

GALANT

METAL LIMITED

ANNUAL REPORT 2011-2012



BUILDING TOMORROW



Message from
Chairman & Managing Director

C. P. Agarwal

Dear Shareowners,

It is my pleasure to present the Annual Report of your Company along with the Balance Sheet as at 31st March, 2012 and Statement of Profit & Loss for the financial year ended 31st March 2012.

Economic Scenario

Financial Year 2011-12 was a year of great contrast and has been a challenging year with unprecedented uncertainty. The world economy continues its sluggish journey greatly influenced by European concerns. The Indian Economy has moved to a slower growth phase reflecting the impact of continued monetary tightening. Inflation continued to be the primary macroeconomic concern of the Indian economy. We see rising inflation, a depreciating currency and rising cost of inputs coupled with purchasers resistant to price increase. Corporates like us found it increasingly difficult to pass on this rise in input cost to the customers. This is evident from the fact that though corporate performance in the country was relatively robust during the year, earnings before depreciation, interest and tax (EBDITA) and Profit after Tax (PAT) margins showed a downward trend.

Performance, Projects and Vision

Our business continues to perform well despite the ups and downs that are inherent in the market. During the year Company has reported a turnover of Rs. 58,532.36 Lacs. Company has posted a Profit Before Tax (PBT) Rs. 1,536.34 Lacs and Profit After Tax (PAT) Rs. 1,454.32 Lacs. Margin pressure was exerted on the Business during the year as a result of sharp volatility in raw material prices and energy costs. Although prices of finished products (i.e. Steel Products) moved up, these increases were not entirely commensurate with the higher input costs. Moreover, given a stagnant demand situation, price enhancements and productivity gains that the Business strived

for during the year were insufficient to offset the sharp increases in input costs. However, your Company is taking several measures to ensure the cost reduction and raising productivity.

Company's proposed a new Pellet plant with beneficiation unit at Village - Halavarthi, Taluka and District - Koppal, Karnataka is under implementation and legal formalities are being complied with. Land acquisition work for the expansion plan has been completed and Company has also obtained clearances for the new project from the Karnataka Government and Ministry of Environment and Forests.

Future Outlook

The Global outlook for the year 2012-13 looks slightly better than expected earlier. Domestic growth outlook for 2012-13 is marginally better than 2011-12. Assuming a normal monsoon, agricultural sector is also expected to do better. Industry is expected to perform better than in last year as leading indicators of industry suggest a turnaround in Index of Industrial Production (IIP) growth. The RBI has projected the baseline GDP growth for the financial year 2012-13 at 7.3 per cent.

Growth in the steel demand has strong correlation with growth in GDP of nation. As Indian economy is slated to exhibit robust growth in GDP, steel demand is also expected to grow in tandem. Infrastructure projects in the areas of road construction, mass transit systems, power generation etc. are expected to grow in the years to come and hence, the demand for iron and steel in medium term shall be healthy.

Thanking you,

Yours truly,

C. P. Agarwal

August 11, 2012

Corporate Information

Eighth Annual Report 2011-2012

Board of Directors

Mr. Chandra Prakash Agarwal
Chairman & Managing Director

Mr. Dinesh R. Agarwal
Whole-time Director

Mr. Nitin M. Kandoi
Director

Mr. Rajesh Kumar Jain
Non-Executive Independent Director

Mr. Jyotirindra Nath Dey
Non-Executive Independent Director

Mr. Prasant Kankrania
Non-Executive Independent Director

Company Secretary

Mr. Rajesh Upadhyaya

Auditors

A. K. Meharia & Associates
Chartered Accountants

Cost Auditors

U. Tiwari & Associates
Cost Accountants

Registered Office

1, Crooked Lane, Second Floor
Room Nos. 222 & 223
Kolkata - 700 069
Phone : (033) 4064 2189
Fax : (033) 2231 2429
Website : www.gallantt.com

Works

Survey No. 175/1
Village : Samakhyali
Taluka : Bachau
District : Kutch, Gujarat

Bankers

State Bank of India
Bank of Baroda
State Bank of Indore
State Bank of Hyderabad
State Bank of Mysore
UCO Bank
State Bank of Travancore
State Bank of Patiala
ICICI Bank
HDFC Bank

Equity Shares Listed on

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Registrar & Share Transfer Agent

Niche Technologies Pvt. Ltd.
D-511, Bagree Market
71, B. R. B. Basu Road, Kolkata - 700 001
Phone : (033) 22357270/7271/3070/2234
Fax : (033) 2215 6823

Audit Committee

Mr. Prasant Kankrania - *Chairman*
Mr. Rajesh Kumar Jain
Mr. Jyotirindra Nath Dey

Share Transfer and Shareholders'/Investors' Grievance Committee

Mr. Rajesh Kumar Jain - *Chairman*
Mr. Prasant Kankrania
Mr. Jyotirindra Nath Dey

Remuneration Committee

Mr. Jyotirindra Nath Dey - *Chairman*
Mr. Prasant Kankrania
Mr. Rajesh Kumar Jain

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IMPORTANT COMMUNICATION TO MEMBERS

As you all may be aware, Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011, whereby Companies are permitted to send Notices/documents including Annual Report comprising Balance Sheet, Statement of Profit & Loss, Directors Report, Auditors Report etc. in electronic mode to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, Niche Technologies Private Limited by sending e-mail to nichetechpl@nichetechpl.com

Notice

Notice is hereby given that the Eighth Annual General Meeting of GALLANTT METAL LIMITED will be held on Tuesday, 25th September, 2012 at 1.30 P.M. at - RABINDRA OKARURA BHAVAN, DD-27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700 091 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as on 31st March, 2012, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To reappoint Mr. Nitin M Kandoi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT M/s. A. K. Meharia & Associates, Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS :

4. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT in accordance with the provision of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactment thereof, Mr. Prasant Kankrania, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 and Rules framed thereunder, the existing Articles of Association of the Company be amended as under :

- i) After Article 96 of the Articles of Association of the Company, the following new Article 96A shall be inserted :

96A : The Board may provide video conference facility and/or other permissible electronic mode of communication to the shareholders of the Company for participating in General Meetings of the Company. Such participation by the shareholders at General Meetings of the Company through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.

- ii) After Article 125 of the Articles of Association of the Company, the following new Article 125A shall be inserted :

125A : Directors may participate in Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication. Such participation by the Directors at Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force."

"FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee or any person which the Board may nominate/constitute to exercise its powers, including the powers by this Resolution) be and is hereby authorized to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution."

Registered Office :
1, Crooked Lane,
Second Floor, Room Nos. 222 & 223
Kolkata - 700 069
Date : August 11, 2012

By Order of the Board

Rajesh Upadhyaya
Company Secretary

Notice

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The relative Explanatory Statement in respect of item nos. 4 & 5 set out in the Notice is annexed hereto.
3. Members are requested to bring their copies of the Annual Report.
4. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. Members holding shares in dematerialized form are requested to write their Client ID and DP ID numbers in the Attendance Slip for attending the Meeting.
6. The Register of Members and Share Transfer Books of the Company will be closed from 19th September, 2012 to 25th September, 2012 (both days inclusive) in connection with the Annual General Meeting.

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

Item No. 4

APPOINTMENT OF MR. PRASANT KANKRANIA AS A DIRECTOR OF THE COMPANY

At a Meeting of the Board of Directors of the Company held on March 29, 2012, Mr. Prasant Kankrania (Mr. Kankrania), aged 26 years, was appointed as an Additional Director in terms of the provisions of Section 260 of the Companies Act, 1956 and Article 102 of the Articles of Association of the Company.

Mr. Kankrania is a finance professional with over 3 years of work experience. After graduating as Bachelor of Commerce from Calcutta University, Mr. Kankrania qualified as a Chartered Accountant.

Mr. Kankrania candidature for Directorship has been proposed by a shareholder pursuant to Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/-. The Board considers that the Company will benefit from the association of Mr. Kankrania and recommends the resolution for your approval.

Notice of the shareholder received by the Company, pursuant to Section 257 of the Companies Act, 1956 referred to above is available for inspection during office hours up to the date of the Meeting, at the Registered Office of the Company and also at the Office of the Company at 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata - 700 069 and will also be available at this Annual General Meeting.

Mr. Kankrania does not hold any share in the Company. None of the Directors is concerned or interested in the resolution.

Mr. Kankrania, may however, be deemed to be concerned or interested in this Resolution and his appointment.

Item No. 5

ALTERATION IN ARTICLES OF ASSOCIATION OF THE COMPANY

The Ministry of Corporate Affairs (MCA), Government of India, New Delhi vide General Circulars No.27/2011 and 28/2011 dated May 20, 2011 and Circular No. 35/2011 dated June 06, 2012 have permitted the companies to hold Board Meetings and Shareholders' Meetings through video conference facility, as part of the Green Initiatives under Corporate Governance.

Further, MCA vide Circular No. 72/2011 dated December 27, 2011 made the video conference facility at the Shareholders' Meetings optional to the Company.

In order to provide video conference facility to its Directors and Shareholders, your Company has been advised to carry out necessary amendments in the existing Articles of Association of the Company by inserting enabling provisions. In terms of Section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company.

The Articles of Association with alterations proposed therein as referred to in the Notice shall be available for inspection by the Members at the Registered Office of the Company on any working day except holidays observed by the Company during usual business hours up to the date of the Meeting and will also be available at this Annual General Meeting.

Accordingly, your Board recommends passing of the Resolution No. 5 as a Special Resolution.

None of the Directors is interested or concerned in this resolution.

