related party transactions;
  - Policy for determining material subsidiaries;
  - Details of familiarization programs for Independent Directors;
  - Standalone and Consolidated Quarterly and Annual Financial Results of Company;
  - Shareholding Pattern;
  - Company Profile;
  - Code of Conduct for the Directors and Senior Management;
  - Contact information - for solving any investor's queries.
  - Other information as required under regulation 46 of SEBI Listing Regulations.
  - Management Discussion and Analysis Report forms part of the Annual Report.

## 12. GENERAL SHAREHOLDER INFORMATION

### 12.1 Date, Time and Venue of 12th AGM

Monday, 26th September, 2016 at 2.00 P.M. at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017.

### 12.2 Financial Year

The Financial Year is for 12 (twelve) months from April 1, 2015 to March 31, 2016.

### 12.3 General Body Meetings

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

Year	Venue	Date	Time
2015	NAZRUL MANCH, Office of the Municipal Councillors, Kamarhati, 1, M.M. Feeder Road, P.O. - Belgharia, Kolkata - 700 056	28.09.2015	11.00 A.M.
2014	RABINDRA OKARURA BHAVAN, DD-27/A/1, Sector – 1, DD Block, Salt Lake City - Kolkata – 700 091	09.09.2014	11.30 A.M.
2013	RABINDRA OKARURA BHAVAN, DD-27/A/1, Sector – 1, DD Block, Salt Lake City - Kolkata – 700 091	19.09.2013	11.30 A.M.

**12.4 Special Resolutions passed in the previous three Annual general Meetings are as follows:**

AGM	AGM DATE	SPECIAL RESOLUTION PASSED
2015	28.09.2015	No Special Resolution passed.
2014	09.09.2014	<ol style="list-style-type: none"> <li>1. Approval of borrowing limits of the Company</li> <li>2. Creation of Charge on the assets of the Company</li> <li>3. Adoption of New set of Articles of Association of the Company.</li> <li>4. Appointment of Mrs. Madhu Agrawal as Senior Executive (Office Administration-Works)</li> </ol>
2013	19.09.2013	<ol style="list-style-type: none"> <li>1. Reappointment of Mr. Chandra Prakash Agarwal as a Chairman and Managing Director</li> <li>2. Reappointment of Mr. Prem Prakash Agarwal as a Whole-time Director</li> <li>3. Appointment of Mrs. Uma Agrawal as a Senior Executive (Office Administration) of the Company</li> <li>4. Appointment of Mrs. Shyama Agrawal as a Senior Executive (Personnel) of the Company</li> <li>5. Appointment of Mrs. Shruti Kandoi as a Senior Executive (MIS) of the Company</li> <li>6. Increase in Remuneration of Mr. Mayank Agrawal as a Senior Executive (Office Administration) of the Company</li> <li>7. Appointment of Mrs. Pallavi Agrawal as a Senior Executive (Corporate Communication) of the Company</li> </ol>

**12.5 Extraordinary General Meeting**

No Extra-ordinary General Meeting of the members was held during the year

**12.6 Postal Ballot**

Detail of postal ballot conducted by the Company during last year is as follows:

Resolutions Passed	Vote in Favour		Vote in Against	
	No. of Votes	%	No. of Votes	%
<b>Special Resolution:</b> Sale of Flour Mills Unit Of The Company Located At Gram-Mauja- Chipli, Thana-Durgavati, District-Kaimur (Bhabhua), Bihar	1,36,98,862	100	NIL	NIL
<b>Ordinary Resolution:</b> Approval of Related Party Transaction under Section 188 of the Companies Act, 2013 for Sale of Flour Mills Unit of the Company located at Gram-Mauja- Chipli, Thana-Durgavati, District-Kaimur (Bhabhua), Bihar to Shree Surabhi Wheat Products Private Limited, a Subsidiary Company of the Company	1,36,98,862	100	NIL	NIL
<b>Special Resolution:</b> Sale of Flour Mills Unit of the Company Located at 60 KM Stone, Gorakhpur-Lucknow Highway, Sabdaiyan Kalan, Basti, Uttar Pradesh	1,36,98,862	100	NIL	NIL
<b>Special Resolution:</b> Alteration of Main Objects to be pursued by the Company –Main Objects Clause of Memorandum of Association of the Company by Addition in New Clause in The Main Object Clause	1,36,98,862	100	NIL	NIL
<b>Special Resolution:</b> Amendments to Clause III B and Clause III C of The Memorandum of Association	1,36,98,862	100	NIL	NIL
<b>Special Resolution:</b> Amendment to Clause IV of the Memorandum of Association	1,36,98,862	100	NIL	NIL

Mr. Tanmay Kumar Saha, Company Secretary was appointed as Scrutinizer for the postal ballot.

