

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

CORPORATE GOVERNANCE PHILOSOPHY

Company Philosophy on Corporate Governance

The practice of responsible governance has enabled your Company to achieve sustainable growth, while meeting the expectations of all stakeholders and the society at large. Good Governance practices stem from the dynamic culture and positive mindset of the organization. It is about promoting corporate fairness, transparency and accountability. Besides complying with Clause 49 of the Listing Agreement, your Company has adopted various practices and set responsible

standards of business.

1. BOARD OF DIRECTORS

As on March 31, 2015 your Company's Board comprised of 8 Directors (out of which 50% of the Directors are Independent Directors) with Mr. Chandra Prakash Agrawal as Executive Chairman.

The composition of the Board as on March 31, 2015 is as follows:

- Executive Directors - 3
- Non-Executive Non-Independent Director - 1
- Non Executive Independent Directors - 4

| Names of the Director | | % to the total number of Directors |
|-----------------------|---|------------------------------------|
| I | Names of the Director | 50% |
| | Independent Director | |
| | Jyotirindra Nath Dey | |
| | Ramesh Kumar Choudhary | |
| | Prasant Kankrania | |
| | Richa Bhartiya | |
| II | Non-Executive Non-Independent Director | 12.5% |
| | Nitin M Kandoi | |
| III | Executive Director | 37.5% |
| | Chandra Prakash Agrawal | |
| | Dineshkumar Raghubir Prasad Agarwal | |
| | Prashant Jalan | |

During the Financial Year 2014-15, Mrs. Richa Bhartiya was appointed as a Independent Director on the Board of the Company. This appointment meets the requirements of Section 149 of appointing woman director on the Board of the Company. Mr. Chandra Prakash Agrawal, Chairman and Managing Director and Mr. Dineshkumar Raghubir Prasad Agarwal, Whole-time Director have been reappointed as Managing Director and Whole-time Director respectively. Reappointment as above are subject to the approval of the shareholders of the Company.

The composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement. None of the Directors are related to each other.

During the financial year 2014-15, Ten Board Meetings were held. These were held on 03.05.2014, 29.05.2014, 10.07.2014, 14.08.2014, 09.09.2014, 15.10.2014, 12.11.2014, 07.02.2015, 19.03.2015 and 27.03.2015.

As per the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 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 meeting is mandatory as per the Section 149 read with Schedule IV to the Companies Act, 2013 and amended Clause 49 of the Listing Agreement.

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.

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 Clause 49 of the Listing Agreement.

Composition of the Board of Directors, their attendance

in the Board Meetings and other particulars as on 31st March, 2015 is as follows:

| 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 in public companies as on 31/03/2015 | No. of committee positions held in other public companies as on 31/03/2015 | |
|--|--------------------------------|--|---|--|---|--------|
| | | | | | Chairman | Member |
| Mr. Chandra Prakash Agrawal Chairman & Managing Director (DIN: 01814318) | Executive/ Promoter | Yes | 10 | 1 | Nil | Nil |
| Mr. Dinesh Kumar Raghbir Prasad Agarwal Whole-time Director (DIN: 01017125) | Executive/ Promoter | No | 5 | 1 | Nil | Nil |
| Mr. Prashant Jalan Director (Plant Operation) (DIN: 06619739) | Executive / Non-Promoter | No | 4 | Nil | Nil | Nil |
| Mr. Nitin M Kandoi Whole-time Director (DIN:01979952) | Non-Executive/ Promoter | No | 6 | 1 | Nil | Nil |
| Mr. Jyotirindra Nath Dey Director (DIN: 00180925) | Non-Executive/ Non-Promoter | Yes | 10 | 2 | 2 | 4 |
| Mr. Rajesh Kumar Jain Director (DIN: 02113164) | Non-Executive/ Non-Promoter | No | 6 | 1 | 1 | 2 |
| Mr. Prasant Kankrania Director (DIN: 05241947) | Non-Executive/ Non-Promoter | Yes | 10 | Nil | Nil | Nil |
| Mrs. Richa Bhartiya Director (DIN: 06905283) | Non-Executive/ Non-Promoter | No | 5 | Nil | Nil | Nil |
| Mr. Ramesh Kumar Choudhary Director (DIN : 00558707) | Non-Executive/ Non-Promoter | No | 9 | Nil | Nil | Nil |