Registered Office :
1, Crooked Lane,
Room Nos. 222 & 223, Second Floor
Kolkata - 700 069
Date : August 11, 2012

By Order of the Board

Rajesh Upadhyaya
Company Secretary

Directors' Report

Dear Members

Your Directors have pleasure in presenting the 8th Annual Report of the Company and the Annual Accounts for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

(₹ in Lacs)

Financial Results	2012	2011
Net Sales/Income from Operation (Net of Excise Duty)	58532.36	55668.33
Other Income	284.99	1177.48
Profit before Interest, Depreciation and Tax	4684.57	5973.08
Less : Finance Cost	1594.69	1379.65
Profit before Depreciation & Tax	3089.88	4593.43
Less : Depreciation (including amortization)	1553.54	1567.50
Profit Before Tax	1536.34	3025.93
Tax Expenses	82.02	733.69
Profit After Tax	1454.32	2292.24

2. RESULTS OF OPERATIONS

During the year your Company has reported a turnover of ₹ 58,532.36 Lacs. The operating profit stood at ₹ 4,684.57 Lacs. The Profit before Tax and Profit After Tax remains ₹ 1,536.34 Lacs and ₹ 1,454.32 Lacs respectively. Financial Year 2011-12 was a challenging year. The Global as well as Indian economy witnessed lower economic growth. Rising inflation, depreciating currency and rising cost of inputs were the buzz word during the year under report. Despite these constraints and the challenging environment, the Company performed reasonably well. Profitability of the Company remains lesser than that of previous year mainly due to increase in input cost.

3. PROJECTS AND EXPANSION INITIATIVES

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

4. DIVIDEND

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

5. DIRECTORS' RESPONSIBILITY STATEMENT

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

- The applicable accounting standards have been followed in the preparation of Annual Accounts.
- That the accounting policies have been selected and applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2012.
- That proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Annual Accounts have been prepared on a going concern basis.

Directors' Report

6. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. As required under Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance together with Auditors' Certificate on Corporate Governance is appended to the Annual Report. Further, as required under Clause 49 of the Listing Agreement a Management Discussion and Analysis Report is appended to the Annual Report.

7. LISTING INFORMATION

The Equity Shares in the Company are in dematerialized form and is listed with Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Listing Fee has been paid to the Stock Exchanges for the year 2012-13. The ISIN No. of the Company is INE297H01019.

8. FIXED DEPOSITS

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

9. PARTICULARS OF EMPLOYEES

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

10. AUDITORS & AUDITORS' REPORT

M/s. A. K. MEHARIA & ASSOCIATES, Chartered Accountants, statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from them that their reappointment, if made, would be within the limits laid down under Section 224 (1B) of the Companies Act, 1956.

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

11. COST AUDITORS

The Central Government has approved the appointment of M/s. U. Tiwari & Associates, Cost Auditors for conducting Cost Audit for the Financial Year 2011-12.

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

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

13. PERSONNEL, INDUSTRIAL RELATIONS AND MARKETING

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

14. DIRECTORS

The Board of Directors comprises of Six Directors of which Three are Independent Directors. Mr. Nitin M Kandoi, Director of your Company, retires from the Board by rotation and eligible for re-election.

With effect from February 13, 2012 Mr. Virendra Kumar Keshari, Director of the Company has tendered resignation from the Directorship of the Company. At the Board Meeting held on 29th March, 2012 Mr. Prasant Kankrania was appointed as an Additional Director of the Company. The Committees of the Board of Directors of the Company was reconstituted as Mr. Virendra Kumar Keshari resigned from the Board of Directors of the Company. Mr. Prasant Kankrania has been appointed as the Chairman of the Audit Committee and is member in Remuneration Committee and Share Transfer & Shareholders'/Investors' Grievance Committee of the Board of Directors.

15. ACKNOWLEDGEMENT

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

On behalf of the Board

C. P. Agarwal
Chairman

Place : Kolkata
Date : August 11, 2012

Annexure to Directors' Report

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

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken

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

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

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

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

FORM - A
Disclosure of Particulars with respect to conservation of energy

		2011-12	2010-11
A.	Power & Fuel Consumption		
	1. Electricity		
	(a) Purchased		
	Total Unit (in Lacs)	55.43	110.66
	Amount ₹ (in Lacs)	495.72	740.87
	Rate Per Unit (₹)	8.94	6.70
	(b) Own Generation		
	Total Units (in Lacs)	1625.48	1605.59
	Amount ₹ (in Lacs)	7325.60	5939.56
	Rate per Unit	4.51	3.70
	2. Coal		
	Quantity- M.T.	229816	223717
	Total Cost- ₹ (in Lacs)	10602.72	9114.07
	Average rate-₹ (per M.T.)	4614	4074
	3. Furnace Oil		
	Quantity (K. Ltrs.)	625.671	170.214
	Total Cost ₹ (in Lacs)	233.28	42.40
	Average Rate (₹ / K. Ltrs.)	37284	24910
B.	Consumption per unit of production		
	1. Electricity (Unit/M.T.)		
	- Sponge Iron	72	68
	- Rolling	93	95
	- SMS (Furnace)	756	744
	2. Coal		
	- Sponge Iron (Kg/M.T.)	960	1097
	- Rolling (M.S. Bar) (Kg/M.T.)	99	101
	- Power Plant (Per 1000 KWH)	777	700

Annexure to Directors' Report

FORM - B

Disclosure of Particulars with respect to technology absorption

RESEARCH & DEVELOPMENT (R&D)

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

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

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

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

2. Benefits derived as a result of the above efforts

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to export, initiative taken to increase exports, development of new export markets for products and export plans - Nil
2. The information on foreign exchange earnings and outgo has been discusses in Note No. 25 to Notes on Financial Statements.

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance ensures high standards of transparency, accountability, ethical operating practices, professional management thereby enhancing shareholders' value and protecting the interest of the stakeholders such as depositors, creditors, customers, suppliers and employees. Good Corporate Governance practices stem from the culture and mindset of the organization and at Gallantt Metal it is an ongoing process and the Company continuously strives to improve upon its practices in line with the changing demands of the business environment. It is our endeavor to achieve highest standards and provide oversight and guidance to management in strategy implementation and risk management and fulfillment of goals and objectives. This chapter reports and confirms that your Company complies with the requirements on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, the details of which are given hereunder :

I. BOARD OF DIRECTORS

The Company has a well profiled Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience. The Board provides and critically evaluates strategic direction of the Company, management

policies and their effectiveness. Their main function is to ensure that long-term interests of the stakeholders are being served.

SIZE AND COMPOSITION OF THE BOARD

The composition of the Board is in conformity with Clause 49 of the Listing Agreement. The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board is balanced comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals. The Board has strength of Six Directors as on 31st March, 2012. Our Board of Directors has Three Independent Directors.

During the financial year ended 31st March, 2012 Eleven meetings of the Board were held on 6th April, 2011, 25th April, 2011, 27th May, 2011, 15th July, 2011, 11th August, 2011, 6th September, 2011, 11th November, 2011, 29th December, 2011, 13th February, 2012, 20th February, 2012 and 29th March, 2012. The maximum time gap between any two consecutive meetings did not exceed four months. The details regarding the attendance of Directors at the Board Meetings, Number of other Directorships and Committee positions held by them in other Companies as on 31st March, 2012 are given below:

Name & Designation of the Directors	Category/ Position	Last Annual General Meeting Attended	No. of Board Meetings Attended out of 11 meetings held during the year	No. of Other Directorships	Committee Positions held	
					Chairman	Member
Mr. Chandra Prakash Agarwal Chairman & Managing Director	Executive/ Promoter	Yes	10	1	Nil	Nil
Mr. Nitin M Kandoi Director	Non-Executive Promoter	No	6	1	Nil	Nil
Mr. Dinesh R. Agarwal Whole-time Director	Executive/ Promoter	No	7	2	Nil	Nil
Mr. Jyotirindra Nath Dey	Non-Executive/ Independent	Yes	11	2	1	2
Mr. Rajesh Kumar Jain	Non-Executive/ Independent	No	6	1	1	2
Mr. Virendra Kumar Keshari	Non-Executive/ Independent	Yes	10	1	1	2
Mr. Prasant Kankrania	Non-Executive/ Independent	No	1	Nil	Nil	Nil

Report on Corporate Governance

Notes :

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

CHANGES IN COMPOSITION OF THE BOARD OF DIRECTORS SINCE LAST REPORT :

Mr. Virendra Kumar Keshari has resigned from the Board of the Company with effect from 13th February, 2012. Further, Mr. Prasant Kankrania has been appointed as Additional Director of the Company at Board Meeting held on March 29, 2012.

APPOINTMENT AND REAPPOINTMENT OF DIRECTOR :

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

(a)

Name of the Director	Mr. Nitin M Kandoi
Date of Birth	21.07.1972
Date of Appointment	07.02.2005 (Since Incorporation)
Qualifications	B.Com(H)
Experience	Mr. Nitin M Kandoi, a promoter Director of the Company having experience of 17 years in the steel industry, is a Commerce Graduate from Mumbai University. Mr. Kandoi was involved in the operations of the steel manufacturing facility of Gallantt Udyog Limited (formerly Govind Mills Limited) since 1995. He was involved in setting up of the operations of our Company and has been instrumental in the implementation of technological advances made in the manufacturing processes of our Company. During this period and under his Directorship, the Company has completed and achieved various targets and plans and the Company achieved higher levels of growth. His expertise in the steel and power businesses has been instrumental in contributing to the growth of the Company.
Directorship in other Companies	1. Gallantt Ispat Limited
Membership/Chairmanship of Committees of the other public companies on which he is a Director	NIL
No. of Shares held in the Company	10,500

Report on Corporate Governance

(b)

Name of the Director	Mr. Prasant Kankrania
Date of Birth	23.07.1986
Date of Appointment	29.03.2012
Qualifications	B.Com(H), Chartered Accountants
Experience	Mr. Prasant Kankrania is a Commerce Graduate from Calcutta University and a qualified Chartered Accountant. He possesses rich experience over 3 years of in the field of Accounts, Finance, Taxation, Auditing and Corporate Affairs. He has handled number of issues pertaining to above areas.
Directorship in other Companies	NIL
Membership/Chairmanship of Committees of the other public companies on which he is a Director	NIL
No. of Shares held in the Company	NIL

CODE OF CONDUCT :

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

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

In terms of sub-clause (ii) of the said clause and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that Directors and the members of senior management of the Company have complied with the Code of Conduct during the financial year 2011-12".