**Procedure for Postal Ballot:**

In compliance with Regulation 44 of the Listing Regulations and Sections 108, 110 and other applicable provisions of the Act, read with related Rules, the Company provided electronic voting facility to all its Members, to enable them to cast their votes electronically. The Company engaged the services of NSDL for the purpose of providing e-voting facility to all its Members. The Members had the option to vote either by physical ballot or by e-voting.

The Company dispatched the postal ballot notices and forms along with postage pre-paid business reply envelopes to its Members whose names appear in the Register of Members/ the List of beneficiaries as on the cut-off date. The Postal Ballot Notice was sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's Registrar and Transfer Agents (in case of physical shareholding). The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.

Voting rights are reckoned on the paid-up value of shares registered in names of Members as on the cut-off date. Valid Votes cast physically and through e-voting were considered by the scrutinizer for the purpose of their report.

The Scrutinizer submitted their report to the Chairman, after the completion of scrutiny and the consolidated results of the voting by shareholders. The Chairman announced the result on March 29, 2016. The result was placed on the website of the Company [www.gallantt.com](http://www.gallantt.com) besides being communicated to the Stock Exchanges, Depositories and the Registrar and Transfer Agent.

**12.7 Court Convened Meeting of Shareholders**

During the year no Court Convened Meeting convened and held.

**12.8 Financial Calendar – 2015-2016**

Adoption of Quarterly/ Annual Results for the quarter/period ended	Date of Board Meetings	Date of publication	Name of Newspapers
March 31, 2015 (Quarterly Results)	27.05.2015	28.05.2015	Business Standard (English) - All Editions and Ekdin (Bengali)
June 30, 2015 (Quarterly Results)	28.07.2015	29.07.2015	Business Standard (English) - All Editions and Ekdin (Bengali)
September 30, 2015 (Quarterly Results)	23.10.2015	24.10.2015	Business Standard (English) - All Editions and Ekdin (Bengali)
December 31, 2015 (Quarterly Results)	13.02.2016	14.02.2016	Business Standard (English) - All Editions and Ekdin (Bengali)
March 31, 2016 (Annual Results)	30.05.2016	01.06.2016	Business Standard (English) - All Editions and Ekdin (Bengali)

**12.9 Interim Dividend payment date:**

Interim dividend declared by the Board on March 17, 2016 was paid on or after March 31, 2016.

**12.10 Listing on Stock Exchanges**

The equity shares of the Company are listed on the following Stock Exchanges:

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai - 400 001.

National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor, Plot No. C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051.

The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2016-17 have been paid.

### 12.11 Name of Depositories for dematerialisation of equity shares

<b>Name of the depository</b>	
National Securities Depository Limited (NSDL)	INE528K01011
Central Depository Services (India) Limited (CDSL)	INE528K01011

### The equity shares are quoted under the following Codes

<b>Stock Exchanges</b>	
BSE Limited, Mumbai (BSE)	533265
National Stock Exchange of India Limited, Mumbai (NSE)	GALLISPAT

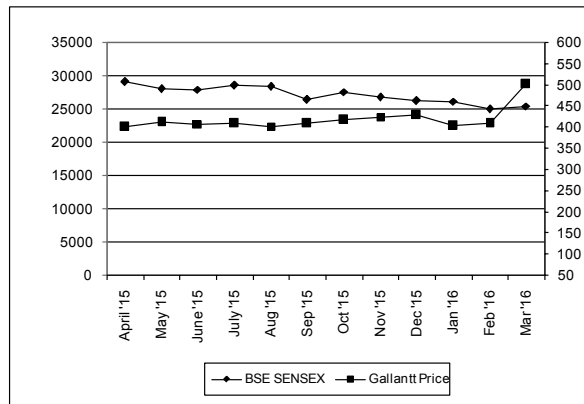
### 12.12 Market Price Data- High, Low During Each Month in Last Financial Year

Monthly high and low quotations of shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the Year 2015-16.