Notes:

- Mr. Rajesh Kumar Jain, Mr. Jyotirindra Nath Dey, Mr. Piyush Kankrania, Mrs. Richa Bhartiya and Mr. Ramesh Kumar Choudhary have been considered as Independent Directors as they qualify to be Independent Directors as per the provisions of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.
- 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.
- None of the directors have inter se relationship.
- Mr. Rajesh Kumar Jain tendered his resignation from the Directorship of the Company with effect from 12.11.2014. Effective from the same date Mrs. Richa Bhartiya was appointed as an Additional Independent Director.

The details of shares held by the Directors of the Company in their individual names as on March 31,

2015 are furnished below:

| Sr. No. | Name of Directors | No. of Shares held |
|---------|-----------------------------|--------------------|
| 1. | Chandra Prakash Agrawal | 300000 |
| 2. | Mr. Dinesh Kumar R. Agrawal | 210000 |
| 3. | Mr. Prashant Jalan | NIL |
| 4. | Mr. Nitin M Kandoi | 10500 |
| 5. | Jyotirindra Nath Dey | NIL |
| 6. | Mr. Rajesh Kumar Jain | NIL |
| 7. | Mr. Prasant Kankrania | NIL |
| 8. | Mrs. Richa Bhartiya | NIL |
| 9. | Ramesh Kumar Choudhary | 100 |

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 Clause 49 of the Listing Agreement. 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.

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. The Board has complete access to any information within your Company which includes the information as specified in Annexure X to Clause 49 of the Listing Agreement and they are updated about their roles and responsibilities in the Company.

The Board, inter alia, reviews annual operating and capital expenditure plans and budgets, financial statements of business segments, compliance report(s) of all laws applicable to the Company, major legal and tax issues, policies/charters of committees of the Company, appointment and remuneration to Directors, minutes of the Committee Meetings of the Company, significant labour issues, presentations on Environment Health and Safety (EHS) initiatives, risk management, transactions involving sale of material investments, assets, which are not in normal course of business, foreign currency exposure, status of all investments made by the Company, declaration of dividend, issue of securities, short-term borrowings, any other proposal from the management regarding mergers, acquisitions and restructuring of investments, etc.

Familiarisation Programme

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

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.

Meeting of Independent Directors

During the year, meeting of Independent Directors was held to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Mr. Jyotindra Nath Dey, Chairman of the Meeting presented the views of the Independent Directors on matters relating to Board processes and the overall affairs of the Company to the full Board.

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.

Other Provisions as to Board and Committees

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

During the year under review, none of the Directors of the Company was a member of more than 10 specified Committees or Chairman of more than 5

such Committees in companies in which he/she was a Director.

Your Company's Directors promptly notify any change(s) in the committee positions as and when they take place.

Code of Conduct

Your Company has adopted a Code of Conduct for members of the Board (incorporating duties of Independent Directors) and the Senior Management. The Code aims at ensuring consistent standards of conduct and ethical business practices across the Company. Your Company has received confirmations from all concerned regarding their adherence to the said Code.

Pursuant to Clause 49(II)(E) of the Listing Agreement, the Managing Director of the Company confirmed compliance with the Code by all members of the Board and the Senior Management.

The full text of the Code is hosted on the Company's website of the Company www.gallantt.com

Code of Conduct for prohibition of insider trading

Your Company has adopted a Code of Conduct as per Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992 [Now, SEBI (Prohibition of Insider Trading) Regulations, 2015]. All Directors, Designated Employees who could have access to the Unpublished Price Sensitive Information of the Company are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992. The Insider Trading Code and Code for Fair Disclosure have been disclosed on the Company's website www.gallantt.com and circulated to all the Directors / employees and displayed at the Registered Office and Factory Office of the Company.