Place : Kolkata
Date : August 11, 2012

Chandra Prakash Agarwal
Chairman and Managing Director

Report on Corporate Governance

II. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

In line with the statutory provisions of Listing Agreement entered into with Stock Exchanges read with Section 292A of the Companies Act, 1956 and as a measure of good Corporate Governance with a view to provide assistance to the Board in fulfilling its oversight responsibilities, an Audit Committee of the Directors was constituted. All the Members of the Committee are Independent Directors and every Member has rich experience in the financial sector. The Company Secretary acts as Secretary to the Committee. Statutory Auditors, Internal Auditors and Senior Management Personnel of the Company can also attend the meetings by invitation. The recommendations of the Audit Committee are placed before the Board for its consideration and approval.

During the year ended 31st March, 2012, the Audit Committee comprised of Mr. Virendra Kumar Keshari, an Independent Director, as the Chairman, Mr. Jyotirindra Nath Dey and Mr. Rajesh Kumar Jain all independent Directors as Members. Mr. Rajesh Upadhyaya, Company Secretary acts as the Secretary to the Committee.

Effective from February 13, 2012, Mr. Virendra Kumar Keshari relinquished Chairmanship of the Audit Committee (as resigned from the Board). Mr. Prasant Kankrania, Non-Executive Independent Director, has been appointed as Chairman of the Committee.

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

The Committee, in addition to other business reviews the quarterly (unaudited) financial results, annual accounts, before submitting to the Board of Directors. During the year 2011-12, seven meetings were held on 27th May, 2011, 15th July, 2011, 11th August, 2011, 6th September, 2011, 11th November, 2011, 13th February, 2012 and 29th March, 2012.

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

Name	Designation	Category	Committee Meeting Attended
Mr. V. K. Keshari*	Chairman	Independent	6
Mr. J. N. Dey	Member	Independent	7
Mr. R. K. Jain	Member	Independent	7
Mr. P. Kankrania**	Chairman	Independent	1

*Resigned from the Committee with effect from 13th February, 2012.

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

REMUNERATION COMMITTEE :

During the year ended 31st March, 2012, the Remuneration Committee comprised of Mr. Jyotirindra Nath Dey, an Independent Director, as the Chairman and Mr. Virendra Kumar Keshari and Mr. Rajesh Kumar Jain all independent Directors as Members. Mr. Rajesh Upadhyaya, Company Secretary acts as the Secretary to the Committee.

Effective from February 13, 2012, Mr. Virendra Kumar Keshari relinquished Membership of the Remuneration Committee (as resigned from the Board). Mr. Prasant Kankrania, Non-Executive Independent Director, has been appointed as a Member of the Committee.

The Remuneration Committee was constituted to discharge the Board's responsibilities relating to compensation of the Company's executive directors and senior management. During the year 2011-12, one meeting of the Remuneration Committee was held on 29th March, 2012.

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

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

Report on Corporate Governance

Remuneration of Directors

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

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

Name	Designation	Aggregate Value of Salary & Perquisites (₹)
Mr. Chandra Prakash Agarwal	Managing Director	13,20,000/-
Mr. Dinesh R. Agarwal	Whole-time Director	13,20,000/-

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

(b) Non-Executive Directors

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

SHARE TRANSFER & SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

During the year ended 31st March, 2012, the Share Transfer & Shareholders/Investors Grievance Committee comprised of Mr. Rajesh Kumar Jain, an Independent Director, as the Chairman and Mr. Virendra Kumar Keshari and Mr. Jyotindra 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.

Effective from February 13, 2012, Mr. Virendra Kumar Keshari relinquished Membership of the Share Transfer & Shareholders/Investors Grievance Committee (as resigned from the Board). Mr. Prasant Kankrania, Non-Executive Independent Director, has been appointed as a Member of the Committee.

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

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

During the year 2011-12, one meeting of the Share Transfer & Shareholders/Investors Grievance Committee was held on March 29, 2012.

III. SUBSIDIARY COMPANY

Company has no Subsidiary Company(s).

IV. DISCLOSURES :

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

Report on Corporate Governance

General Body Meetings :

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

Year	Venue	Date	Time
2011	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata - 700 017	28.09.2011	11.30 A. M.
2010	EZCC, 'Aikatan', IA - 290, Sector - III, Salt Lake City, Kolkata - 700 097.	24.09.2010	11.30 A.M.
2009	EZCC, 'Aikatan', IA - 290, Sector - III, Salt Lake City, Kolkata - 700 097.	23.09.2009	12.00 Noon

Details of Resolutions passed through Postal Ballot

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

Compliance Certificate

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

Means of Communication

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

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

Management Discussion & Analysis Report

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

Compliance Officer

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

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

Tel :- +91-33-40642189, Telefax :- +91-33-22312429.

GENERAL SHAREHOLDER INFORMATION

- | | |
|------------------------------------|--|
| 1. Date, Time and Venue of 8th AGM | Tuesday, 25th September, 2012 at 1.30 P.M. at RABINDRA OKARURA BHAVAN, DD-27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700 091. |
| 2. Financial Calender | 1st April to 31st March |
| 3. Dates of book closure | 19th September, 2012 to 25th September, 2012 |
| 4. Listing on stock exchanges | Bombay Stock Exchange Ltd. (BSE)
National Stock Exchange of India Ltd. (NSE) |
| 5. Listing fees for 2012-13 | Paid for both the Stock Exchanges |
| 6. Electronic Connectivity | National Securities Depository Ltd. (NSDL) &
Central Depository Services (India) Ltd. |
| 7. Registered Office | 1, Crooked Lane, Second Floor, Room Nos. 222 & 223, Kolkata- 700 069.
Tel: +91-33-4064 2189;
Fax: +91-33-2231 2429 |

Report on Corporate Governance

8. Works Office

Website : gallantt.com

E-mail : rajesh@gallantt .com

Near Toll Gate, Village- Kamakhjali, Taluka-Bachau, District- Kutch, Gujarat.

Tel : +91-283728 3689, Telefax: +91-2837-283 555/557

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. Stock Market Data

Monthly high and low quotations of shares traded on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited for the Year 2011-12.

(Amount in ₹)

Year 2011-12	BSE		NSE	
	High	Low	High	Low
April	21.50	17.70	21.90	17.25
May	19.65	16.65	19.50	16.50
June	18.50	15.55	18.10	15.25
July	17.70	15.80	17.65	15.25
August	18.35	13.80	19.00	12.55
September	17.90	14.15	17.80	14.10
October	30.50	17.00	30.55	16.80
November	36.95	19.10	37.10	19.15
December	22.85	16.35	23.10	16.40
January	22.70	17.40	22.10	17.65
February	20.40	17.75	20.40	17.40
March	19.20	15.55	19.50	16.20

11. Share Transfer System

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

12. Dematerialisation of Shares and Liquidity

The Shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL 99.999% of Equity Shares have been dematerialized as on 31st March, 2012.

13. Stock Code

Bombay Stock Exchange Limited

532726

National Stock Exchange of India Limited

GALLANTT

Report on Corporate Governance

14. Distribution of Shareholding

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

No. of Shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	5,924	73.32	12,23,349	1.50
501-1,000	1,030	12.75	8,95,002	1.10
1,001-5,000	809	10.01	18,95,812	2.33
5,001-10,000	125	1.55	9,63,784	1.19
10,001-50,000	120	1.48	28,77,476	3.54
50,001-1,00,000	25	0.31	19,72,296	2.42
1,00,001 and Above	47	0.58	7,14,94,605	87.92
TOTAL	8,080	100	8,13,22,324	100

Categories of shareholding as on 31st March, 2012

Category (as Gallantt Metal reports to stock exchanges)	Shares Holdings	% of Total
PROMOTERS' HOLDING :		
Promoters	4,14,53,017	50.97
Total Promoters' Holding	4,14,53,017	50.97
PUBLIC SHAREHOLDING :		
Institutional Investors		
Financial Institution Investor	50,00,000	6.15
Others		
Bodies Corporate	2,15,41,366	26.49
Individuals	97,72,430	12.02
NRI/OCBs	6,95,912	0.85
Trust	5,000	0.01
Clearing Memb/Clearing Cor (Demat shares in transit)	28,54,599	3.51
Total Public Shareholding	3,98,69,307	49.03
GRAND TOTAL	8,13,22,324	100

15. 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.)