Amount in ₹

Month	BSE				NSE			
	Open Price	High Price	Low Price	Close Price	Open Price	High Price	Low Price	Close Price
Apr-15	404.50	407.50	399.40	400.80	404.50	407.55	398.00	400.55
May-15	401.50	418.00	399.60	412.70	401.50	420.00	399.40	412.65
Jun-15	412.50	413.00	404.40	408.30	412.50	413.00	404.20	408.00
Jul-15	408.50	410.00	404.00	409.80	408.55	410.00	403.05	408.85
Aug-15	407.50	410.00	398.00	402.20	407.50	410.20	398.00	402.40
Sep-15	401.50	413.00	400.00	410.40	402.00	413.20	400.00	410.80
Oct-15	411.00	424.00	407.80	417.40	411.00	424.50	408.00	417.10
Nov-15	418.30	426.00	417.00	425.50	417.85	435.00	416.80	425.55
Dec-15	425.30	432.10	424.00	429.70	425.25	432.00	424.05	429.85
Jan-16	430.00	430.60	403.00	404.30	430.00	430.40	342.55	404.25
Feb-16	404.60	409.20	402.80	409.00	404.40	420.00	403.00	408.40
Mar-16	408.90	505.50	368.00	502.80	408.85	505.40	368.20	502.65

### 12.13 Performance in comparison with BSE Sensex – April, 2015 to March, 2016



### 12.14 Compliance Certificate

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

### 12.15 Means of Communication

In accordance with Regulation 46 of the Listing Regulations and erstwhile Clause 54 of the Listing Agreement, the Company has maintained a functional website at [www.gallantt.com](http://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. In terms of Regulation 47 of the Listing Regulations 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](http://www.gallantt.com).

Stock exchange Listing Regulation compliances and all other compliances are filed electronically on NEAPS and BSE Listing Centre. Neaps stands for NSE Electronic Application Processing System. Neaps and BSE Listing Centre are web based application designed by Stock Exchanges for Corporates.

#### 12.16 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. Telfax : +91-33-40642189

- 12.17 Registered Office** 1, Crooked Lane, Second Floor, Kolkata - 700 069.  
Telfax : +91-33-40642189, Website : [gallantt.com](http://gallantt.com)  
E-mail: [nitesh@gallantt.com](mailto:nitesh@gallantt.com)
- 12.18 Works Office** Plot No. AL-5, Sector - 23, Gorakhpur Industrial Development Authority (GIDA),  
Sahjanwa, Gorakhpur, U.P.  
Tele : +91-551-2700302, Fax : +91-551-2700320
- 12.19 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](mailto:nichetechpl@nichetechpl.com) • Web-site: [www.nichetechpl.com](http://www.nichetechpl.com)
- 12.20 Dividend** An Interim dividend of Re. 1.00 per equity share have been credited / dispatched on or after 31<sup>st</sup> March, 2016 for the Financial Year 2015-16.

#### 12.21 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.

#### 12.22 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% (approx.) of Equity Shares have been dematerialized as on 31<sup>st</sup> March, 2016.

#### 12.23 Distribution of Shareholding

The distribution of shareholding as on 31<sup>st</sup> March, 2016 was as follows :

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	838	89.82	53,773	0.19
501-1,000	24	2.57	19,316	0.07
1,001-5,000	23	2.47	48,547	0.17
5,001-10,000	7	0.75	50,166	0.18
10,001-50,000	12	1.29	3,13,727	1.11
50,001-1,00,000	2	0.21	1,53,661	0.54
1,00,001 and Above	27	2.89	2,75,96,882	97.74
<b>Total</b>	<b>933</b>	<b>100.00</b>	<b>2,82,36,072</b>	<b>100.00</b>

## 12.24 Categories of shareholding as on 31st March, 2016

Category (as Gallantt reports to stock exchanges)	Shares Holdings	% of Total
<b>PROMOTERS' HOLDING</b>		
Promoters	1,76,74,039	62.59
Total Promoters' Holding	<b>1,76,74,039</b>	<b>62.59</b>
<b>PUBLIC SHAREHOLDING</b>		
Financial Institutions/Banks	100	0.00
Financial Institution Investor	7,750	0.03
<b>Others :</b>		
Bodies Corporate	87,92,841	31.14
Individuals	7,40,810	2.62
NRI/OCBs	9,49,503	3.36
Clearing Memb/Clearing Cor (Demat shares in transit)	71,029	0.25
Total Public Shareholding	<b>1,05,62,033</b>	<b>37.41</b>
<b>GRAND TOTAL</b>	<b>2,82,36,072</b>	<b>100</b>