Whistle Blower Policy

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Whistle Blower Policy has been disclosed on the Company's website www.gallantt.com and circulated to all the Directors / employees.

COMMITTEES OF THE BOARD

The Committees constituted by the Board play a very important role in the governance structure of the Company. The terms of reference of these Committees

are approved by the Board and are in line with the requirements of Companies Act, 2013 and Clause 49 of the Listing Agreement. The minutes of Committee meetings are tabled at the Board meetings and the Chairperson of each Committee briefs the members of the Board on the important deliberations and decisions of the respective Committees. The minutes of the proceedings of the Committee Meetings are captured in the same manner as the Board Meetings and in accordance with the provisions of the Companies Act, 2013. Currently, there are six (4) Committees of the Board, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee.

AUDIT COMMITTEE

The Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits.

Composition

As on date, the Audit Committee comprises of three (3) Independent Directors. The members of the Audit Committee are Mr. Piyush Kankrania (Chairman), Mrs. Richa Bhartiya and Mr. Jyotirindra Nath Dey, all of whom possess accounting and financial management expertise/ exposure. Mr. Rajesh Upadhyaya, Company Secretary acts as the Secretary to the Audit Committee. Mr. Prasant Kankrania, the Chairman – Audit Committee was present at the Annual General Meeting held on September 09, 2014.

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

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 Agreement 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 amended Clause 49 of the Listing Agreement. The recommendations of the Audit Committee are placed before the Board for its consideration and approval.

A total of Eight Audit Committee Meetings were held in the financial year 2014–15. The meetings were held on 03.05.2014, 29.05.2014, 10.07.2014, 14.08.2014, 09.09.2014, 12.11.2014, 07.02.2015, and 27.03.2015.

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 | 8 |
| Mr. J. N. Dey | Member | Independent | 8 |
| Mr. R. K. Jain* | Member | Independent | 5 |
| Mrs. R. Bhartiya* | Member | Independent | 3 |

*Mr. R. K. Jain relinquishes as a Member of the committee consequent upon his resignation from the Directorship of the Company. Mrs. R. Bhartiya was appointed as a member of the Committee.

The role of the Audit Committee, inter alia, includes the following:

The role of the Audit Committee, inter alia, includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management the quarterly, half-yearly, nine-monthly and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and

Analysis of the financial condition and results of operations;

4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report as per Section 134(3)(c) of the Companies Act, 2013;
 - b. Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
 - c. Compliance with listing and other legal requirements relating to financial statements;
 - d. Disclosure of any Related Party Transactions (RPTs); and
 - e. Qualifications in the draft audit report, if any.
5. Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);
6. Reviewing and considering the following w.r.t. appointment of auditors before recommending to the Board:
 - a. qualifications and experience of the individual/firm proposed to be considered for appointment as auditor;
 - b. whether such qualifications and experience are commensurate with the size and requirements of the company; and
 - c. giving due regard to any order or pending proceeding relating to professional matters of conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.
7. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditor;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's

- independence and performance, and effectiveness of audit process;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 13. Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor of the Company;
 14. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
 15. Evaluating the internal financial controls and risk management policies/system of the Company;
 16. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
 17. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
 18. Review and comment upon the report made by the statutory auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the company by its officers/employees;
 19. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
 20. Reviewing the statements of significant related party transactions submitted by the management;
 21. Reviewing and Scrutinizing the inter-corporate loans and investments;
 22. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
 23. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 24. Approving the auditors (appointed under the Companies Act, 2013) to render any service other than consulting and specialised services;
 25. Recommending to the Board of Directors, the appointment, remuneration and terms of appointment of Cost Auditor for the Company;
 26. Review the cost audit report submitted by the cost auditor on audit of cost records before submission to the Board for approval;
 27. Appointing registered valuers and defining the terms and conditions for conducting the valuation of assets/net-worth/ liabilities of the Company. Reviewing the valuation report and follow-up thereon;
 28. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 29. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
 30. Review and approve policy formulated for determination of material subsidiaries;
 31. Review and approve policy on materiality of related party transactions and also dealing with related party transactions; and
 32. Any other matter referred to by the Board of Directors.