Tel. : +91-33-4064 2189, Telefax : +91-33-2231 2429

ADOPTION OF NON-MANDATORY REQUIREMENTS

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

Report on Corporate Governance

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

We have examined the compliance of the conditions of Corporate Governance by Gallantt Metal Limited for the year ended 31st March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

We state that there are no investor grievances pending against the Company for the period exceeding one month as at 31st March, 2012 as per the records maintained by the Registrar and Transfer Agent of the Company and presented to the Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **A. K. Meharia & Associates**

Chartered Accountants

A. K. Meharia

Partner

Membership No. 53918

Place : Kolkata

Date : 11.08. 2012

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 2011-12 - Certificate by MD and Manager Accounts & Finance

We, Chandra Prakash Agarwal, Managing Director and Mr. Rajesh Upadhyaya, Manager Accounts & Finance and Company Secretary, of Gallantt Metal Limited on the review of financial statements and cash flow statement for the year ended 31st March, 2012 and to the best of my knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2012 which are fraudulent illegal or violative of Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls, for financial reporting, we have evaluated the effectiveness of the internal control systems of the company pertaining the financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which we are aware and the steps we have taken or purpose to take rectify these deficiencies.
5. We have indicated to the Auditors & the Audit Committee:
 - (i) there have been no significant changes in internal control over financial reporting during the period.
 - (ii) there have been no significant changes in accounting policies during the period.
 - (iii) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Kolkata

August 11, 2012

Rajesh Upadhyaya

Manager Accounts & Finance
and Company Secretary

Chandra Prakash Agarwal

Managing Director

Management Discussion and Analysis Report

(forming part of the Report of the Directors for the year ended 31st March, 2012)

Economic Scenario

Global Economy on the whole has been on the path of recovery. US economy has shown signs of modest recovery which has reflected in improved consumer spending and fall in unemployment rate. However, as sustainable solution to the euro area debt crisis is yet to emerge.

The Indian economy grew 6.9% in 2011-12 against 8.4% in 2010-11. The Indian Economy has moved to a slower growth phase reflecting the impact of continued monetary tightening. Global factors such as euro zone crisis, geopolitical disturbances and weather extremities contributed to the domestic economic slowdown. Domestic factors like monetary tightening and raising repo rate to control inflation slowed industrial investment and growth. GDP growth during April - December 2011 has moderated to 6.9 percent.

The industrial sector was plagued by multiple issues. Inflation eroded margins. Interest rate hikes throttled consumer spending. The depreciation of the Indian rupee against the US dollar eroded corporate profitability. The euro zone turmoil affected exports. Despite lower growth, India retained its position among the world's fastestgrowing economies.

Inflation continued to be the primary macroeconomic concern of the Indian economy. The Reserve Bank had raised the policy rate by 375 basis points during March 2010- October 2011 to contain inflation and anchor inflationary expectations.

Corporates found it increasingly difficult to pass on this rise in input cost to the customers. This is evident from the fact that though corporate performance in the country was relatively robust during the year, earnings before depreciation, interest and tax (EBDITA) and Profit After Tax (PAT) margins showed a downward trend.

Industry Structure and Developments

The steel sector indicates a region's economic health. Over the last decade, the sector has grown phenomenally, primarily due to growth in the BRIC (Brazil, Russia, India and China) nations. Since, 2001, the sector witnessed a major rally and downturn, but overall, global steel production grew at a compounded rate of around 6.0% while consumption increased at a CAGR 5.9%.

The annualised global steel production peaked at June 2011 with 1,576 MnT which got reduced to a low of 1,420 MnT in November, 2011 - a reflection of economic slowdown in certain parts of the Globe. Global Steel production touched 1,527 MnT in 2011 against 1,430 MnT in 2010, an increase of 6.8% over the previous year. All major steel producing countries apart from Japan reported growth; this was particularly robust in Turkey, South Korea and Italy.

The Indian Steel Industry is largely iron-based through the Blast Furnace (BF) or the Direct Reduced Iron (DRI) route. The Indian Steel sector witnessed rapid growth over the past decade; domestic crude steel capacity more than doubled to reach 89 mtpc in the fiscal ended March, 2012. India's steel industry is highly consolidated; about 60% of the crude steel capacity is resident with integrated steel producers (ISPs); a majority of ISPs are located in eastern India, contributing to 50% of total ISP capacity. But the changing ratio of hot metal to crude steel production indicates the increasing presence of secondary steel producers manufacturing steel through the scrap route, enhancing their dependence on imported raw material.

Opportunity and Threats

Despite the economic and financial challenges in key developed economies, India has remained a frontrunner in any cross-country comparison. Even with a low growth figure of 6.9%, India is projected to be the second-fastest-growing major economy (7 %) after China (8.2 %) as per the IMF. It is estimated that the country's economy would grow at 7.6% in FY 2013 and 8.6% in FY 2014.

Indian steel plants are globally recognized in the area of technology absorption. Today, India is the world's largest producer of DRI. The Real Estate sector is at the cusp of a new dawn. An increase in the pace of urbanisation, rising disposable income, and greater customer sensitivity to the quality of products being consumed is spurring the demand for high quality residential housing in India.

Substantial end user and investor interest, large scale investment in infrastructure and rapid urbanisation have contributed to the growth trajectory of Indian Real Estate domain. The substantial governmental outlays on building physical and social infrastructure with thrust on public private partnership model of development is expected to lead to sustained growth in industrial sector. The expected increase in infrastructure spend is positive for the steel industry. To grab these opportunities, your Company is in the process to start some new facilities.

Management Discussion and Analysis Report

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

Risk & Concern

For a product which is completely dependent on finite, high-quality, natural resources namely coal and iron ore, business sustainability is critically linked to the consistent sourcing of adequate volumes of these finite resources in a cost-effective manner. As a controlled commodity, coal is not always readily available in quantities that the industry would like it to be made available. For instance, coal quantities under the linkage system is frequently subject to uncertainty. Consequently, the industry has to either purchase coal from the open market through e-auctions or alternatively import the commodity. These have to be done at prices that are not always economical. In addition, logistics constraints like, for instance, non-availability of railway wagons for evacuating the cement produced and for inward movement of raw materials are a concern.

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

Internal Control System

The Company has robust, proper and adequate system of internal control systems commensurate with the size and nature of its business. and continues to seek ways to further strengthen these. The functioning of the control systems operating in the Company are reviewed and reassessed by the management on a continuous basis to ensure their efficacy. The Company maintains periodical internal checks and conduct adequate internal audit, which provide safeguards and proper monitoring and vetting of transactions. The Audit Committee of the Board of Directors regularly reviews audit plans, significant audit findings, adequacy of internal control system, compliance with Accounting Standards among others. Your Directors are satisfied with the adequacy of the same.

Human Assets

Your Company continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. The Company provides its Employees with facilities - it ensures that all necessities are taken care of - providing complete peace of mind for Employees and ensuring an efficient, healthy and satisfied work force. This effort is rewarded by a single - minded focus of each Employee on consistently exceeding expectations.

Statutory Compliance

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

Future Outlook

Despite concerns of a slowing economy in the near term and the consequent impact on the Real Estate, the overall outlook for the steel industry is positive. Infrastructure investments in roads, growing income of the country's middle class, increasing mechanisation of agriculture and the continued ready availability of loan finance for housing and other infrastructure will act as an impetus to steel sales.

Cautionary Statement

Statements made in this report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions and reasonable expectation of future events. Actual results could, however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, finished goods prices, raw materials cost & availability, changes in Government regulations and tax structure, economic developments within India and the countries with which the Company has business contacts and other factors such as litigation and industrial relations. Actual results could differ materially from those expressed or implied.

Auditors' Report

- To
The Members of Gallantt Metal Limited
1. We have audited the attached Balance Sheet of GALLANTT METAL LIMITED as at 31st March, 2012, the Statement of Profit & Loss and also the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
 4. Further to our comment in the annexure referred to in Paragraph 3 above, we report that :-
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for my audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
 - c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in agreement with the books of Accounts.
 - d. In our opinion, the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from directors and taken on record by the Board of Directors, we report that none of the director is disqualified from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 as on 31st March, 2012.
 - f. In our opinion and to the best of our knowledge and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956 in the manner as required, and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
 - ii) In the case of Statement of Profit & Loss, of the profit of the Company for the year ended on that date.
 - iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date

For **A. K. MEHARIA & ASSOCIATES**
Chartered Accountants
A. K. Meharia
Partner
Membership No. 53918
Registration No. 32466E

Dated : May 29, 2012

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Fixed assets have been physically verified by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- ii)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of its inventories. No material discrepancies were noticed on physical verification.
- iii)
 - a) The Company has granted loans, secured or unsecured to Companies, firms or other parties, covered in the register maintained under Section 301 of the Act. The number of such party is two and the maximum amount outstanding during the year was ₹ 1769.84 Lacs and the year end balance was ₹ 155.60 Lacs
 - b) In our opinion, the rate of interest and other terms and conditions on which such loans has been granted to the Company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the Company.
 - c) As per information made available to us, the aforesaid loans including interest wherever stipulated, given by the company were repayable on demand.
 - d) In respect of the aforesaid loan including interest, there is no overdue amount at the year end.
 - e) The Company has taken loan from the Company covered in the register maintained under section 301 of the Companies Act, 1956. The number of such party is one and the maximum amount involved during the year was ₹ 200.00 Lacs and year end balance taken from such party was ₹ Nil.
 - f) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from Company listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie prejudicial to the interest of the Company.
 - g) In respect of loans taken, the principal amount and interest is repayable on demand and the Company is regular in repaying the principal amount and interest as stipulated and no amount is overdue.
- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventories, fixed asset and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system.
- v) According to the information and explanation provided by the management, the transactions that need to be entered into the register maintained U/S 301 of the Companies Act, 1956 have been so entered. The transaction exceeding the value of rupees five lakhs in respect of each party have been entered during the year, whose market price at the relevant time of the transaction is not available before us to enable us to comment on the reasonability of the market price at the relevant time or having regard to the explanations that some transactions are special in nature where suitable alternative do not exist.
- vi) The Company has not accepted any deposit from the public as stipulated under the Provisions of Section 58A and 58AA of the Companies Act, 1956.
- vii) The Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.