## 12.25 Details of Dividend

The details of dividend declared and paid by the Company for the last years are as below:

Year	Percentage (%)	In Rupee per Equity Share	Dividend Amount (₹)
2010-11	5	Re. 0.50 (Paise Fifty per Share only)	₹ 1,33,83,252.50
2011-12	5	Re. 0.50 (Paise Fifty per share only)	₹ 1,33,83,252.50
2012-13	5	Re. 0.50 (Paise Fifty per share only)	₹ 1,46,33,252.50
2013-14	5	Re. 0.50 (Paise Fifty per share only)	₹ 1,46,33,252.50
2014-15	10	Re. 1.00 (Rupee One per share Only)	₹ 2,82,36,072.00
2015-16 (Interim)	10	Re. 1.00 (Rupee One per share Only)	₹ 2,82,36,072.00

## 12.26 Green Initiative

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/11 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of Profit & Loss, Directors' Report, Auditors' Report etc. through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive documents in electronic mode are requested to provide their details (name, folio no. E-mail id) on the Company's e-mail address viz. nitesh@gallantt.com. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

## 12.27 Corporate Identity Number (CIN)

L27109WB2005PLC101650

## 12.28 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.)

Telefax : +91-33-40642189

## 12.29 Web Links in terms of Regulation 46 of SEBI Listing Regulations

### OTHER CODE AND POLICIES:

#### Policy on Material Subsidiaries

<http://gallantt.com/pdfs/policy%20on%20material%20subsidiary/GIL/GIL-MATERIAL%20SUBSIDIARY.pdf>

**Remuneration Criteria for Non-Executive Directors**

<http://gallantt.com/pdfs/Remuneration%20Criteria%20Non-Executive%20Director/GIL/GIL%20NED%20REMUNERATION.pdf>

This is to certify that the information given above is true and correct.

**12.30 The disclosure as required under Schedule V of the Listing Regulations is given below**

- aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : Nil
- number of shareholders who approached the Company for transfer of shares from suspense account during the year : Nil
- number of shareholders to whom shares were transferred from suspense account during the year : Nil
- aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : Nil

**12.31 Status of compliance of Non-Mandatory requirements under regulation 27(1) of SEBI Listing Regulations**

The Company complies with the following non-mandatory requirements:

1. The Auditors have expressed no qualification in their report.
3. The Company has appointed separate persons to the post of the Chairman & Managing Director and CEO.
3. The Internal auditor periodically reports to the Audit Committee.

Place: Kolkata

Date: August 08, 2016

For and on Behalf of the Board

**C. P. Agrawal**  
*Chairman*

Notice

Board and Management Reports

Standalone Financial Reports

Consolidated Financial Reports



## DECLARATION

As per regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have affirmed to the compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended March 31, 2016.

Kolkata  
August 08, 2016

**C. P. Agrawal**  
*Chairman and Managing Director*

**Mayank Agrawal**  
*Chief Executive Officer*

## INDEPENDENT AUDITOR'S CERTIFICATE TO THE MEMBERS OF GALLANTT ISPAT LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Gallantt Ispat Limited ("the Company") for the year ended on 31 March 2016, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as "SEBI Listing Regulations, 2015"]/Clause 49 of the Listing Agreements of the Company with stock exchanges in India (as applicable).
2. 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 compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the fifteen months ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Kolkata  
Date: 08.08. 2016

For **Anoop Agarwal & Co.**  
*Chartered Accountants*  
**Amit Kumar Srivastava**  
*Partner*  
Membership No. 517195

## 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 2015-16 – Certificate by CEO and CFO

We, Mayank Agrawal, CEO and Mr. Amit Jalan, Chief Financial Officer of Gallantt Ispat Limited on the review of financial statements and cash flow statement for the year ended 31st March, 2016 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, 2016 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 to financial reporting and we have not noticed any deficiency in the design of operation of such internal controls, or of which we are aware that needs to be rectified, or informed to the auditors and the Audit Committee.
5. During the year it was disclosed to the Auditors and the Audit Committee that:
  - (1) There were no significant changes in internal control over financial reporting;
  - (2) No significant changes in accounting policies were made during the year except for change in the accounting policy on revaluation of certain fixed assets; and
  - (3) No instances of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Kolkata  
August 08, 2016

**Amit Jalan**  
*Chief Financial Officer*

**Mayank Agrawal**  
*Chief Executive Officer*