NOMINATION AND REMUNERATION COMMITTEE (FORMERLY REMUNERATION COMMITTEE)

During the year ended 31st March, 2015, the Remuneration Committee comprised of Mr. Jyotindra Nath Dey, an Independent Director, as the Chairman and Mr. Prasant Kankrania and Mrs. Richa Bhartiya all independent Directors as Members. Mr. Rajesh Upadhyaya, Company Secretary acts as the Secretary to the Committee.

The Nomination and Remuneration Committee was constituted to discharge the Board's responsibilities relating to compensation of the Company's executive directors and senior management.

A total of five Nomination and Remuneration Committee Meeting were held in the financial year 2014-15. The meetings were held on 03.05.2014, 10.07.2014, 14.08.2014, 12.11.2014 and 27.03.2015.

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

| Names | Designation | Category | Committee Meeting Attended |
|-------------------|-------------|-------------|----------------------------|
| Mr. J. N. Dey | Chairman | Independent | 5 |
| Mr. P. Kankrania | Member | Independent | 5 |
| Mrs. R. Bhartiya* | Member | Independent | 2 |
| Mr. R. K. Jain* | Member | Independent | 4 |

*Mr. R. K. Jain relinquishes as a Member of the committee consequent upon his resignation from the Directorship of the Company. Mrs. R. Bhartiya was

appointed as a member of the 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.

Nomination and Remuneration Policy of the Company

Nomination and Remuneration Policy has been given on the Directors Report.

Remuneration of Directors

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

The aggregate value of salary and perquisites paid for the year ended 31st March, 2015 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 | 16.80 |
| Mr. Dineshkumar Raghbir Prasad Agarwal | Wholetime Director | 16.80 |
| Mr. Prashant Jalan | Director - (Plant Operation) | 5.40 |

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. Mr. Chandra Prakash Agrawal and Mr. Dineshkumar Raghbir Prasad Agarwal, Executive Directors of the Company are under contract period of 5 years and Mr. Prashant Jalan is under a contract period of 3 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.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year ended 31st March, 2015, the Stakeholders Relationship Committee comprised of Mrs. Richa Bhartiya, an Independent Director, as the Chairman and Mr. Prasant Kankrania 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 Stakeholders Relationship Committee. The shareholders/investors can register shares related complaints, if any, in the e-mail Id rajesh@gallantt.com designated exclusively for the purpose.

A total of two Stakeholders Relationship Committee Meeting were held in the financial year 2014-15. The meetings were held on 03.05.2014 and 12.11.2014.

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 | 2 |
| Mr. P. Kankrania | Member | Independent | 2 |
| Mr. J. N. Dey | Member | Independent | 2 |
| Mrs. R. Bhartiya | Chairman | Independent | 1 |

*Mr. R. K. Jain relinquishes as a Member of the committee consequent upon his resignation from the Directorship of the Company. Mrs. R. Bhartiya was appointed as a member of the Committee.

During the year Company has not received complaints.

As required under Clause 47(c) of the listing agreements entered into by the Company 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 Metal.

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.

The nomenclature and terms of reference of Shareholders/Investors Grievance Committee was changed to Stakeholders Relationship and Investors Grievance Committee pursuant to Section 178 of the Companies Act, 2013.

The terms of reference of the Committee were also amended pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The revised terms of reference includes enquiring into and redress complaints of shareholders and investors and to resolve the grievance of security holders of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The composition of the CSR Committee is in line with provisions of Section 135 of the Companies Act, 2013.

The Committee met four (4) times during the financial year ended 31st March, 2015 on 03.05.2014, 29.05.2014, 12.11.2014 and 19.03.2015. 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, 2015 is detailed below:

| Composition | Designation | Whether Meeting attended |
|-----------------------------|-------------|--------------------------|
| Mr. Jyotirindra Nath Dey | Chairman | Yes |
| Mr. Dineshkumar R. Agarwal | Member | Yes |
| Mr. Chandra Prakash Agrawal | Member | Yes |

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.