Annexure to the Auditors' Report

- viii) We have broadly reviewed the books of account maintained by the Company, pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- ix) a) In our opinion and according to the information and explanations given to us, Company is generally been regular in depositing with appropriate authorities undisputed statutory dues, as required under this clause and applicable to the Company during the year.
- b) According to the information and explanations given to us, there is no undisputed amount payable in respect of statutory dues, outstanding for more than six months from the date they become payable as on 31st March, 2012.
- c) According to the information and explanations given to us, there are no statutory dues that have not been deposited with the appropriate authorities on account of any dispute except for the amount mentioned below :

Name of the Statute	Nature of the Dues	Amount (₹ in lacs)	Period	Forum where dispute is pending
Sales Tax Act	Sales Tax	38.04	2006-07	Joint Commissioner (Appeal)

- x) The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) Based on our audit procedure and on the basis of information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions or banks.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or nidhi/mutual benefit fund/society, therefore clause 4(xiii) of the order is not applicable to the Company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures, other investments and contracts.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans were applied for the purpose for which these were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
- xix) The Company has not issued any debentures during the year.
- xx) During the year the Company has not raised any money by way of public issue. Hence clause (xx) of Para 4 of the order is not applicable.
- xxi) In our opinion and according to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **A. K. MEHARIA & ASSOCIATES**
Chartered Accountants
A. K. Meharia
Partner
 Membership No. 53918
 Registration No. 32466E

Dated : May 29, 2012

Balance Sheet as at 31st March, 2012

(₹ in lacs)

	Notes	As at 31st March, 2012	As at 31st March, 2011
A. EQUITY AND LIABILITY			
SHAREHOLDERS' FUNDS			
Share Capital	1	8132.23	8132.23
Reserve & Surplus	2	11942.71	10488.38
		20074.94	18620.61
NON-CURRENT LIABILITIES			
Long-term borrowings	3	3790.56	6032.64
Deferred Tax Liability (Net)	4	1878.19	1797.04
		5668.75	7829.68
CURRENT LIABILITIES			
Short-term borrowings	5	5723.44	3142.98
Trade payables	6	3260.42	2630.01
Other current liabilities	7	2984.29	3382.20
Short-term provisions	8	1520.76	2083.95
		13488.91	11239.14
Total		39232.60	37689.43
B. ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible assets	9	20441.83	21517.53
Capital work in progress		63.57	58.96
Non-current Investment	10	4260.37	2910.37
Long-term loans and advances	11	39.35	39.35
		24805.12	24526.21
CURRENT ASSETS			
Inventories	12	6188.92	4800.19
Trade receivables	13	3349.35	2155.40
Cash & Bank Balances	14	1101.97	663.48
Short-term loan and advances	15	587.13	2675.22
Other current assets	16	3200.11	2868.93
		14427.48	13163.22
Total		39232.60	37689.43
The notes form an integral part of these financial statements			
Significant Accounting Policies			

As per our Report of even date

For **A. K. MEHARIA & ASSOCIATES**

Chartered Accountants

A. K. Meharia

Partner

Membership No.:053918

Firm Reg No. : 324666E

Place : Kolkata

Dated : The 29th Day of May, 2012

Chandra Prakash Agrawal**Nitin M Kandoi****Dinesh R Agarwal****Rajesh Upadhyaya**

Chairman & Managing Director

Director

Wholetime Director

Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2012

(₹ in lacs)

	Notes	Year ended 31st March, 2012	Year ended 31st March, 2011
A. INCOME :			
Revenue from operations (gross)	17	64319.95	59285.30
Less : Excise Duty		5787.59	3616.97
Revenue from operations (net)		58532.36	55668.33
Other Income	18	284.99	1177.48
Total Revenue		58817.35	56845.81
B. EXPENSES			
Cost of raw material and component consumed	19	49393.85	46174.65
Changes in inventory of finished goods and work in progress	20	(542.82)	35.37
Employee benefit expenses	21	673.92	566.69
Finance Cost	22	1594.69	1379.65
Depreciation and amortisation		1553.54	1567.50
Other expenses	23	4607.82	4096.01
Total Expenses		57281.00	53819.87
Profit/(Loss) before tax		1536.35	3025.94
Tax expenses			
Current Tax		301.88	603.78
Less : MAT Credit		(301.88)	–
Wealth Tax		0.87	–
Deferred Tax		81.15	129.91
Total tax expenses		82.02	733.69
Profit/(Loss) for the period		1454.33	2292.25
Earning per equity share			
Basic and Diluted (₹)		1.79	2.82
The notes form an integral part of these financial statements			
Significant Accounting Policies			

As per our Report of even date

For **A. K. MEHARIA & ASSOCIATES**

Chartered Accountants

A. K. Meharia

Partner

Membership No.:053918

Firm Reg No. : 324666E

Place : Kolkata

Dated : The 29th Day of May, 2012

Chandra Prakash Agrawal**Nitin M Kandoi****Dinesh R Agarwal****Rajesh Upadhyaya**

Chairman & Managing Director

Director

Wholtime Director

Company Secretary

Cash Flow Statement

for the year ended 31st March, 2012

(₹ in lacs)

	2011-12	2010-11
OPERATING ACTIVITIES		
Net Profit before Tax as per Profit & Loss Account	1536.35	3025.94
Adjusted for :		
Depreciation and Amortisation expenses	1553.54	1567.50
Loss on sale/discarded of Fixed Assets (net)	24.61	5.31
Net gain on sale of investment	–	(777.25)
Dividend Income	(27.51)	–
Finance Cost	1594.69	1379.65
Interest Income	(215.86)	2929.47
		(399.72)
Operating profit before working capital changes	4465.82	4801.43
Adjusted for :		
Trade and other receivables	(1189.16)	724.23
Inventories	(1388.73)	(443.85)
Trade and other Payables	917.84	230.97
	(1660.05)	511.35
Cash generated from operating activities	2805.77	5312.78
Direct Tax Refund/Paid (Net)	(304.68)	(620.22)
Net Cash from Operating Activities	2501.09	4692.56
INVESTING ACTIVITIES		
Interest income	191.48	387.46
Investment in Shares	(1350.00)	(2,500.00)
Purchase of fixed assets	(514.73)	(387.06)
Sale of fixed assets	7.95	12.12
Sale of investment	–	1,232.25
Dividend income	27.51	–
Movement in loans and advances	1436.22	1874.20
Net Cash used in Investing Activities	(201.57)	618.97
FINANCING ACTIVITIES		
Repayment of Long term borrowings	(2830.85)	(4438.76)
Short term borrowings (net)	2580.46	379.58
Interest paid	(1610.63)	(1374.70)
Net Cash used in Financing Activities	(1861.02)	(5433.88)
Net increase / (decrease) in Cash and Cash Equivalent	438.50	(122.35)
Opening balance of Cash and Cash Equivalent	663.47	785.83
Closing balance of Cash and Cash Equivalent	1101.97	663.48

As per our Report of even date

For **A. K. MEHARIA & ASSOCIATES**

Chartered Accountants

A. K. Meharia

Partner

Membership No.:053918

Firm Reg No. : 324666E

Place : Kolkata

Dated : The 29th Day of May, 2012

Chandra Prakash Agrawal

Chairman & Managing Director

Nitin M Kandoi

Director

Dinesh R Agarwal

Wholetime Director

Rajesh Upadhyaya

Company Secretary

Notes on Financial Statement for the year ended 31st March, 2012

(₹ in Lacs)

	As at 31.03.12	As at 31.03.11
1 SHARE CAPITAL		
AUTHORISED SHARES		
8,30,00,000 (Previous Year : 8,30,00,000) Equity Shares of ₹ 10/- each	8300.00	8300.00
ISSUED, SUBSCRIBED & PAID UP		
8,13,22,324 (Previous Year : 8,13,22,324) Equity Shares of ₹ 10/- each	8132.23	8132.23
	8132.23	8132.23

(a) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders except in the case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount in proportion of their shareholding.