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.

SUBSIDIARY COMPANIES

Your Company has no subsidiary Company. Also, 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 subsidiary.

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 Metal 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. |

| Key Risk | Impact to Gallantt Metal Limited | Mitigation Plans |
|--|--|---|
| 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 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. |

RELATED PARTY TRANSACTIONS

Your Company has formulated a Policy on materiality of Related Party Transactions and also dealing with Related Party Transactions.

The necessary disclosures regarding the transactions with related parties are given in the Notes to the financial statements.

During the year under review, Your Company had not entered into any material transaction with any of its related parties.

DISCLOSURES

i) Related Party Transactions

The policy on Related Party Transactions is hosted on the website of the Company www.gallantt.com

ii) Disclosure of Accounting Treatment

Your Company has not adopted any alternative

accounting treatment prescribed differently from the Accounting Standards.

iii) Remuneration of Directors Criteria for making payments to Executive, 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 2014-15 are as follows:

| Name of Director | Sitting Fees |
|----------------------------|---------------|
| Mr. Jyotirindra Nath Dey | 29,000 |
| Mr. Rajesh Kumar Jain | 17,000 |
| Mr. Prasant Kankrania | 25,000 |
| Mr. Ramesh Kumar Choudhary | 9,000 |
| Mrs. Richa Bhartiya | 11,000 |
| Mr. Nitin M Kandoi | 6,000 |
| TOTAL | 97,000 |

Details of Remuneration to Executive Directors for the financial year ended March 31, 2015

| Name | Designation | Aggregate Value of Salary & Perquisites (₹) (fixed components) |
|-----------------------------|----------------------------|--|
| Mr. Chandra Prakash Agrawal | Managing Director | 16,80,000 |
| Mr. Dineshkumar R. Agarwal | Wholetime Director | 16,80,000 |
| Mr. Prashant Jalan | Director (Plant Operation) | 5,40,000 |

iv) Management

Management Discussion and Analysis Report comprising of all information as prescribed under Clause 49 (VIII)(D) of the Listing Agreement 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.

v) Shareholders

The details relating to appointment and re-appointment of Directors as required under Clause 49(VIII)(E) of the Listing Agreement is provided in the Notice to the Annual general Meeting.

vi) Proceeds from Preferential Issue

Your Company has not raised fund through Preferential Issue.

vii) Strictures and penalties

There have been no instances of non-compliance by the Company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.

CEO/CFO CERTIFICATION

As required under Clause 49 (IX) of the Listing Agreement, the CEO/CFO certificate for the financial year ended 31st March, 2015, signed by Mr. Chandra Prakash Agrawal, CEO and Mr. Sandip Kumar Agarwal, CFO is annexed and forms part of this Report.

Your Company has complied with the mandatory requirements and adopted the non-mandatory requirements of the Listing Agreement.

General Body Meetings

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

| Year | Venue | Date | Time |
|------|--|------------|-----------|
| 2014 | RABINDRA OKARURA BHAVAN, DD-27/A/1, Sector – 1, DD Block, Salt Lake City - Kolkata – 700 091 | 09.09.2014 | 1.30 P.M. |
| 2013 | RABINDRA OKARURA BHAVAN, DD-27/A/1, Sector – 1, DD Block, Salt Lake City - Kolkata – 700 091 | 19.09.2013 | 1.30 P.M. |
| 2012 | RABINDRA OKARURA BHAVAN, DD-27/A/1, Sector – 1, DD Block, Salt Lake City - Kolkata – 700 091 | 25.09.2012 | 1.30 P.M. |

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

| AGM | AGM DATE | SPECIAL RESOLUTION PASSED |
|------|------------|---|
| 2014 | 09.09.2014 | 1. Approval of borrowing limits of the Company 2. Creation of Charge on the assets of the Company 3. Adoption of New set of Articles of Association of the Company. |
| 2013 | 19.09.2013 | Appointment of Mr. Prashant Jalan as a Whole-time Director (Plant Operation) of the Company |
| 2012 | 25.09.2012 | Alteration of Articles of Association for insertion of new Articles 96A & 125A |

Extraordinary General Meeting

No Extraordinary General Meeting of the members was held

Details of Resolutions passed through Postal Ballot

No Resolution passed through Postal Ballot

Court Convened Meeting of Shareholders

No Court Convened Meeting was held.

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. 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 and other Compliances 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.

Compliance Officer

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

Address: 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata- 700 069. Telefax:- +91-33-40642189

General Shareholder Information

| | |
|---------------------------------------|---|
| 1. Date, Time and Venue of 11th AGM | Monday, 28th September, 2015 at 1.00 P.M. at NAZRUL MANCH, Office of the Municipal Councillors, Kamarhati, 1 M.M. Feeder Road, P.O. - Belgharia, Kolkata - 700 056 |
| 2. Financial Calender | 1st April to 31st March |
| 3. Dates of book closure | 22nd September, 2015 to 28th September, 2015 |
| 4. Listing on stock exchanges | Bombay Stock Exchange Ltd. (BSE) National Stock Exchange of India Ltd. (NSE) |
| 5. Listing fees for 2015-16 | Paid for both the Stock Exchanges |
| 6. Electronic Connectivity | National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. |
| 7. Registered Office | 1, Crooked Lane, Second Floor, Kolkata- 700 069. Telfax:- +91-33-40642189 Website:gallantt.com E-mail: rajesh@gallantt .com |
| 8. Works Office | Near Toll Gate, Village- Kamakhali, Taluka-Bachau, District- Kutch, Gujarat Tel: +91-2837283689 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:nichetechpl@nichetechpl.com Web-site: www.nichetechpl.com |
| 10 Dividend | Board has not recommended a dividend |

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 2014-15.

| Month | BSE | | | | NSE | | | |
|--------|------------|------------|-----------|-------------|------------|------------|-----------|-------------|
| | Open Price | High Price | Low Price | Close Price | Open Price | High Price | Low Price | Close Price |
| Apr-14 | 18.9 | 23.65 | 18.1 | 19.1 | 18.6 | 23.75 | 17.55 | 19.25 |
| May-14 | 18.85 | 25.4 | 17.8 | 21.6 | 19.1 | 26.4 | 16.1 | 21.65 |
| Jun-14 | 22.95 | 25.3 | 21 | 22.55 | 22.45 | 24.8 | 20.7 | 22.55 |
| Jul-14 | 23.5 | 23.75 | 20.65 | 22.2 | 23.85 | 24.25 | 20.5 | 22.15 |
| Aug-14 | 21.85 | 27.1 | 21.3 | 24.05 | 21.7 | 27 | 20.4 | 24.1 |
| Sep-14 | 24.2 | 24.2 | 17 | 18.2 | 24.05 | 24.9 | 16.85 | 18 |
| Oct-14 | 17.75 | 24 | 15 | 22 | 17.85 | 23.4 | 15.1 | 22 |
| Nov-14 | 21.65 | 30.1 | 21.65 | 25.6 | 21.8 | 30.1 | 21.8 | 25.65 |
| Dec-14 | 25.5 | 25.6 | 21.25 | 23.85 | 25.2 | 26 | 21.05 | 23.8 |
| Jan-15 | 24.9 | 28 | 22 | 26.3 | 24.05 | 28.4 | 21.7 | 26.6 |
| Feb-15 | 27.9 | 27.9 | 24.1 | 25.45 | 28 | 28 | 24 | 25.5 |
| Mar-15 | 26 | 27.65 | 22.05 | 23.4 | 25.5 | 27.6 | 22.1 | 23.8 |