(b) **Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at 31 March, 2012		As at 31 March, 2011	
	No. of shares	% holding	No. of shares	% holding
Gallantt Udyog Limited	24113127	29.65	24113127	29.65
Hipoline Commerce Pvt. Ltd.	11710000	14.40	11710000	14.40
Lexi Export Pvt. Limited	11503600	14.15	11503600	14.15
Elara India Opportunities Fund Ltd.	5000000	6.15	5000000	6.15

	As at 31.03.12	As at 31.03.11
2 RESERVE & SURPLUS		
(a) Securities Premium Account		
Balance as per the last financial statements	1050.00	1050.00
(b) Profit & Loss Account		
Balance as per last financial statement	9438.38	7146.13
Profit for the year	1454.33	2292.25
Closing Balance	10892.71	9438.38
Total	11942.71	10488.38

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	As at 31.03.12		As at 31.03.11	
	Non-current	Current	Non-current	Current
3 LONG-TERM BORROWINGS				
Secured				
Term Loans - from bank	3771.00	2174.32	6008.19	2750.00
Vehicle Loan	0.00	0.00	0.00	17.98
	3771.00	2174.32	6008.19	2767.98
Unsecured				
Deferred sales tax loan	19.56	9.78	24.45	4.89
	19.56	9.78	24.45	4.89
Total	3790.56	2184.11	6032.64	2772.87

- (i) Term loan includes corporate loan of ₹ 13.10 crores.
- (ii) Current portion of the loan have been grouped under "Current maturity of long term debt" (refer note - 7).
- (iii) **Terms of repayment for secured borrowings**
- Term loan amounting to ₹ 572.50 lacs (P.Y. ₹ 2862.50 lacs) is repayable in 20 quarterly installments commencing from July 2007. Last installment is due in April 2012. Rate of interest 13.25% P.A as at the year end (P.Y. 11.75% P.A).
 - Term loan amounting to ₹ 282.50 lacs (P.Y. ₹ 742.50 lacs) is repayable in 20 quarterly installments commencing from January 2008. Last installment due is in October 2012. Rate of interest 13.25% P.A as at the year end (P.Y. 11.75% P.A).
 - Term loan amounting to ₹ 3780.00 lacs (P.Y. ₹ 3780.00 lacs) is repayable in 14 quarterly installments commencing from June 2012. Last installment is due in September 2015. Rate of interest 13.25% P.A as at the year end (P.Y. 11.75% P.A).
 - Corporate loan amounting to ₹ 1310.00 lacs (P.Y. ₹ 1310.00 lacs) is repayable in 8 quarterly installments commencing from June 2012. Last installment is due in March 2014. Rate of interest 13.25% P.A as at the year end (P.Y. 11.75% P.A).
- (iv) **Nature of Security for secured borrowing**
- All the above term loans are secured by first pari pasu charge on all the fixed assets (present and future) and second paripasu charge on current assets of the plant situated in Kutch, Gujarat.
 - All the above term loans are secured by equitable mortgage of house property of Sri S.K.Agarwal, relative of director and collateral security by pledge of equity share of the Company held by promoters.
 - Further the above term loans has been guaranteed by the corporated guarantee of M/s. Gallantt Udyog Ltd. to the extent of shares pledged aggregating 146.50 lacs equity shares of ₹ 10/- each and M/s Hipoline Commerce Pvt. Ltd.
 - Further the above term loans has been guaranteed by the personal guarantee of Sri C.P. Agarwal, Sri Dinesh R Agarwal, Sri Nitin Kandoi director of the company and Mr. S.K.Agarwal relative of the director.
- (v) Vehicle loan is secured by hypothecation of respective vehicles.
- (vi) Deffered sales tax loan is interest free and payable in 6 equal yearly installment of ₹ 4.89 lacs payable from 2011-12.

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	As at 31.03.12	As at 31.03.11
4 DEFFERED TAX LIABILITY (NET)		
Deffered tax liability		
Related to fixed assets	1893.59	1812.19
Deffered tax assets		
Disallowance under the Income Tax Act	15.40	15.15
Total	1878.19	1797.04

	As at 31.03.12	As at 31.03.11
5 SHORT-TERM BORROWINGS		
Secured		
Working capital loan from bank	3906.23	3142.98
	3906.23	3142.98
Unsecured		
Foreign currency loans - Buyers credit	1817.21	0.00
	1817.21	0.00
Total	5723.44	3142.98

- (i) Working capital loan includes working capital term loan of ₹ 2018.68 lacs bearing interest @ 11% P.A (P.Y. Nil) and repayable in May 2012.
- (ii) Working capital loan from bank is secured by first charge on all the current assets and second charge on fixed assets of the plant situated in Kutch, Gujarat bearing interest @ 13.75% P.A (P.Y. 12%) at the end of the year.

	As at 31.03.12	As at 31.03.11
6 TRADE PAYABLES		
Trade Payables (including acceptance)	3260.41	2630.01
Total	3260.41	2630.01

	As at 31.03.12	As at 31.03.11
7 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (note - 3)	2184.11	2772.87
Interest accrued and due on borrowings	74.98	90.92
Statutory Dues	186.96	98.40
Other Payable	538.25	420.00
Total	2984.30	3382.19

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	As at 31.03.12	As at 31.03.11
8 SHORT-TERM PROVISIONS		
Provision for gratuity (Refer Note - 29)	3.47	2.39
For Taxation	1322.68	1967.35
Other Provision	194.62	114.21
Total	1520.77	2083.95

9 TANGIBLE ASSETS											
Sl. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Original cost as on 1.4.2011	Additions during the year	Sales/Adjustment	Total As on 31.3.12	Upto 1.4.2011	Depreciation for the year	Sales/Adjustment	Total upto 31.3.12	As at 31.3.12	As at 31.3.11
1	Land	590.37	0.00	2.00	588.37	0.00	0.00	0.00	0.00	588.37	590.37
2	Building	3958.35	69.77	0.00	4028.12	521.49	124.42	0.00	645.92	3382.20	3436.85
3	Plant & machinery	20638.24	161.01	43.65	20755.60	4878.96	1247.44	22.92	6103.49	14652.11	15759.27
4	Misc. Fixed assets	1664.44	144.38	0.00	1808.82	340.51	82.70	0.00	423.21	1385.61	1323.93
5	Computer	40.17	5.37	0.00	45.54	22.00	6.89	0.00	28.89	16.65	18.17
6	Furniture & fixture	62.89	3.03	0.00	65.93	15.31	4.10	0.00	19.41	46.52	47.58
7	Office equipment	43.98	2.38	0.00	46.35	7.73	2.16	0.05	9.84	36.51	36.24
8	Vehicles	295.89	47.85	16.03	327.71	93.63	32.18	6.51	119.30	208.41	202.26
9	C.I.Mould	133.30	24.23	2.37	155.16	49.29	17.13	0.00	66.42	88.74	84.01
10	Rolls	144.21	55.23	0.00	199.44	125.38	37.36	0.00	162.74	36.70	18.83
	Total	27571.83	513.26	64.05	28021.04	6054.31	1554.38	29.47	7579.21	20441.83	21517.53
	Previous Year	26020.09	1235.47	61.70	27193.86	3086.09	1479.56	20.14	4545.51	22648.35	22934.00

Note : (i) Depreciation amounted to ₹ 1.14 lacs has been transferred to preoperative expenses.

	As at 31.03.12	As at 31.03.11
10 NON-CURRENT INVESTMENTS		
Investment in associates (Unquoted, trade) [21,00,000 (P.Y. 12,00,000)] equity shares of ₹ 10 each fully paid up in Gallantt Udyog Limited	3150.00	1800.00
Investment in associates (Quoted, trade) 55,01,992 (P.Y. 55,01,992) equity shares of ₹ 10/- each fully paid up in Gallantt Ispat Limited	1110.20	1110.20
Investment in Government Securities (Unquoted, trade) National saving Certificate (deposit with Government department as security)	0.17	0.17
Total	4260.37	2910.37
Market value of quoted investments	2338.35	3994.45

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	As at 31.03.12	As at 31.03.11
11 LONG-TERM LOANS AND ADVANCES		
Security deposit		
Unsecured, considered good	39.35	39.35
Total	39.35	39.35

	As at 31.03.12	As at 31.03.11
12 INVENTORIES		
Raw Materials (includes in transit ₹ 648.36 lacs (P.Y ₹ 203.90)	3518.78	2890.63
Work-in-progress	26.48	23.83
Finished goods	1750.34	1210.18
Stores & Spares	893.32	675.55
Total	6188.92	4800.19

	As at 31.03.12	As at 31.03.11
13 TRADE RECEIVABLES		
(Unsecured considered good)		
Outstanding for a period within six months	3349.35	2155.40
Total	3349.35	2155.40

	As at 31.03.12	As at 31.03.11
14 CASH AND BANK BALANCES		
Cash and cash equivalents		
(a) Balances with banks		
On Current accounts	12.31	10.70
On fixed deposits accounts *	251.00	261.81
Cash on hand	17.16	13.96
	280.47	286.47
(b) Other bank balances		
Fixed deposit with bank to the extent held as margin money	821.50	377.01
	821.50	377.01
Total	1101.97	663.48

* Fixed deposit with banks include deposit of ₹ 165.00 lacs (P.Y. ₹ 165.00 lacs) with maturity of more than 12 months.

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	As at 31.03.12	As at 31.03.11
15 SHORT-TERM LOANS AND ADVANCES		
(Unsecured, considered good otherwise stated)		
Loan and advances to related parties	155.60	1591.82
Advance income tax (net of provision for taxation)	23.85	665.71
Balance with Government Authorities	127.30	162.72
Other Advances *	280.38	254.97
Total	587.13	2675.22

* Includes interest received on Fixed Deposits with Banks.

	As at 31.03.12	As at 31.03.11
16 OTHER CURRENT ASSETS		
Balance with Government Authorities	1577.68	1548.08
MAT Credit Entitlement	1622.13	1320.25
Preliminary Expenses	0.30	0.60
Total	3200.11	2868.93

	2011-12	2010-11
17 REVENUE FROM OPERATIONS		
Sale of products		
Finished goods	64176.53	59275.53
Other	143.42	9.77
Revenue from operations (gross)	64319.95	59285.30
Less : Excise duty	5787.59	3616.97
Revenue from operations (net)	58532.36	55668.33

	2011-12	2010-11
18 OTHER INCOME		
Interest income on		
- Fixed Deposit	81.97	32.10
- Security Deposit	0.00	8.68
- Others *	133.89	358.94
Dividend on Current investment	27.51	0.00
Gain on sale of current investment	0.00	777.25
Other Income **	41.62	0.51
Total	284.99	1177.48

* Interest from others includes ₹ 16.82 lacs (P.Y. ₹ 2.90 lacs) late payment charges.

** Other income includes provision no longer required ₹ 36.44 lacs (P.Y. ₹ Nil).

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	2011-12	2010-11
19 COST OF MATERIAL CONSUMED		
Inventory at the beginning of the year	2890.63	2525.95
Add : Purchases	50022.00	46539.33
	52912.63	49065.28
Less : inventory at the end of the year	3518.78	2890.63
Cost of raw material consumed	49393.85	46174.65

Imported and indigenous Raw Material consumed	2011-12		2010-11	
	₹ in lacs	% of total	₹ in lacs	% of total
Imported	11525.62	23.33	9086.11	19.68
Indigenous	37868.23	76.67	37088.54	80.32

	2011-12	2010-11
20 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS		
Inventory at the end of the year		
Finished	1750.34	1210.18
Semi - Finished	26.48	23.82
	1776.82	1234.00
Inventory at the beginning of the year		
Finished	1210.18	1258.67
Semi - Finished	23.82	10.70
	1234.00	1269.37
Changes in inventories	(542.82)	35.37

	2011-12	2010-11
21 EMPLOYEE BENEFIT EXPENSES		
Salary, Wages and Bonus	644.45	546.26
Contribution to Provident and other Fund	7.61	6.06
Staff Welfare expenses	21.86	14.37
Total	673.92	566.69

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	2011-12	2010-11
22 FINANCE COST		
Interest expenses	1495.40	1232.80
Other borrowing cost	99.29	146.85
Total	1594.69	1379.65

	2011-12	2010-11
23 OTHER EXPENSES		
(a) Manufacturing expenses		
Consumption of stores and spares	668.23	751.93
(increase) / decrease of excise duty on inventory	79.54	(4.53)
Power & Fuel	1081.51	896.04
Repairs to Plant & Machinery	201.10	86.17
Repairs to Building	13.17	3.67
Repairs to others	9.69	6.74
Other manufacturing expenses	1024.33	909.43
	3077.57	2649.45
(b) Other establishment expenses		
Rent	2.97	3.18
Insurance	71.48	92.87
Rates & Taxes	11.57	10.54
Miscellaneous Expenses	151.13	153.31
Loss on sale/Discard of fixed assets	24.62	5.31
Commission & Brokerage	32.76	40.10
Exchange differences (net)	130.80	83.08
Carriage & Freight	1011.35	1001.20
Selling expenses	93.57	56.98
	1530.25	1446.57
Total	4607.82	4096.02

* Prior period expenses includes ₹ 14.36 lacs in respective head of accounts.

** (increase)/decrease of excise duty on inventory shown under expenditure represents differential excise duty on opening and closing stock of finished goods.

	2011-12	2010-11
Payment to Auditor		
Audit fee	2.50	2.30
Tax audit fee	0.30	0.30
Other services (certification fee)	0.20	0.15
Reimbursement of expenses	0.40	0.52
	3.40	3.27

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	2011-12	2010-11
24 VALUE OF IMPORTS ON CIF BASIS		
Raw Materials (including in -transit)	5283.11	3332.06
Stores and spares	2.76	–
Capital Goods	21.40	12.24

	2011-12	2010-11
25 INCOME AND EXPENDITURE IN FOREIGN CURRENCY		
(a) Income	–	–
(b) Expenditure		
Interest	7.57	268.38
Others	1.29	5.94

	2011-12	2010-11
26 EARNING PER SHARES		
(i) Net profit after tax as per profit and loss account attributable to equity shareholders (₹)	145432819	229224787
(ii) Equity shares used as denominator for calculating EPS (No.)	81322324	81322324
(iii) Basic and Diluted Earning Per share (₹)	1.79	2.82
(iv) Face Value per equity share (₹)	10	10

- 27 TRADE PAYABLES**
- (i) Trade Payable includes (i) ₹ Nil (P.Y. Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSME) and (ii) ₹ 3260.41 lacs (P.Y. ₹ 2630.01 lacs) due to other parties.
- (ii) No interest is paid/payable during the year to any enterprise registered under the MSME.
- (iii) The above information has been determined to the extent such parties could be indentified on the basis of the information available with the company regarding status of suppliers under the MSME.

- 28 RELATED PARTY DISCLOSURES**
- (i) **Associate Company**
- Gallantt Udyog Ltd
 - Gallantt Ispat Ltd
 - Ganesh Laxmi Processors Pvt. Ltd.
 - Hipoline Commerce Pvt. Ltd.
- (ii) **Key Managerial Personnel**
- Mr. Chandra Prakash Agrawal
 - Mr. Dinesh R. Agarwal

Notes on Financial Statement *(Contd.)*

(₹ in Lacs)

28 RELATED PARTY DISCLOSURES *(Contd.)*

Related Party Transaction & Balance

Nature of Transaction	Associates	Key Management Personnel	Total
Purchase of Goods	– (13.15)	– (–)	– (13.15)
Sale of Goods	5.02 (35.78)	– (–)	5.02 (35.78)
Share Sold	– (2275.00)	– (–)	– (2275)
Shares Purchased/allotted	1350.00 (2500.00)	– (–)	1350.00 (2500.00)
Loan Taken	– (2.50)	– (–)	– (2.50)
Rent	– (0.38)	– (–)	– (0.38)
Loan Given	2367.00 (8570.00)	– (–)	2367.00 (8570.00)
Loan Repayment	– (35.00)	– (–)	– (35.00)
Loan received back	3813.82 (–)	– (–)	3813.82 (–)
Interest Paid	– (1.62)	– (–)	– (1.62)
Interest Received	117.07 (338.32)	– (–)	117.07 (338.32)
Remuneration Paid	– (–)	26.40 (24.00)	26.40 (24.00)
Balance of Sundry Creditors as on 31.03.2012	– (0.38)	– (–)	– (0.38)
Balance of Loan Given as on 31.03.2012	155.60 (1591.82)	– (–)	155.60 (1591.82)

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	2011-12	2010-11
29 DISCLOSURES PURSUANT TO ACCOUNTING STANDARD - 15 "EMPLOYEE BENEFIT"		
(a) Components of Employer expenses		
(i) Current Service Cost	1.70	13.12
(ii) Interest Cost	2.96	3.17
(iii) Expected return on Assets	(3.26)	(2.98)
(iv) Actuarial (gain) / Losses	5.66	(19.29)
(v) Total Expenses	7.07	(5.98)
(b) Net Assets (Liability) recognized in Balance Sheet		
(i) Present value of defined benefit obligation	47.53	37.01
(ii) Fair value of Plant Assets	44.06	40.61
(iii) Funded status (surplus / (Deficit))	(3.47)	3.60
(iv) Net Assets / (Liability)	(3.47)	3.60
(c) Change in obligation during the year		
(i) Present value of defined benefit obligation at the beginning of the year	37.01	39.64
(ii) Current Service Cost	1.70	13.12
(iii) Interest Cost	2.96	3.17
(iv) Actuarial (Gain) / Losses	5.86	(18.92)
(v) Benefit Payment	–	–
(vi) Present value of defined Benefit obligation at the end of the year	47.53	37.01
(d) Change in Assets		
(i) Plan Assets at the beginning of the year	40.61	37.26
(ii) Expected return on plant Assets	3.26	2.98
(iii) Actuarial Gain / (Loss)	0.19	0.37
(iv) Plan Assets at the end of the year	44.06	40.61
(e) Actuarial Assumption		
(i) Discount Rate	8.00%	8.00%
(ii) Expected return on Assets	8.00%	8.00%
(iii) Salary increase	6.00%	6.00%
(iv) Mortality	Indian Assurd Live Mortality (1994-96)	Indian Assurd Live Mortality (1994-96)

30 SEGMENT REPORTING

(1) Primary Segment (By Business Segment) :

The Company is engaged in the business of production of Iron, Steel & Power. The Company has two reportable business segments i.e. Steel and Power which have been identified in line with the Accounting Standard-17 on "Segment Reporting". Information about Primary Segment is as follows :

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	2011-12	2010-11
30 SEGMENT REPORTING (Contd.)		
(i) Segment Revenue		
(a) Steel	58532.36	55658.56
(b) Power	8828.47	7803.14
(c) Un allocable Income	284.99	1187.25
Sub Total	67645.82	64648.95
Less : Inter Segment Revenue	8828.47	7803.14
Net Segment Revenue	58817.35	56845.81
(ii) Segment Results		
(a) Steel	887.71	666.33
(b) Power	1958.33	2453.71
Sub Total	2846.04	3120.04
Less : Interest	1594.69	1232.80
Less : Other Unallocable expenses	(284.99)	(1138.69)
Profit before Tax	1536.35	3025.93
(iii) Capital Employed (Segment Assets less Segment Liabilities)		
(a) Steel	10993.61	18166.02
(b) Power	10289.03	11068.79
(c) Un-allocable	4461.05	3192.92
Total Capital Employed	25743.69	32427.73
(iv) Capital Expenditure during the period		
(a) Steel	513.26	364.39
(b) Power	–	42.22

(2) Secondary Segment (By Geographical Segment) :

The secondary segment is based on geographical demarcation i.e. India & Rest of the World. There is no reportable segment under above category.

	2011-12	2010-11
31 CONTINGENT LIABILITIES AND COMMITMENTS (To the extent not provided for)		
(i) Curtailing the assured benefit of exemption granted to New Industrial unit in Kutch, Gujarat. The Company is entitled to exemption for 100% of the duty paid in Cash after utilization of CENVAT Credit for 5 years from the date of Commercial Production. Hon'ble High Court of Gujarat has granted the verdict in favor of Company, Department preferred appeal in Supreme Court.	1040.44	1040.44
(ii) Custom/Excise duty on Capital Goods imported/purchased under EPCG Scheme, against which export obligation is to be full filled.	198.50	470.97

Notes on Financial Statement (Contd.)