Distribution of Shareholding

The distribution of shareholding as on 31st March, 2015 was as follows

| No. of Shares held | Shareholders | | Shares | |
|--------------------|--------------|------------|--------------------|------------|
| | Number | % to total | Number | % to total |
| Upto 500 | 4,839 | 73.40 | 9,30,806 | 1.14 |
| 501-1,000 | 846 | 12.83 | 7,34,094 | 0.90 |
| 1,001-5,000 | 668 | 10.13 | 15,28,107 | 1.88 |
| 5,001-10,000 | 90 | 1.37 | 6,88,114 | 0.85 |
| 10,001-50,000 | 93 | 1.41 | 20,94,641 | 2.58 |
| 50,001-1,00,000 | 26 | 0.39 | 19,74,549 | 2.43 |
| 1,00,001 and Above | 31 | 0.47 | 7,33,72,013 | 90.22 |
| Total | 6,593 | 100 | 8,13,22,324 | 100 |

Categories of shareholding as on 31st March, 2015

| Category (as Gallantt reports to stock exchanges) | Shares Holdings | % of Total |
|--|--------------------|--------------|
| PROMOTERS' HOLDING | | |
| Promoters | 4,44,17,506 | 54.62 |
| Total Promoters' Holding | 4,44,17,506 | 54.62 |
| PUBLIC SHAREHOLDING | | |
| Institutional Investors | Nil | Nil |
| Financial Institution Investor | Nil | Nil |
| Others | | |
| Bodies Corporate | 2,71,53,590 | 33.39 |
| Individuals | 81,88,502 | 10.07 |
| NRI/OCBs | 12,48,231 | 1.53 |
| Trust | 5,000 | 0.01 |
| Clearing Memb/Clearing Cor (Demat shares in transit) | 3,09,495 | 0.38 |
| Total Public Shareholding | 3,69,04,818 | 45.38 |
| GRAND TOTAL | 8,13,22,324 | 100 |

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% (approx.) of Equity Shares have been dematerialized as on 31st March, 2015.

Stock Code

Bombay Stock Exchange Limited
532726

National Stock Exchange of India Limited
GALLANTT

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. rajesh@gallantt.com. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

Covering letter of annual audit report to be filed with stock exchanges

In terms of Clause 31(a) of the Listing Agreement, the covering letter of the annual audit report to be filed with the stock exchanges (Form A) duly signed by the Managing Director, Executive Directors, Chief Financial Officer, Auditors of the company and Chairman of the Audit Committee would be filed with the stock exchanges along with the copies of the Annual Reports.

Corporate Identity Number (CIN):

L27109WB2005PLC101553

Investor's Correspondence

For investor matters:

Rajesh Upadhyaya

Company Secretary and Compliance Officer

Secretarial Department

Gallantt Metal Limited

1, Crooked Lane, Second Floor,

Room Nos. 222 & 223, Kolkata-700 069 (W.B.)

Telefax:- +91-33-40642189

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.

Place: Kolkata

Date: August 28, 2015

On behalf of the Board

C. P. Agrawal

Chairman

Declaration by the Managing Director (under Clause 49 of the Listing Agreement regarding compliance with Code of Conduct)

To

The Members of

Gallantt Metal Limited

In accordance with Clause 49(II)(E) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended on 31st March, 2015.

Place: Kolkata

Dated: August 28, 2015

C. P. Agrawal

Managing Director

(DIN: 01814318)

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of the conditions of Corporate Governance by Gallantt Metal Limited for the year ended 31st March, 2015, 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, 2015 as per the records maintained by the Registrar and Transfer Agent of the Company and presented to the Stakeholders' Relationship 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
Firm's Registration No.324666E
(A. K. Meharia)
Partner
Membership Number: 053918

Place: Kolkata
Dated: August 28, 2015

CEO/CFO CERTIFICATION

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

Re: Financial Statements for the Financial year 2014-15 – Certificate by CEO and CFO

We, Chandra Prakash Agrawal, CEO and Mr. Sandip Kumar Agarwal, Chief Financial Officer, of Gallantt Metal Limited on the review of financial statements and cash flow statement for the year ended 31st March, 2015 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, 2015 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 28, 2015

Sandip Kumar Agarwal
CFO

Chandra Prakash Agrawal
Chief Executive Officer