(₹ in Lacs)

	2011-12	2010-11
31 CONTINGENT LIABILITIES AND COMMITMENTS (Contd.)		
(iii) Disputed liability in respect of sales tax (out of which ₹ 42.00 lacs has already been paid.	80.04	80.04
(iv) Wealth tax demand from A.Y 2006-07 to 07-08.	3.04	–
(v) Input VAT Credit on coal purchases taken by the company and not agreed to by the Department.	40.33	40.33
(vi) Claim against the company not acknowledged debt in respect of disputed liability of freight with railway. Case is pending in Hon'ble Highcourt, Gujarat.	161.45	–

	2011-12	2010-11
32 DETAILS OF SALE OF PRODUCTS		
M. S. Round Bar	35880.18	27995.57
Billet	22267.22	26300.20
Misroll	241.53	347.91
Others	143.42	1024.65
	58532.35	55668.33

	2011-12	2010-11
33 DETAILS OF INVENTORIES		
(a) Raw Materials		
Iron Ore / Pellets	1556.17	1559.59
Coal	1666.32	546.86
M.S. Scrap	179.93	678.03
Others	116.36	106.15
Total	3518.78	2890.63
(b) Work-in-Progress		
Sponge Iron	26.48	23.82
(c) Finished Goods		
M.S.Round Bar	964.13	618.07
Billet	598.09	167.75
Misroll	30.32	34.52
Sponge Iron	157.80	389.83
	1750.34	1210.17

Notes on Financial Statement *(Contd.)*

(₹ in Lacs)

	2011-12	2010-11
34 DETAILS OF RAW MATERIALS CONSUMED		
Iron Ore / Pellets	13302.78	11693.27
Coal	10602.72	10013.15
M.S.Scrap	17708.93	16487.28
Sponge Iron	5551.27	5831.89
Others	2228.15	2149.06
Total	49393.85	46174.65

- 35 The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre- revised Schedule VI to the companies Act, 1956. Consequent to the notification under the Companies Act, 1956 the financial statements for the year ended 31st March 2012 are prepared under revised schedule VI. Accordingly the previous year figures have also been reclassified to conform to this year classification.
- 36 The Company has assessed its fixed assets for impairment at the end of the year and concluded that there has been no significant impaired fixed assets that needs to be recognised in the books of accounts.
- 37 The remission scheme on sales tax charged on sales for a period of ten years subject to sales tax collected and refund of VAT on material purchased upto ₹ 91.09 Crore has been exhausted during the financial year ending on March, 2011.
- 38 The Scheme of remission of excise duty provided by the department of Central Excise for five years from the date of production by way of refund of excise duty paid has been completed during the financial year ending on March, 2011.
- 39 Balance of some of the sundry debtors, sundry creditors, loans & advances are subject to confirmation from the respective parties.
- 40 Based on the profitability projection, the Company is certain that there would be sufficient taxable income in the future to claim the "MAT credit Entitlement".

Annexure I

Statement of Significant Accounting Policies and Practices

(I) Basis of Preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statement to comply in all material respects with the accounting standards notified under the Companies (Accounting Standard) Rule, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statement have been prepared on an accrual basis and under the historical cost convention.

(II) Revenue Recognition :

- (a) Sale of goods is recognized when they are invoiced to customers and are inclusive of excise duty, sales tax but exclusive of sales return and turnover discounts.
- (b) Insurance, duty drawback and other claims are accounted for on receipt basis or as acknowledged by the appropriate authorities.

(III) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known / materialised.

Notes on Financial Statement *(Contd.)*

(IV) Fixed Assets :

- (a) Fixed Assets are stated at cost of acquisition/installation less accumulated depreciation (other than 'Freehold Loand' where no depreciation is charged). The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use.
- (b) All expenses incurred for acquiring, erecting and commissioning of the fixed assets including interest on loan utilized for meeting capital expenditure and incidental expenditures incurred during the implementation of the project are shown under "Capital Work in Progress. The advance given for acquiring fixed assets is also shown along with the "Capital Work in Progress".

(V) Depreciation and Amortisation:

- (a) Depreciation on fixed assets has been provided on straight line method (SLM) at the rates and manner prescribed under Schedule XIV to the Companies Act, 1956 of India.
- (b) Preliminary expenses are amortized over a period of 5 years from the date of transaction.

(VI) Investments :

Investments are classified into current and Long -term investment. Current Investments are stated at lower of cost and fair market value. Long Term Investments are stated at cost after deducting provision, if any, for diminution in value considered to be other than temporary in nature.

(VII) Impairment :

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value being higher of value in use and net selling price. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

(VIII) Earning per share :

Basic and Diluted Earnings per shares are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

(IX) Borrowing Cost :

Borrowing Costs that are directly attributable to the acquisition or construction of Qualifying Assets are capitalized as part of cost of such assets. Other Borrowing Costs are charged as expense in the year in which these are incurred.

(X) Valuation of Inventories :

Inventories of Raw Materials, work-in-Progress, Stores and Spares, Goods in transit, Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formula used are First -in -First -out.

(XI) Excise Duty & Custom Duty

Excise duty in respect of finished goods lying in the factory premises and Custom duty on goods lying in customs bonded warehouse are provided for and included in the valuation of inventory.

(XII) Foreign Currency Transaction :

- (a) All transactions in foreign currency are recorded at the rate of exchange prevailing on the date when the relevant transaction take place.
- (b) Monetary items denominated in foreign currency at the year end are restated at the year end rates. Any income or expenses on account of exchange differences either on settlement or on translation is recognized in the Profit and Loss account except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

Notes on Financial Statement *(Contd.)*

- (c) The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expenses / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long -term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rate change. Any gain / loss arising on forward contracts which relate to acquisition of fixed assets is recognized to the carrying cost of such assets.

(XIII) Taxation :

- (a) Provision for current tax is made after taking in to consideration benefits admissible under the provisions of the Income Tax Act, 1961, Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and law that are enacted or substantively enacted as on the balance sheet date. Defferd tax assets is recognised and carried forward only to the extent that there is virtual certainty that the assets will be realised in future.
- (b) Minimum Alternate Tax (MAT) is recognised as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note issued by the "ICAI", the said asset is created by way of credit to the Profit & Loss Account and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent company does not have convincing evidence that it will pay normal tax during the specified period.

(XIV) Employee Benefits:

- (a) The company contributes to the employee's provident fund maintained under the Employees Provident Fund Scheme of the Central Government and the same is charged to the Statement of Profit & Loss. The company has no obligation, other than the contribution payable to the provident fund.
- (b) The company operates defined benefit plan for gratuity for its employees. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year end.using projected unit credit method.Actuarial gain and losses is recognized in the period in which they occur in the statement of profit and loss.

(XV) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. These are reviewed at each year end and adjusted to reflect the best current estimates. Contingent liabilities are not recognised but disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(XVI) Segment Reporting

- (a) The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.
- (b) Inter-division transfer of power generated by Power Plant unit is transferred to other unit at approximate prevailing market price at which other unit purchase power from Paschim Gujarat Vij. Company Limited (A Government of Gujarat Enterprise).

As per our Report of even date

For **A. K. MEHARIA & ASSOCIATES**

Chartered Accountants

A. K. Meharia

Partner

Membership No.:053918

Firm Reg No. : 324666E

Place : Kolkata

Dated : The 29th Day of May, 2012

Chandra Prakash Agrawal

Nitin M Kandoi

Dinesh R Agarwal

Rajesh Upadhyaya

Chairman & Managing Director

Director

Wholetime Director

Company Secretary

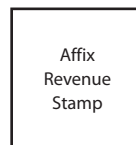
Gallantt Metal Limited

Registered Office :
1, Crooked Lane, 2nd Floor, Room No. 222 & 223, Kolkata - 700 069

Form of Proxy

I/We
of.....
..... being Member/Member(s) in the above named Company,
hereby appoint.....
of.....
or failing him of.....
..... as my/our proxy to attend and vote for me/us on my/our behalf
at the 8th Annual General Meeting of the Company to be held on **Tuesday, 25th September, 2012 at 1.30 P.M.** at Rabindra Okakura Bhavan,
DD-27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700 091 and any adjournment thereof.
Signed this day of 2012

Folio No.....
DP ID No.....
Client ID No.....
No. of Shares.....



Note : The proxy to be effective should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

Gallantt Metal Limited

Registered Office :
1, Crooked Lane, 2nd Floor, Room No. 222 & 223, Kolkata - 700 069

Attendance slip

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

Shares Held
Folio No.....
DP ID No.
Client ID No.

..... (Please write your name in BLOCK letters)

I hereby record my presence at the 8th Annual General Meeting of the Company held at Rabindra Okakura Bhavan, DD-27/A/1, Sector - 1, DD Block, Salt Lake City, Kolkata - 700 091 on Tuesday, 25th September, 2012 at 1.30 P.M.

Member's/Proxy's Signature

(To be signed at the time of handing over the slip)

- Notes :
1. Members/Proxy holders are requested to bring their copies of the Annual Report with them at the meeting.
 2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided, at the entrance of the Meeting Hall.

If undelivered, please return to :

GALLANTT METAL LIMITED

1, Crooked Lane, 2nd Floor, Room No. 222 & 223
Kolkata - 700 069, West Bengal, India

1786



CM/L-7690389

